

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

## **Independent Auditor's Report**

To the Shareholders of Bumrungrad Hospital Public Company Limited

I have audited the accompanying consolidated financial statements of Bumrungrad Hospital 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 income, 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 Bumrungrad Hospital 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 Bumrungrad Hospital Public Company Limited and its subsidiaries and of Bumrungrad Hospital 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 matters**

I draw attention to the following notes to the financial statements.

- a. Note 4 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.
- b. Note 5 to the financial statements, regarding the change in accounting estimation, changes in the estimated useful lives of certain assets in order to accord with the Company's campus expansion plan and the Group's estimated useful lives policy. The Group has applied the changes in estimated useful lives of assets prospectively. My opinion is not qualified in respect of this matter.

Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited

Bangkok: 19 February 2014

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2013**

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 December 2013	31 December 2012 (restated)	1 January 2012	31 December 2013	31 December 2012 (restated)	1 January 2012
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	8	5,857,210,842	6,034,143,584	1,260,730,653	5,712,060,469	5,940,595,542	1,186,267,376
Trade and other receivables	9	1,306,952,532	1,335,000,025	1,126,061,134	1,302,241,015	1,333,162,524	1,125,459,913
Short-term loan to and interest receivable from a related party		-	-	-	-	-	664,623
Inventories	11	304,537,841	233,750,762	265,739,534	294,037,530	224,785,095	258,702,724
Prepaid expenses		49,940,092	52,359,335	48,621,170	46,228,410	50,242,508	46,392,805
Other current assets		33,194,904	14,449,235	3,134,079	31,330,852	12,510,251	3,979,135
<b>Total current assets</b>		<b>7,551,836,211</b>	<b>7,669,702,941</b>	<b>2,704,286,570</b>	<b>7,385,898,276</b>	<b>7,561,295,920</b>	<b>2,621,466,576</b>
<b>Non-current assets</b>							
Long-term loan to a related party	10	-	-	-	1,855,253	-	-
Investments in subsidiaries	12	-	-	-	1,102,250,347	1,092,245,887	100,585,507
Investments in associates	13	234,586,180	237,744,698	4,251,254,988	7,109,760	7,109,760	3,939,040,872
Other long-term investments	14	1,700,000	1,700,000	1,900,000	1,700,000	1,700,000	1,700,000
Property, plant and equipment	15	9,095,692,909	7,683,003,847	6,241,553,191	8,082,024,242	6,666,243,186	6,273,421,626
Intangible assets	16	189,298,316	235,973,324	256,204,360	202,979,863	253,588,714	277,461,207
Other non-current assets		27,459,050	33,629,170	17,347,530	27,430,550	33,619,171	17,207,635
Deferred tax assets	25	150,956,742	122,952,252	218,431,097	150,725,884	122,573,024	217,787,298
<b>Total non-current assets</b>		<b>9,699,693,197</b>	<b>8,315,003,291</b>	<b>10,986,691,166</b>	<b>9,576,075,899</b>	<b>8,177,079,742</b>	<b>10,827,204,145</b>
<b>Total assets</b>		<b>17,251,529,408</b>	<b>15,984,706,232</b>	<b>13,690,977,736</b>	<b>16,961,974,175</b>	<b>15,738,375,662</b>	<b>13,448,670,721</b>

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

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2013**

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 December 2013	31 December 2012 (restated)	1 January 2012	31 December 2013	31 December 2012 (restated)	1 January 2012
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Trade and other payables	17	858,881,919	799,949,180	602,684,350	850,388,711	795,374,606	600,876,425
Accrued physicians' fees		488,245,603	502,738,211	452,054,931	483,325,480	498,244,832	448,591,363
Accrued expenses		384,507,691	394,061,036	269,107,115	380,366,250	388,595,256	267,667,696
Income tax payable		329,138,563	372,558,595	124,932,284	324,151,673	368,903,770	122,954,657
Other current liabilities		64,324,570	68,314,929	57,208,049	56,566,871	55,386,350	50,242,326
<b>Total current liabilities</b>		<b>2,125,098,346</b>	<b>2,137,621,951</b>	<b>1,505,986,729</b>	<b>2,094,798,985</b>	<b>2,106,504,814</b>	<b>1,490,332,467</b>
<b>Non-current liabilities</b>							
Long-term loan from a related party	10	176,400,000	-	-	176,400,000	-	-
Long-term debentures	18	4,966,090,116	4,960,466,455	4,954,926,250	4,966,090,116	4,960,466,455	4,954,926,250
Provision for long-term employee benefits	20	386,976,265	376,129,519	277,760,646	386,010,590	374,209,377	272,952,698
<b>Total non-current liabilities</b>		<b>5,529,466,381</b>	<b>5,336,595,974</b>	<b>5,232,686,896</b>	<b>5,528,500,706</b>	<b>5,334,675,832</b>	<b>5,227,878,948</b>
<b>Total liabilities</b>		<b>7,654,564,727</b>	<b>7,474,217,925</b>	<b>6,738,673,625</b>	<b>7,623,299,691</b>	<b>7,441,180,646</b>	<b>6,718,211,415</b>
<b>Shareholders' equity</b>							
Share capital	22						
Registered							
921,211,022 ordinary shares of Baht 1 each (2012: 921,043,709 ordinary shares of Baht 1 each)		921,211,022	921,043,709	921,034,085	921,211,022	921,043,709	921,034,085
1,491,663 preference shares of Baht 1 each (2012: 1,658,976 preference shares of Baht 1 each)		1,491,663	1,658,976	1,668,600	1,491,663	1,658,976	1,668,600
		<b>922,702,685</b>	<b>922,702,685</b>	<b>922,702,685</b>	<b>922,702,685</b>	<b>922,702,685</b>	<b>922,702,685</b>
Issued and paid-up							
728,560,559 ordinary shares of Baht 1 each (2012: 728,393,246 ordinary shares of Baht 1 each)		728,560,559	728,393,246	728,383,622	728,560,559	728,393,246	728,383,622
1,491,663 preference shares of Baht 1 each (2012: 1,658,976 preference shares of Baht 1 each)		1,491,663	1,658,976	1,668,600	1,491,663	1,658,976	1,668,600
		<b>730,052,222</b>	<b>730,052,222</b>	<b>730,052,222</b>	<b>730,052,222</b>	<b>730,052,222</b>	<b>730,052,222</b>
Premium on ordinary shares		285,568,300	285,568,300	285,568,300	285,568,300	285,568,300	285,568,300
Convertible bonds treated as equity securities	21	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000
Retained earnings							
Appropriated - statutory reserve	23	92,275,000	92,275,000	92,275,000	92,275,000	92,275,000	92,275,000
Unappropriated		7,695,106,552	6,608,286,853	5,240,978,241	7,680,778,962	6,639,299,494	5,072,563,784
Other components of shareholders' equity		243,962,607	244,305,932	51,297,471	-	-	-
Equity attributable to owners of the Company		<b>9,596,964,681</b>	<b>8,510,488,307</b>	<b>6,950,171,234</b>	<b>9,338,674,484</b>	<b>8,297,195,016</b>	<b>6,730,459,306</b>
Non-controlling interests of the subsidiary		-	-	2,132,877	-	-	-
<b>Total shareholders' equity</b>		<b>9,596,964,681</b>	<b>8,510,488,307</b>	<b>6,952,304,111</b>	<b>9,338,674,484</b>	<b>8,297,195,016</b>	<b>6,730,459,306</b>
<b>Total liabilities and shareholders' equity</b>		<b>17,251,529,408</b>	<b>15,984,706,232</b>	<b>13,690,977,736</b>	<b>16,961,974,175</b>	<b>15,738,375,662</b>	<b>13,448,670,721</b>
		-	-	-	-	-	-

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

Directors

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Income statement**

**For the year ended 31 December 2013**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (restated)	2013	2012 (restated)
<b>Revenues</b>					
Revenues from hospital operations	10	14,250,585,798	12,856,204,690	14,029,140,453	12,684,103,764
Rental income	10	95,400,151	126,338,878	98,449,454	129,683,673
Interest income		154,135,316	98,368,625	151,477,290	96,618,716
Gain on sales of investments in a subsidiary and an associate	12.4, 13.3	-	789,826,508	-	919,255,265
Exchange gains		54,416,768	69,508,841	53,935,243	69,629,812
Dividend income	10, 13.4	-	-	5,399,820	49,874,880
Other income	10	96,847,810	101,389,463	75,607,491	92,426,496
<b>Total revenues</b>		<b>14,651,385,843</b>	<b>14,041,637,005</b>	<b>14,414,009,751</b>	<b>14,041,592,606</b>
<b>Expenses</b>					
Cost of hospital operations	10	8,836,088,013	8,242,006,903	8,727,032,586	8,148,242,588
Administrative expenses	10	2,527,116,057	2,294,947,450	2,448,094,386	2,235,464,951
Loss on diminution in value of investment in a subsidiary	12	-	-	-	49,999,970
Loss from share capital reduction of a subsidiary	12.3	-	-	-	1,071,691
Loss from share capital reduction of an associate	13.2	-	-	-	7,254,775
<b>Total expenses</b>		<b>11,363,204,070</b>	<b>10,536,954,353</b>	<b>11,175,126,972</b>	<b>10,442,033,975</b>
<b>Profit before share of profit from investments in associates, finance cost and income tax expenses</b>		<b>3,288,181,773</b>	<b>3,504,682,652</b>	<b>3,238,882,779</b>	<b>3,599,558,631</b>
Share of profit from investments in associates	13.4	5,881,985	93,343,456	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>3,294,063,758</b>	<b>3,598,026,108</b>	<b>3,238,882,779</b>	<b>3,599,558,631</b>
Finance cost	10	(147,873,616)	(240,750,343)	(147,873,616)	(240,750,341)
<b>Profit before income tax expenses</b>		<b>3,146,190,142</b>	<b>3,357,275,765</b>	<b>3,091,009,163</b>	<b>3,358,808,290</b>
Income tax expenses	25	(625,407,873)	(798,763,553)	(615,450,311)	(792,078,157)
<b>Profit for the year</b>		<b>2,520,782,269</b>	<b>2,558,512,212</b>	<b>2,475,558,852</b>	<b>2,566,730,133</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		2,520,782,269	2,557,792,686	2,475,558,852	2,566,730,133
Non-controlling interests of the subsidiary		-	719,526	-	-
		<u>2,520,782,269</u>	<u>2,558,512,212</u>	<u>2,475,558,852</u>	<u>2,566,730,133</u>
<b>Earnings per share</b>					
Basic earnings per share	26				
Profit attributable to equity holders of the Company		<u>3.46</u>	<u>3.51</u>	<u>3.40</u>	<u>3.52</u>
Diluted earnings per share	26				
Profit attributable to equity holders of the Company		<u>2.91</u>	<u>2.95</u>	<u>2.85</u>	<u>2.96</u>

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

**Bumrungrad Hospital Public Company Limited and its subsidiaries****Statement of comprehensive income**

For the year ended 31 December 2013

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012 (restated)	2013	2012 (restated)
<b>Profit for the year</b>	<u>2,520,782,269</u>	<u>2,558,512,212</u>	<u>2,475,558,852</u>	<u>2,566,730,133</u>
<b>Other comprehensive income:</b>				
Exchange differences on translation of financial statements in foreign currencies	(343,325)	346,903	-	-
Actuarial loss recognised during the year, net of income tax	<u>(14,377,187)</u>	<u>(52,823,930)</u>	<u>(14,494,001)</u>	<u>(54,995,837)</u>
<b>Other comprehensive income for the year</b>	<u>(14,720,512)</u>	<u>(52,477,027)</u>	<u>(14,494,001)</u>	<u>(54,995,837)</u>
<b>Total comprehensive income for the year</b>	<u><u>2,506,061,757</u></u>	<u><u>2,506,035,185</u></u>	<u><u>2,461,064,851</u></u>	<u><u>2,511,734,296</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	2,506,061,757	2,505,315,659	2,461,064,851	2,511,734,296
Non-controlling interests of the subsidiary	-	719,526	-	-
	<u><u>2,506,061,757</u></u>	<u><u>2,506,035,185</u></u>	<u><u>2,461,064,851</u></u>	<u><u>2,511,734,296</u></u>
	-	-	-	-

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

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2013**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
<b>Cash flows from operating activities</b>				
Profit before tax	3,146,190,142	3,357,275,765	3,091,009,163	3,358,808,290
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	882,266,424	709,080,399	878,792,080	707,048,927
Allowance for loss on impairment of assets (reversal)	(354,171)	593,552	(354,171)	593,552
Bad debts and allowance for doubtful accounts	23,940,010	15,108,263	28,547,808	21,641,917
Loss on sales and write-off of equipment	2,643,232	11,747,739	2,643,232	11,887,926
Long-term employee benefits expenses	22,437,942	56,734,989	19,433,178	56,642,613
Loss on diminution in value of investment in a subsidiary	-	-	-	49,999,970
Loss from share capital reduction of a subsidiary	-	-	-	1,071,691
Loss from share capital reduction of an associate	-	-	-	7,254,775
Gain on sales of investments	-	(789,826,508)	-	(919,255,265)
Share of profit from investments in associates	(5,881,985)	(93,343,456)	-	-
Interest income	(154,135,316)	(98,368,625)	(151,477,290)	(96,618,716)
Dividend income	-	-	(5,399,820)	(49,874,880)
Amortisation of debenture issuing costs to interest expense	5,623,661	5,540,205	5,623,661	5,540,205
Interest expense	142,249,955	235,210,137	142,249,955	235,210,136
Profit from operating activities before changes in operating assets and liabilities	4,064,979,894	3,409,752,460	4,011,067,796	3,389,951,141
Operating assets (increase) decrease				
Trade and other receivables	4,107,483	(224,047,154)	2,373,701	(229,344,528)
Inventories	(70,787,079)	31,988,772	(69,252,435)	33,917,629
Prepaid expenses	2,419,243	(3,738,165)	4,014,098	(3,849,703)
Other current assets	(18,745,669)	(11,315,156)	(18,820,601)	(8,531,116)
Other non-current assets	6,170,120	(16,281,640)	6,188,621	(15,746,913)
Operating liabilities increase (decrease)				
Trade and other payables	38,205,260	118,296,949	34,286,626	115,530,300
Accrued physicians' fees	(14,492,608)	50,683,280	(14,919,352)	49,653,469
Accrued expenses	(10,806,268)	124,953,921	(9,481,929)	120,927,560
Other current liabilities	(3,990,359)	11,106,880	1,180,521	5,144,024
Provision for long-term employee benefits	(29,591,883)	(24,649,861)	(25,749,466)	(24,130,730)
Cash flows from operating activities	3,967,468,134	3,466,750,286	3,920,887,580	3,433,521,133
Cash paid for corporate income tax	(693,208,895)	(442,198,582)	(684,731,768)	(437,165,811)
<b>Net cash flows from operating activities</b>	<b>3,274,259,239</b>	<b>3,024,551,704</b>	<b>3,236,155,812</b>	<b>2,996,355,322</b>

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



**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2013**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
<b>Cash flows from investing activities</b>				
Acquisition of investment in a subsidiary	-	(1,045,034,091)	(10,004,460)	(1,045,034,091)
Long-term loan to a related party	-	-	(1,855,253)	-
Dividend received	5,399,820	49,874,880	5,399,820	49,874,880
Cash receipt from share capital reductions of a subsidiary and an associate	-	361,738,178	-	363,140,521
Cash receipt from sales of investment in a subsidiary	-	1,529,928	-	1,529,928
Cash receipt from sales of investment in an associate	-	4,481,563,202	-	4,481,563,203
Cash receipt from sales of other long-term investment	-	200,000	-	-
Acquisition of property, plant and equipment and payment of construction and medical equipment payables	(2,217,856,279)	(982,396,610)	(2,217,590,813)	(976,867,901)
Acquisition of computer software	(13,761,858)	(37,275,985)	(13,384,375)	(37,210,005)
Proceeds from sales of equipment	4,436,256	3,957,505	4,436,256	3,817,318
Decrease in cash and cash equivalents of a subsidiary at the disposal date	-	(1,526,763)	-	-
Interest income	154,135,316	98,368,625	151,477,290	96,618,716
<b>Net cash flows from (used in) investing activities</b>	<b>(2,067,646,745)</b>	<b>2,930,998,869</b>	<b>(2,081,521,535)</b>	<b>2,937,432,569</b>
<b>Cash flows from financing activities</b>				
Cash receipt from long-term loan from a related party	176,400,000	-	176,400,000	-
Interest paid for long-term loan from a related party	(1,663,718)	-	(1,663,718)	-
Interest paid for long-term debentures	(139,333,314)	(235,210,137)	(139,333,314)	(235,210,136)
Dividend paid	(1,386,072,318)	(911,749,589)	(1,386,072,318)	(911,749,589)
Interest paid for convertible bonds treated as equity securities	(32,500,000)	(32,500,000)	(32,500,000)	(32,500,000)
<b>Net cash flows used in financing activities</b>	<b>(1,383,169,350)</b>	<b>(1,179,459,726)</b>	<b>(1,383,169,350)</b>	<b>(1,179,459,725)</b>
Translation adjustment	(375,886)	174,487	-	-
Decrease in non-controlling interests of a subsidiary due to the subsidiary's share capital reduction	-	(1,347,456)	-	-
Decrease in non-controlling interests of a subsidiary due to sales of investment in a subsidiary	-	(1,504,947)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(176,932,742)</b>	<b>4,773,412,931</b>	<b>(228,535,073)</b>	<b>4,754,328,166</b>
Cash and cash equivalents at beginning of year	6,034,143,584	1,260,730,653	5,940,595,542	1,186,267,376
<b>Cash and cash equivalents at end of year</b>	<b>5,857,210,842</b>	<b>6,034,143,584</b>	<b>5,712,060,469</b>	<b>5,940,595,542</b>
	-	-	-	-
<b>Supplemental cash flow information</b>				
Non-cash transactions				
Interest recorded as cost of assets	96,763,216	-	96,763,216	-

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





## Bumrungrad Hospital Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

For the year ended 31 December 2013

#### 1. General information

Bumrungrad Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business, investment in other companies and rental of properties service. The registered office of the Company is at 33 Soi 3 (Nana Nua) Sukhumvit Road, Klongtoey Nua Sub District, Wattana District, Bangkok.

#### 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 Bumrungrad Hospital Public Company Limited and the following subsidiaries (“the Group”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013	2012
			%	%
Vitalife Corporation Ltd. (VTL)	Health care center	Thailand	100	100
Asia Global Health Ltd. (AGH)	Investment in healthcare business	Hong Kong	100	100
Asia Global Research Co., Ltd. (AGR)	Clinical research service and sales of vaccine	Thailand	100	100
Ruenmongkol Co., Ltd. (RM)	A holding and renting real estate assets company	Thailand	100	100
Life and Longevity Ltd. (LLG)	Overseas investment	Hong Kong	100	-

- 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) The assets and liabilities in the financial statements of overseas subsidiary are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currencies” in the statement of changes in shareholders’ equity.
  - e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
  - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries and associates 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

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

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

	<u>Effective date</u>
Accounting Standards:	
TAS 1 (revised 2012) Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012) Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012) Income Taxes	1 January 2014
TAS 17 (revised 2012) Leases	1 January 2014
TAS 18 (revised 2012) Revenue	1 January 2014
TAS 19 (revised 2012) Employee Benefits	1 January 2014
TAS 21 (revised 2012) The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012) Related Party Disclosures	1 January 2014
TAS 28 (revised 2012) Investments in Associates	1 January 2014
TAS 31 (revised 2012) Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012) Interim Financial Reporting	1 January 2014

	<u>Effective date</u>
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
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 standards, accounting standard interpretations and financial reporting standard interpretations will not have any significant impact on the financial statements for the years when they are initially applied.

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

During the current year, the Group made the changes described in Note 3 to the financial statements to its significant accounting policy, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the change in the accounting policy 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 income and comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated			Separate		
	financial statements			financial statements		
	As at	As at	As at	As at	As at	As at
	31 December	31 December	1 January	31 December	31 December	1 January
	2013	2012	2012	2013	2012	2012
<b>Statements of financial position</b>						
Increase in deferred tax assets	150,957	122,952	218,431	150,726	122,573	217,787
Increase in unappropriated retained earnings	150,957	122,952	218,431	150,726	122,573	217,787

(Unit: Thousand Baht)

	For the years ended 31 December				
	Consolidated		Separate		
	financial statements		financial statements		
	2013	2012	2013	2012	
<b>Income statements</b>					
Increase (decrease) in income tax expenses		(24,382)	108,939	(24,529)	108,963
Increase (decrease) in profit attributable to equity holders of the Company		24,382	(108,939)	24,529	(108,963)
Increase (decrease) in basic earnings per share (Baht)		0.0335	(0.1496)	0.0337	(0.1496)
Increase (decrease) in diluted earnings per share (Baht)		0.0281	(0.1256)	0.0283	(0.1256)
<b>Statements of comprehensive income</b>					
Increase (decrease) in actuarial loss recognised during the year, net of income tax		(3,624)	13,460	(3,624)	13,749
Increase (decrease) in profit attributable to equity holders of the Company		3,624	(13,460)	3,624	(13,749)



The above effects include the tax effects of the change in accounting estimation related to changes made to the estimated useful lives of certain assets, as described in Note 5 to the financial statements.

## **5. Change in accounting estimation**

In 2013, the Group changed the estimated useful lives of certain building improvement and facility systems from 10 - 40 years to 10 - 20 years and from 10 and 20 years to 2 - 8 years, in order to accord with the Group's campus expansion plan and Group's estimated useful lives policy. The Group has applied the changes in estimated useful lives of assets prospectively. The change has the effect of decreasing profit after tax for the year 2013 by approximately Baht 80.8 million in the consolidated and separate financial statements and decreasing basic earnings per share by Baht 0.11 per share and decreasing diluted earnings per share by Baht 0.09 per share. In addition, the change is expected to have the effect of decreasing the profit after tax of future periods by approximately Baht 73.1 million per year and decreasing basic earnings per share by Baht 0.10 per share and decreasing diluted earnings per share by Baht 0.08 per share.

## **6. Significant accounting policies**

### **6.1 Revenue recognition**

- a) Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognised as income when services have been rendered or medicine delivered.
- b) Consulting and management service income are recognised when services have been rendered taking into account the stated of completion.
- c) Rental income and related service income are recognised on a straight-line basis over the lease term.
- d) Interest income is recognised on an accrual basis based on the effective interest rate.
- e) Dividends are recognised when the right to receive the dividends is established.

### **6.2 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.

### **6.3 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.

### **6.4 Inventories**

Inventories are valued at the lower of cost (weighted average basis) and net realisable value.

### **6.5 Investments**

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- b) Investments in associates are accounted for in the consolidated financial statements using the equity method. Goodwill relating to an associate is included in the carrying amount of the investment. Such goodwill is not amortised.
- c) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method net of allowance for loss on diminution in value (if any).

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in the income statement.

### **6.6 Property, plant and equipment/Depreciation**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Land improvement	30 years
Buildings and construction	2 - 20, 30 and 40 years
Facility systems	3 - 20 years
Medical accessory equipment	5 - 15 years
Hospital equipment	5 - 15 years
Equipment and furniture	5 - 15 years
Motor vehicles	5 years

Depreciation is included in determining income.

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

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 income statement when the asset is derecognised.

### **6.7 Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### **6.8 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Computer software	3, 5 and 10 years
Compensation for business combination	10 years

### **6.9 Related party transactions**

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

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

## **6.10 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 asset acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

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 the income statement on a straight-line basis over the lease term.

## **6.11 Deferred debenture issuing costs**

Debenture issuing costs are recorded as deferred financial fees and amortised to be interest expense using the effective interest rate method over the term of the debentures.

Deferred debenture issuing costs are presented as a deduction against the debenture amounts in the statement of financial position.

## **6.12 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

## **6.13 Impairment of assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and 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 income statement.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

#### **6.14 Employee benefits**

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits and other long-term employee benefits***

###### Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans 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.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in the income statement.

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

## **6.15 Provisions**

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

## **6.16 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 Group recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **7. Significant accounting judgments and estimates**

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments 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 judgment 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 judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

**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 Group's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments 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 and other long-term employee benefits**

The obligation under the defined benefit plan and other long-term employee benefit plans 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.

## 8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	36,236	17,062	33,952	16,563
Bank deposits	1,556,052	1,276,185	1,528,185	1,183,136
Bill of exchange	4,264,923	4,142,698	4,149,923	4,142,698
Government bonds	-	598,199	-	598,199
<b>Total</b>	<b>5,857,211</b>	<b>6,034,144</b>	<b>5,712,060</b>	<b>5,940,596</b>

As at 31 December 2013, bank deposits in savings accounts, fixed deposits, bill of exchange and government bonds carried interests between 0.10% and 3.00% per annum (2012: between 0.10% and 2.72% per annum).

## 9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,928	2,456	2,102	2,731
Past due				
1 - 30 days	-	5	64	19
31 - 60 days	-	-	-	3
61 - 90 days	-	-	-	2
91 - 180 days	-	-	-	17
181 - 365 days	-	-	-	3
More than 365 days	-	12	-	-
<b>Total trade receivables - related parties</b>	<b>1,928</b>	<b>2,473</b>	<b>2,166</b>	<b>2,775</b>



(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	434,460	355,093	431,797	352,520
Past due				
1 - 30 days	266,599	237,154	263,475	235,631
31 - 60 days	117,666	163,543	116,664	156,588
61 - 90 days	103,461	87,643	101,176	87,267
91 - 180 days	133,397	226,899	132,491	226,338
181 - 365 days	183,085	175,652	182,391	174,920
More than 365 days	149,495	157,473	148,926	154,254
Total	1,388,163	1,403,457	1,376,920	1,387,518
Less: Allowance for doubtful debts	(103,707)	(89,297)	(103,760)	(85,712)
Total trade receivables - unrelated parties, net	1,284,456	1,314,160	1,273,160	1,301,806
Total trade receivables - net	1,286,384	1,316,633	1,275,326	1,304,581
<u>Other receivables</u>				
Advances and loans to employees	19,980	16,416	19,965	16,392
Accrued income - related parties	589	1,951	6,950	12,190
Total other receivables	20,569	18,367	26,915	28,582
Trade and other receivables - net	1,306,953	1,335,000	1,302,241	1,333,163

## 10. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2013	2012	2013	2012	
<b>Transactions with subsidiaries</b>					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	21.9	22.0	Market price
Rental income	-	-	4.5	4.6	As per contracts 10.1)
Professional service income	-	-	1.5	1.4	Actual paid
Lab service expense	-	-	0.2	0.1	Market price
Pharmacy expense	-	-	9.8	6.9	Market price

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements	financial statements	financial statements	financial statements	
	2013	2012	2013	2012	
<b>Transactions with associates</b>					
Consulting income	0.5	1.9	0.5	1.9	As per contract 10.2)
Dividend income	-	-	5.4	49.9	As declared
Consulting expense	-	15.7	-	15.7	Fixed rate per hour as stated in the agreements multiplied with actual hours worked
Interest expenses on long-term loan	2.9	-	2.9	-	2.25% and 2.00% p.a.
<b>Transactions with related parties</b>					
Medical service income	79.9	78.7	79.9	78.7	Market price
Other income	0.9	0.8	0.9	0.8	At cost
Lab service expense	2.5	2.0	2.5	2.0	Market price
Purchase of medicine and medical supplies	11.5	10.5	11.5	10.5	Market price
Donation expense	24.0	24.0	24.0	24.0	-
Insurance expense	31.9	31.8	31.7	31.6	As per insurance policies
Credit card commission fees	102.6	92.8	102.6	92.8	Market price
Interest expense on long-term debentures	46.2	46.4	46.2	46.4	4.13% - 4.97% p.a.
Interest expense on convertible bonds	32.5	32.5	32.5	32.5	10.00% p.a. and 1.00% p.a.
Legal advisory fee	10.0	7.1	10.0	7.1	Market price
Construction consulting fee	1.2	-	1.2	-	Baht 0.1 million per month as stated in the agreement
Service fee	0.4	0.6	0.4	0.6	Market price

10.1) A subsidiary (Vitallife Corporation Co., Ltd.) has leased building spaces from the Company for use in its operations, commencing from the year 2001. The subsidiary has to pay rental fee of Baht 350,000 per month.

Another subsidiary (Asia Global Research Co., Ltd.) had leased building spaces from the Company for use in its operations, commencing from the year 2009. The subsidiary had to pay rental fee of Baht 35,350 per month. The agreement expired in 2012. In 2013, the subsidiary entered into leased building spaces and equipment agreement with the Company. The subsidiary has to pay rental fee and service fee totaling Baht 106,736 per month, starting from 1 January 2013 onward. The agreement was expired in October 2013.

10.2) The Company entered into a Consulting Support Agreement with an associate (Bumrungrad International Ltd.). The associate is obliged to pay a fee at a fixed rate per annum, as stipulated in the agreement, and additional fee for consulting service provided by employees of the Company to the associate at the rates per agreement multiplied with actual hours worked. The fixed consulting fee rate was Baht 0.8 million per annum, effective from 1 January 2012, Baht 0.4 million per annum, effective from 1 July 2012 and Baht 0.2 million per annum, effective from 1 January 2013. The agreement will expire in accordance with the conditions in the agreement.

The balances of the accounts as at 31 December 2013 and 2012 between the Company and those related parties are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Trade and other receivables - related parties (Note 9)</b>				
Subsidiaries	-	-	6,599	10,553
Associates	185	1,598	185	1,586
Related parties (common director)	2,332	2,826	2,332	2,826
<b>Total</b>	<b>2,517</b>	<b>4,424</b>	<b>9,116</b>	<b>14,965</b>
<b>Trade and other payables - related parties (Note 17)</b>				
Subsidiaries	-	-	145	-
Associates	247	51	247	51
<b>Total</b>	<b>247</b>	<b>51</b>	<b>392</b>	<b>51</b>
<b>Long-term loan to a related party</b>				
Subsidiary	-	-	1,855	-
<b>Long-term debentures</b>				
Related companies (Major shareholder and common director)	955,000	955,000	955,000	955,000
<b>Convertible bonds treated as equity securities</b>				
Related company (common director)	550,000	550,000	550,000	550,000
<b>Long-term loan from a related party</b>				
Associate	176,400	-	176,400	-

#### **Long-term loan to a subsidiary**

As at 31 December 2013, long-term loan to a subsidiary (Life and Longevity Ltd.), is in the form of promissory notes in Swiss franc, amounting to CHF 51,000, bearing no interest and is due at call. The Company does not intend to call for the loan repayment in the foreseeable future; therefore, the loan is classified as long-term loan.

During the year ended 31 December 2013, movements of long-term loan to a subsidiary were as follows.

	(Unit: Thousand Baht)			
	Balance as at	During the year		Balance as at
	31 December	Increase	Decrease	31 December
	2012			2013
<b>Long-term loan to a subsidiary</b>				
Life and Longevity Ltd.				
Principal	-	1,855	-	1,855

### Long-term loan from an associate

On 1 April 2013, the Company and two other shareholders of Bumrungrad International Ltd. entered into a loan agreement with Bumrungrad International Ltd., which is the Company's associate, granting them loans totaling Baht 394.8 million, of which the Company's portion is Baht 176.4 million. The loans carry interest at the 1-year fixed deposit rate of a local commercial bank, and are due at call.

The loan is classified as long-term loan because the Company's management believes that the associate neither plans nor is likely to call for settlement in the foreseeable future.

During the year ended 31 December 2013, movements of long-term loan from an associate were as follows.

	(Unit: Thousand Baht)			
	Balance as at	During the year		Balance as at
	31 December 2012	Increase	Decrease	31 December 2013
<b>Long-term loan from an associate</b>				
Bumrungrad International Ltd.				
Principal	-	176,400	-	176,400
Interest payable	-	2,917	(1,664)	1,253
<b>Total</b>	<b>-</b>	<b>179,317</b>	<b>(1,664)</b>	<b>177,653</b>

### Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Group had employee benefit expenses payable to their directors and management as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Short-term employee benefits	134,335	110,243	128,049	101,365
Other long-term benefits (reversal)	(40)	26	(36)	24
Termination benefits	6,788	4,965	4,179	4,557
<b>Total</b>	<b>141,083</b>	<b>115,234</b>	<b>132,192</b>	<b>105,946</b>

## 11. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2013	2012	2013	2012	2013	2012
Medicine	163,109	116,864	189	-	162,920	116,864
Medical supplies	48,619	49,334	59	-	48,560	49,334
Other supplies	93,058	67,553	-	-	93,058	67,553
<b>Total</b>	<b>304,786</b>	<b>233,751</b>	<b>248</b>	<b>-</b>	<b>304,538</b>	<b>233,751</b>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2013	2012	2013	2012	2013	2012
Medicine	152,417	107,960	-	-	152,417	107,960
Medical supplies	48,603	49,272	-	-	48,603	49,272
Other supplies	93,018	67,553	-	-	93,018	67,553
<b>Total</b>	<b>294,038</b>	<b>224,785</b>	<b>-</b>	<b>-</b>	<b>294,038</b>	<b>224,785</b>

## 12. Investments in subsidiaries

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

(Unit: Thousand Baht)

Carrying amounts

based on cost

method - net

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for loss on diminution in value		Carrying amounts based on cost method - net	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
			(%)	(%)						
Vitalife Corporation Ltd.	Baht 31.5 million	Baht 31.5 million	100.00	100.00	25,610	25,610	-	-	25,610	25,610
Asia Global Health Ltd.	HKD 7.1 million	HKD 4.8 million	100.00	100.00	31,558	21,602	-	-	31,558	21,602
Asia Global Research Co., Ltd.	Baht 50.0 million	Baht 50.0 million	100.00	100.00	50,000	50,000	50,000	50,000	-	-
Ruenmongkol Co., Ltd.	Baht 340.0 million	Baht 340.0 million	100.00	100.00	1,045,034	1,045,034	-	-	1,045,034	1,045,034
Life and Longevity Ltd.	USD 1	-	100.00	-	48	-	-	-	48	-
Total					<u>1,152,250</u>	<u>1,142,246</u>	<u>50,000</u>	<u>50,000</u>	<u>1,102,250</u>	<u>1,092,246</u>

During the years 2013 and 2012, the Company had no dividend received from subsidiaries.

### **12.1 Set up a new subsidiary**

On 25 October 2013 the Company set up and registered a new subsidiary, Life and Longevity Ltd. (LLG), in Hong Kong Special Administrative Region of the People's Republic of China with a registered share capital of USD 100,000, comprising of 100,000 common shares with par value of USD 1 each. The Company's shareholding percentage represents 100% of total issued and paid-up share capital. The Company paid for a common share of the subsidiary at a price equal to par value of USD 1. The cost of investment in subsidiary including investment acquisition expenses totaled Baht 48,000.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 20 September 2013, which approved the Company's establishment of a new subsidiary for the benefit of overseas investments of the Company.

### **12.2 Called portion of subsidiary's common share**

On 18 December 2013, the Company paid for the called portion of common shares to Asia Global Health Ltd., the Company's wholly owned subsidiary which is registered in Hong Kong Special Administrative Region of the People's Republic of China, amounting to HKD 2.3 million or equivalent to Baht 10.0 million.

### **12.3 Reduction of share capital of a subsidiary**

During the year ended 31 December 2012, a subsidiary, ABSPC Group Co., Ltd. reduced its registered and paid-up share capital from Baht 3.8 million to Baht 1.0 million. Using the cost method, the share capital reduction of the subsidiary resulted in a loss of Baht 1.1 million presented in the separate income statement.

### **12.4 Sales of investment in a subsidiary**

On 26 September 2012, the Company sold all investment in ABSPC Group Co., Ltd. to third party for 63,747 shares, amounting to Baht 1.5 million, resulting in gain incurred from sales of investment in subsidiary of Baht 0.003 million presented in the consolidated income statement (separate income statement: profit of Baht 0.6 million) for the year ended 31 December 2012. As a result of the transaction, ABSPC Group Co., Ltd. was no longer the subsidiary of the Company and made in accordance with a resolution of the Board of Directors' Meeting held on 9 November 2011.

## 13. Investments in associates

### 13.1 Details of investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2013	2012	2013	2012	2013	2012
			(%)	(%)				
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	1,447	1,447	231,069	228,758
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	21,663	21,663	3,517	8,987
Total					23,110	23,110	234,586	237,745

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Shareholding percentage		Cost		Allowance for loss on diminution in value		Carrying amounts based on cost method - net	
	2013	2012	2013	2012	2013	2012	2013	2012
	(%)	(%)						
Bumrungrad International Ltd.	31.50	31.50	1,447	1,447	-	-	1,447	1,447
CDE Trading Ltd.	30.00	30.00	21,663	21,663	16,000	16,000	5,663	5,663
Total			23,110	23,110	16,000	16,000	7,110	7,110

### 13.2 Share capital reduction of an associate

During the year ended 31 December 2012, an associate (Bumrungrad International Ltd.) reduced its registered and paid-up share capital from Baht 1,176.0 million to Baht 4.6 million. Using the cost method, the share capital reduction of the associate resulted in a loss of Baht 7.3 million presented in the separate income statement for the year ended 31 December 2012, as the investment acquisition cost (Baht 100.00 per share) was higher than the amount per share returned to the shareholders. As a result, Bumrungrad International Ltd. is still an associate of the Company.

### 13.3 Sales of investment in an associate

On 10 July 2012, the Company sold all investment in Bangkok Chain Hospital Plc. totaling 498.75 million shares (including dividend shares which the Company received in 2011) at a price of Baht 9.15 each. The Company received net consideration from selling after deduction of direct transaction cost, totaling Baht 4,481.6 million, resulting in gain incurred from sales of investment in associate for the year ended 31 December 2012 in the consolidated income statements amounting to Baht 789.8 million and in the separate income statements amounting to Baht 918.6 million. As a result of the transaction, Bangkok Chain Hospital Plc. was no longer the associate of the Company and made in accordance with a resolution of the Company's Board of Directors Meeting held on 2 July 2012.

During the year 2012, the Company determined share of profit from this associate from the beginning of this year until the disposal date of this investment amounting to Baht 107.1 million.



### 13.4 Share of profit (loss) and dividend received

During the years, the Company recognised its share of profit (loss) from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows.

(Unit: Thousand Baht)

Company's name	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates		Dividend received	
	2013	2012	2013	2012
Bumrungrad International Ltd.	2,278	(16,968)	-	-
CDE Trading Ltd.	3,604	3,252	5,400	-
Bangkok Chain Hospital Plc.	-	107,059	-	49,875
Total	5,882	93,343	5,400	49,875

### 13.5 Summarised financial information of associates

Financial information of the associates is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the years ended		Profit (loss) for the years ended	
	31 December		31 December		31 December		31 December		31 December	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Bumrungrad International Ltd.	4.6	4.6	761.0	774.0	27.4	47.8	14.6	31.9	6.6	(53.9)
CDE Trading Ltd.	10.0	10.0	13.0	30.3	1.3	0.1	0.5	0.5	(0.5)	(1.2)

### 14. Other long-term investments

(Unit: Thousand Baht)

Company's name	Shareholding percentage		Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012	2013	2012
	(%)	(%)				
Chantaburi Country Club Co., Ltd.	0.5	0.5	4,500	4,500	4,500	4,500
Less: Allowance for loss on diminution in value			(2,800)	(2,800)	(2,800)	(2,800)
Other long-term investments - net			1,700	1,700	1,700	1,700

## 15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements									
	Land	Land leasehold right and land improvement	Buildings and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Motor vehicles	Assets under construction and installation	Total
	<b>Cost</b>									
1 January 2012	1,211,845	34,881	4,066,651	525,241	2,924,444	1,143,125	484,769	43,896	61,620	10,496,472
Increase from acquisition of a subsidiary	1,045,034	-	-	-	-	-	-	-	-	1,045,034
Additions	209,734	629	21,599	14,167	291,450	47,897	11,903	3,558	459,679	1,060,616
Disposals	-	-	(17,650)	(3,587)	(61,666)	(18,747)	(3,831)	(147)	-	(105,628)
Transfer in (out)	-	-	50,384	10,860	1,405	17	568	-	(63,234)	-
31 December 2012	2,466,613	35,510	4,120,984	546,681	3,155,633	1,172,292	493,409	47,307	458,065	12,496,494
Additions	397,135	-	521,462	84,873	450,393	85,687	78,878	2,042	617,100	2,237,570
Disposals	-	-	(8,777)	-	(50,549)	(23,047)	(6,064)	(2,470)	-	(90,907)
Transfer in (out)	-	-	577,626	18,591	-	44	1,269	-	(597,530)	-
31 December 2013	2,863,748	35,510	5,211,295	650,145	3,555,477	1,234,976	567,492	46,879	477,635	14,643,157
<b>Accumulated depreciation</b>										
1 January 2012	-	17,007	1,188,459	130,704	1,799,989	793,567	288,863	36,330	-	4,254,919
Depreciation for the year	-	501	158,423	26,331	309,310	126,209	24,617	2,509	-	647,900
Depreciation on disposals	-	-	(6,178)	(3,016)	(58,939)	(18,087)	(3,556)	(147)	-	(89,923)
31 December 2012	-	17,508	1,340,704	154,019	2,050,360	901,689	309,924	38,692	-	4,812,896
Depreciation for the year	-	585	287,349	49,451	359,830	85,838	32,808	2,295	-	818,156
Depreciation on disposals	-	-	(11,684)	-	(43,219)	(22,810)	(4,104)	(2,010)	-	(83,827)
31 December 2013	-	18,093	1,616,369	203,470	2,366,971	964,717	338,628	38,977	-	5,547,225
<b>Allowance for impairment loss</b>										
1 January 2012	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	361	233	-	-	594
31 December 2012	-	-	-	-	-	361	233	-	-	594
Decrease during the year	-	-	-	-	-	(122)	(233)	-	-	(355)
31 December 2013	-	-	-	-	-	239	-	-	-	239

(Unit: Thousand Baht)

## Consolidated financial statements

	Land	Land leasehold right and land improvement	Buildings and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Motor vehicles	Assets under construction and installation	Total
<b>Net book value</b>										
1 January 2012	1,211,845	17,874	2,878,192	394,537	1,124,455	349,558	195,906	7,566	61,620	6,241,553
31 December 2012	2,466,613	18,002	2,780,280	392,662	1,105,273	270,242	183,252	8,615	458,065	7,683,004
31 December 2013	2,863,748	17,417	3,594,926	446,675	1,188,506	270,020	228,864	7,902	477,635	9,095,693
<b>Depreciation for the years</b>										
2012 (Baht 517.5 million included in cost of hospital operations, and the balance in administrative expenses)										647,900
2013 (Baht 622.9 million included in cost of hospital operations, and the balance in administrative expenses)										818,156

(Unit: Thousand Baht)

	Separate financial statements									
	Land	Land leasehold right and land improvement	Buildings and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Motor vehicles	Assets under construction and installation	Total
<b>Cost</b>										
1 January 2012	1,211,845	15,563	3,390,442	500,471	2,503,392	879,078	363,044	21,460	61,620	8,946,915
Additions	209,734	629	20,747	14,166	286,919	47,893	11,760	3,559	459,679	1,055,086
Disposals	-	-	(17,650)	(3,587)	(60,547)	(18,747)	(3,831)	(147)	-	(104,509)
Transfer in (out)	-	-	50,384	10,860	1,406	17	567	-	(63,234)	-
31 December 2012	1,421,579	16,192	3,443,923	521,910	2,731,170	908,241	371,540	24,872	458,065	9,897,492
Additions	397,135	-	521,341	84,873	450,393	85,543	78,878	2,042	617,100	2,237,305
Disposals	-	-	(8,777)	-	(50,549)	(23,047)	(6,064)	(2,470)	-	(90,907)
Transfer in (out)	-	-	577,626	18,591	-	44	1,269	-	(597,530)	-
31 December 2013	1,818,714	16,192	4,534,113	625,374	3,131,014	970,781	445,623	24,444	477,635	12,043,890
<b>Accumulated depreciation</b>										
1 January 2012	-	9,608	460,634	98,225	1,343,954	557,307	189,871	13,894	-	2,673,493
Depreciation for the year	-	501	157,557	26,198	308,984	126,048	24,170	2,509	-	645,967
Depreciation on disposals	-	-	(6,177)	(3,017)	(57,820)	(18,088)	(3,556)	(147)	-	(88,805)
31 December 2012	-	10,109	612,014	121,406	1,595,118	665,267	210,485	16,256	-	3,230,655
Depreciation for the year	-	585	286,531	49,318	359,830	83,851	32,389	2,295	-	814,799
Depreciation on disposals	-	-	(11,684)	-	(43,219)	(22,810)	(4,104)	(2,010)	-	(83,827)
31 December 2013	-	10,694	886,861	170,724	1,911,729	726,308	238,770	16,541	-	3,961,627
<b>Allowance for impairment loss</b>										
1 January 2012	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	361	233	-	-	594
31 December 2012	-	-	-	-	-	361	233	-	-	594
Decrease during the year	-	-	-	-	-	(122)	(233)	-	-	(355)
31 December 2013	-	-	-	-	-	239	-	-	-	239
<b>Net book value</b>										
1 January 2012	1,211,845	5,955	2,929,808	402,246	1,159,438	321,771	173,173	7,566	61,620	6,273,422
31 December 2012	1,421,579	6,083	2,831,909	400,504	1,136,052	242,613	160,822	8,616	458,065	6,666,243
31 December 2013	1,818,714	5,498	3,647,252	454,650	1,219,285	244,234	206,853	7,903	477,635	8,082,024
<b>Depreciation for the years</b>										
2012 (Baht 515.8 million included in cost of hospital operations, and the balance in administrative expenses)										645,967
2013 (Baht 620.7 million included in cost of hospital operations, and the balance in administrative expenses)										814,799

As at 31 December 2013, the Company had an outstanding balance of work under construction of building and building improvement of Baht 1,624.8 million. Construction of the building and building improvement have been financed by long-term debenture and borrowing costs totaling Baht 96.8 million were capitalised during the year ended 31 December 2013. The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 4.87%.

As at 31 December 2013, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 1,013.0 million (Separate financial statements: Baht 986.0 million) (2012: Baht 667.5 million (Separate financial statements: Baht 641.1 million)).

## 16. Intangible assets

	(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements		
	Computer software	Total	Computer software	Compensation for business combination	Total
<b>Cost</b>					
1 January 2012	979,459	979,459	1,015,248	192,928	1,208,176
Additions	37,276	37,276	37,210	-	37,210
31 December 2012	1,016,735	1,016,735	1,052,458	192,928	1,245,386
Additions	13,762	13,762	13,384	-	13,384
31 December 2013	1,030,497	1,030,497	1,065,842	192,928	1,258,770
<b>Accumulated amortisation</b>					
1 January 2012	353,022	353,022	367,554	65,917	433,471
Amortisation during the year	61,180	61,180	61,082	-	61,082
Realised gain on sales of software in the past	(3,673)	(3,673)	-	-	-
31 December 2012	410,529	410,529	428,636	65,917	494,553
Amortisation during the year	64,110	64,110	63,993	-	63,993
Realised gain on sales of Software in the past	(3,673)	(3,673)	-	-	-
31 December 2013	470,966	470,966	492,629	65,917	558,546
<b>Allowance for impairment loss</b>					
1 January 2012	370,233	370,233	370,233	127,011	497,244
31 December 2012	370,233	370,233	370,233	127,011	497,244
31 December 2013	370,233	370,233	370,233	127,011	497,244
<b>Net book value</b>					
1 January 2012	256,204	256,204	277,461	-	277,461
31 December 2012	235,973	235,973	253,589	-	253,589
31 December 2013	189,298	189,298	202,980	-	202,980

## 17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade payables - unrelated parties	692,190	655,814	684,962	650,077
Construction and medical equipment payables	145,628	125,914	145,628	125,914
Other payables - related parties	247	51	392	51
Other payables - unrelated parties	20,817	18,170	19,407	19,333
<b>Total</b>	<b>858,882</b>	<b>799,949</b>	<b>850,389</b>	<b>795,375</b>

## 18. Long-term debentures

The Extraordinary General Meeting of the Company's shareholders held on 8 December 2011 approved the issuance and offering of unsecured, unsubordinated debentures in Baht currency with the principal amount not exceeding Baht 7,000 million and the tenor not more than 10 years.

As at 31 December 2013 and 2012 detail of long-term debentures are as follows.

(Unit: Thousand Baht)

Series	Maturity date	No. of units (Thousand units)	Par value (Baht)	Interest rate (% p.a.)	Term of interest payment	Carrying amount	
						2013	2012
1	Entirely redeemed on 20 December 2016 (5 years)	1,500	1,000	4.13	Semi-annual	1,500,000	1,500,000
2	Entirely redeemed on 20 December 2018 (7 years)	1,000	1,000	4.59	Semi-annual	1,000,000	1,000,000
3	Entirely redeemed on 20 December 2021 (10 years)	2,500	1,000	4.97	Semi-annual	2,500,000	2,500,000
Total						5,000,000	5,000,000
Less: Deferred debenture issuing costs						(33,910)	(39,534)
Long-term debentures - net						<u>4,966,090</u>	<u>4,960,466</u>

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios which include:

- maintenance of a net debt to equity ratio not exceeding 1.75:1
- maintenance of a net debt to EBITDA ratio not exceeding 3.25:1

## 19. Undrawn loan facilities

As at 31 December 2013, the Group has short-term credit facilities which have not yet been drawn down amounted to Baht 3,310 million (2012: Baht 3,310 million).

## 20. Provision for long-term employee benefits

Provision for long-term employee benefits, was as follows.

(Unit: Thousand Baht)

	Consolidated financial statements							
	Compensations on employees' retirement		Other long-term employee benefits		Paid annual leave		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Defined benefit obligation at beginning of year</b>	289,502	210,767	56,312	38,268	30,316	28,726	376,130	277,761
Current service cost	41,642	18,415	11,457	2,842	7,611	2,349	60,710	23,606
Interest cost	10,276	9,365	2,001	1,368	-	-	12,277	10,733
Benefits paid during the year	(24,849)	(15,329)	(4,525)	(8,562)	(382)	(759)	(29,756)	(24,650)
Actuarial loss	12,173	66,284	(20,976)	22,396	-	-	(8,803)	88,680
Past service cost	(6,305)	-	(17,277)	-	-	-	(23,582)	-
<b>Defined benefit obligation at end of year</b>	<b>322,439</b>	<b>289,502</b>	<b>26,992</b>	<b>56,312</b>	<b>37,545</b>	<b>30,316</b>	<b>386,976</b>	<b>376,130</b>
<b>Provision for long-term employee benefits at end of year</b>	<b>322,439</b>	<b>289,502</b>	<b>26,992</b>	<b>56,312</b>	<b>37,545</b>	<b>30,316</b>	<b>386,976</b>	<b>376,130</b>

(Unit: Thousand Baht)

## Separate financial statements

	Compensations		Other long-term		Paid annual leave		Total	
	on employees' retirement		employee benefits					
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Defined benefit obligation at beginning of year</b>	288,294	207,317	56,222	37,884	29,693	27,752	374,209	272,953
Transfer of defined benefit obligation								
from subsidiary	-	366	-	129	-	24	-	519
Current service cost	38,736	17,917	11,414	2,808	7,642	2,677	57,792	23,402
Interest cost	10,241	9,277	1,997	1,358	-	-	12,238	10,635
Benefits paid during the year	(21,255)	(15,328)	(4,515)	(8,562)	(27)	(760)	(25,797)	(24,650)
Actuarial loss	12,041	68,745	(20,926)	22,605	-	-	(8,885)	91,350
Past service cost	(6,289)	-	(17,257)	-	-	-	(23,546)	-
<b>Defined benefit obligation at end of year</b>	<b>321,768</b>	<b>288,294</b>	<b>26,935</b>	<b>56,222</b>	<b>37,308</b>	<b>29,693</b>	<b>386,011</b>	<b>374,209</b>
<b>Provision for long-term employee</b>								
<b>benefits at end of year</b>	<b>321,768</b>	<b>288,294</b>	<b>26,935</b>	<b>56,222</b>	<b>37,308</b>	<b>29,693</b>	<b>386,011</b>	<b>374,209</b>



Long-term employee benefit expenses included in the income statement was as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Current service cost	60,710	23,606	57,792	23,402
Interest cost	12,277	10,733	12,238	10,635
Actuarial loss (gain) arising from other long-term benefits recognised during the year	(50,549)	22,396	(50,597)	22,605
<b>Total expenses recognised in the income statement</b>	<b>22,438</b>	<b>56,735</b>	<b>19,433</b>	<b>56,642</b>
Line items under which such expenses are included in the income statement				
Cost of hospital operations	1,157	33,291	1,157	33,291
Administrative expenses	21,281	23,444	18,276	23,351

The cumulative amount of actuarial losses recognised in other comprehensive income and taken as part of retained earnings of the Group as at 31 December 2013 amounted to Baht 18.1 million in the consolidated financial statements (separate financial statements: Baht 18.1 million) (2012: Baht 66.3 million (separate financial statements: Baht 68.7 million)).

Principal actuarial assumptions at the valuation date were as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)
Discount rate	3.5 - 3.9	3.6 - 4.4	3.9	3.6
Average future salary increase rate	5.0	4.0	5.0	4.0
Staff turnover rate (depending on age)	0.0 - 20.0	0.0 - 22.0	0.0 - 14.0	0.0 - 14.0

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

	(Unit: Thousand Baht)			
	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
Year 2013	349,431	348,703	(3,098)	(3,152)
Year 2012	345,814	344,516	56,290	57,786
Year 2011	249,035	245,201	-	-
Year 2010	243,939	240,731	-	-
Year 2009	214,273	211,667	-	-

## **21. Convertible bonds treated as equity securities**

Convertible bonds treated as equity securities as at 31 December 2013 and 2012 are as follows.

- a) Partly secured convertible bonds in an amount of Baht 300 million, with a maturity of 12 years, and a coupon rate of 2.5% for years 1 - 4, 5% for years 5 - 8, and 10% for years 9 - 12, payable semi-annually. The current conversion price is Baht 4.55 per one ordinary share. The bondholders have the option to convert the bonds into ordinary shares throughout the life of the bonds. The bonds were secured by the mortgage of the Company's land. On 23 August 2012, the Company released the mortgage of the land.
- b) Partly secured convertible bonds in an amount of Baht 250 million (after conversion by the bondholder of Baht 750 million in the year 2003); with a maturity of 12 years, and a coupon rate of 1% per annum, payable semi-annually. The current conversion price is Baht 3.50 per one ordinary share. The bondholders have the option to convert the bonds into ordinary shares throughout the life of the bonds. The bonds were secured by the mortgage of the Company's land. On 23 August 2012, the Company released the mortgage of the land.

On 22 November 2000, the meeting of the bonds' holders and on 24 November 2000, an extraordinary meeting of the Company's shareholders passed approval of the amendment to the terms and conditions governing the rights and obligations of the issuer and the bondholders, which gives the Company the option to either redeem the convertible bonds or to convert the bonds into ordinary shares on the maturity date.

On 6 December 2011, the meeting of bonds' holders and on 8 December 2011, an extraordinary meeting of the Company's shareholders passed approval of the amendment to the terms and conditions governing the rights and obligations of the issuer and the bondholders, which to extend the tenure of the convertible bonds for additional 5 years maturing on 23 August 2017 and that the security of the convertible bonds be released in accordance with the same term on 23 August 2012.

According to the Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentation”, because the Company has the option to either redeem the convertible bonds or to convert them into ordinary shares on the maturity date, and delivery of equity securities will not be changed by fair value of such equity securities (since the Company determined a certain conversion price), so the convertible bonds are not covered by the definition of financial liabilities and are to be treated as equity securities. In addition, the Company’s management expresses their intention to convert these bonds into ordinary shares on the maturity date. Therefore, the whole amounts of the convertible bonds are presented as part of shareholders’ equity and future interest on the bonds will be recorded as a deduction from shareholders’ equity.

The Company has reserved 178,571,433 ordinary shares to accommodate the above convertible bonds.

Interest expense for the year 2013 of the convertible bonds amounted to Baht 32.5 million (2012: Baht 32.5 million), being recorded as a reduction to unappropriated retained earnings.

## **22. Share capital**

Preference shareholders have the same right as the ordinary shareholders except that they are entitled to receive an annual dividend at 15% of preference shares capital prior to the dividend paid to the ordinary shareholders. Preference shares can be converted into ordinary shares.

In the first quarter of 2013, 167,313 preference shares (2012: 9,624 shares) were converted into ordinary shares at ratio of one preference share to one ordinary share. The Company registered this conversion with the Ministry of Commerce on 7 March 2013.

## **23. 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% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 24. Expenses by nature

Significant expenses by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Salary and wages and other employee benefits	2,605,015	2,400,473	2,560,264	2,361,642
Physicians' fee	3,388,190	3,217,337	3,356,698	3,189,607
Depreciation	818,156	647,900	814,799	645,967
Amortisation	64,110	61,180	63,993	61,082
Loss on diminution in value of investment in a subsidiary	-	-	-	50,000
Loss from share capital reduction of a subsidiary	-	-	-	1,072
Loss from share capital reduction of an associate	-	-	-	7,255
Property, plant and equipment rental expenses				
from operating lease agreements	76,040	79,799	74,961	79,771
Building and equipment maintenance expenses	211,824	203,881	211,523	203,805
Advertising and public relation expenses	210,102	170,853	200,504	164,725
Medicine, medical supply and other supply consumptions	2,617,927	2,514,152	2,577,827	2,481,494

## 25. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>Current income tax:</b>				
Current income tax for the year	649,790	689,825	639,979	683,115
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(24,382)	108,939	(24,529)	108,963
<b>Income tax expense reported in the income statement</b>	<b>625,408</b>	<b>798,764</b>	<b>615,450</b>	<b>792,078</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Deferred tax relating to actuarial loss	(3,624)	(13,460)	(3,624)	(13,749)
Total	<u>(3,624)</u>	<u>(13,460)</u>	<u>(3,624)</u>	<u>(13,749)</u>

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 are as follow.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Accounting profit before tax	<u>3,146,190</u>	<u>3,357,276</u>	<u>3,091,009</u>	<u>3,358,808</u>
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	629,238	772,173	618,202	772,526
Effects of:				
Tax-exempt revenue	(1,080)	-	(1,080)	-
Non-deductible expenses	2,081	23,509	2,029	23,659
Additional expense deductions allowed	(1,420)	(3,983)	(1,420)	(3,983)
Others	(3,411)	7,065	(2,281)	(124)
Total	<u>(3,830)</u>	<u>26,591</u>	<u>(2,752)</u>	<u>19,552</u>
Income tax expenses reported in the income statement	<u>625,408</u>	<u>798,764</u>	<u>615,450</u>	<u>792,078</u>

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

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31 December	31 December	1 January	31 December	31 December	1 January
	2013	2012	2012	2013	2012	2012
		(Restated)			(Restated)	
<b>Deferred tax assets</b>						
Allowance for doubtful accounts	20,744	17,267	14,179	20,744	17,267	14,179
Allowance for diminution in value of inventories	38	-	5	-	-	-
Allowance for diminution in value of investments	13,200	3,200	3,200	13,200	3,200	3,200
Allowance for intangible assets impairments	13,135	27,640	44,064	13,135	27,640	44,064
Accumulated depreciation - building and equipment	26,174	1,224	-	26,174	1,224	-
Accumulated amortisation - computer software	3,757	1,846	-	3,757	1,846	-
Provision for long-term employee benefits	80,691	79,682	62,118	80,498	79,303	61,479
Unused tax loss	-	-	84,928	-	-	84,928
Taxable over accounting revenue	-	-	19,118	-	-	19,118
<b>Total</b>	<b>157,739</b>	<b>130,859</b>	<b>227,612</b>	<b>157,508</b>	<b>130,480</b>	<b>226,968</b>
<b>Deferred tax liabilities</b>						
Deferred debenture issuing costs	(6,782)	(7,907)	(9,181)	(6,782)	(7,907)	(9,181)
<b>Total</b>	<b>(6,782)</b>	<b>(7,907)</b>	<b>(9,181)</b>	<b>(6,782)</b>	<b>(7,907)</b>	<b>(9,181)</b>
<b>Deferred tax assets - net</b>	<b>150,957</b>	<b>122,952</b>	<b>218,431</b>	<b>150,726</b>	<b>122,573</b>	<b>217,787</b>

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30% to 23% in 2012, and then to 20% 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 Group has reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

As at 31 December 2013 the subsidiaries has unused tax losses totaling Baht 68.5 million (2012: Baht 67.6 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

## 26. 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.

Diluted 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following tables set forth the computation of basic and diluted earnings per share.

Consolidated financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2013	2012	2013	2012	2013	2012	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
	(restated)				(restated)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company						
2,520,782	2,557,793	728,530	728,391	3.46	3.51	
<b>Effect of dilutive potential ordinary shares</b>						
Preference shares						
-	-	1,522	1,661			
Convertible bonds						
-	-	137,363	137,363			
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
<u>2,520,782</u>	<u>2,557,793</u>	<u>867,415</u>	<u>867,415</u>	2.91	2.95	
Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2013	2012	2013	2012	2013	2012	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
	(restated)				(restated)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company						
2,475,559	2,566,730	728,530	728,391	3.40	3.52	
<b>Effect of dilutive potential ordinary shares</b>						
Preference shares						
-	-	1,522	1,661			
Convertible bonds						
-	-	137,363	137,363			
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
<u>2,475,559</u>	<u>2,566,730</u>	<u>867,415</u>	<u>867,415</u>	2.85	2.96	

## 27. Segment information

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

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

For the years 2013 and 2012, the Group has no major customer with revenues of 10% or more of the Group's revenues.

## 28. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at the rate of 5% of their basic salaries and the Company or subsidiaries contributed 5% - 7% of basic salary. The fund, which is managed by Bualuang Securities Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Group contributed Baht 64.2 million (2012: Baht 55.2 million) to the fund.

## 29. Dividends paid

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2012	Annual General Meeting of shareholders on 30 April 2013	876,054	1.20
Interim dividends on operating results for the six-month period ended 30 June 2013	Board of Directors' meeting on 6 August 2013	511,031	0.70
Total dividend for 2013		<u>1,387,085</u>	<u>1.90</u>



Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2011	Annual General Meeting of shareholders on 25 April 2012	474,471	0.65
Interim dividends on operating results for the six-month period ended 30 June 2012	Board of Directors' meeting on 10 August 2012	438,028	0.60
Total dividend for 2012		912,499	1.25

### 30. Commitments and contingent liabilities

#### 30.1 Capital commitments

As at 31 December 2013, the Company has capital commitments to pay a total of Baht 184.6 million (2012: Baht 28.3 million) in relation to the renovation agreement of building and Baht 271.2 million (2012: Baht 457.7 million) in respect of purchase of medical instruments and hospital equipment.

#### 30.2 Operating lease and long-term service commitments

The Company has entered into operating lease agreements in respect of the lease of lands, buildings, office space, vehicles and equipment and long-term service agreements. The terms of the agreements are generally between 2 and 30 years.

As at 31 December 2013 and 2012, future minimum payments required under the above agreements were as follows.

(Unit: Million Baht)

Details of commitments	Payable within							
	1 year		1 to 5 years		More than 5 years		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	1	1	7	7	6	8	14	16
2) Lease of office space	28	27	68	76	-	15	96	118
3) Lease of building for nursing dormitory and related services (shall be renewed automatically)	7	9	-	4	-	-	7	13
4) Maintenance service fee for medical instruments	57	48	38	36	-	-	95	84
5) Rental and maintenance service fee for cars	8	9	11	12	-	-	19	21
6) Fee to a bank which is bondholders' representative	-	-	1	1	-	-	1	1

### 30.3 Commitments from other contracts

The Company has entered into three equipment utilisation contracts with three local companies. The contracts cover period of 5 - 7 years (expire in 2013 and 2015) and under the conditions of the contracts, the Company is required to purchase medical supplies to use with the medical equipment at the prices specified in the contracts in total throughout the period of those contracts. As at 31 December 2013, the Company had completed the medical supplies purchases required under the contracts (2012: the outstanding amount of medical supplies that the Company was required to purchase in accordance with the contracts was Baht 2.1 million).

### 30.4 Uncalled portion of investments in subsidiaries

As at 31 December 2013 and 2012, the Company has commitments in respect of the uncalled portion of investments in overseas subsidiaries as below.

Company's name	Country of incorporation	Uncalled portion of investments	
		2013	2012
Asia Global Health Ltd. (AGH)	Hong Kong	HKD 2.4 million	HKD 4.8 million
Life and Longevity Ltd. (LLG)	Hong Kong	USD 0.1 million	-

### 30.5 Bank guarantees

As at 31 December 2013 and 2012, there were outstanding bank guarantees of Baht 29.1 million issued by banks on behalf of the Company. All were required in the normal course of business e.g. payment of utility expenses and space rental.

## 31. Financial instruments

### 31.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", principally comprise cash and cash equivalents, accounts receivable and payable, long-term loan to and long-term loan from and long-term debentures. The financial risks associated with these financial instruments and how they are managed is described below.

### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade accounts receivable and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivables and other receivables as stated in the statement of financial position.

### **Interest rate risk**

The Group's exposures to interest rate risk relate primarily to their interest-bearing, cash at banks, long-term loan to and long-term loan from and long-term debentures. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2013						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	5,269	-	-	543	45	5,857	0.10 - 3.00
Trade and other receivables	-	-	-	-	1,307	1,307	-
	<u>5,269</u>	<u>-</u>	<u>-</u>	<u>543</u>	<u>1,352</u>	<u>7,164</u>	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	859	859	-
Accrued physicians' fees	-	-	-	-	488	488	-
Long-term loan from							
a related party	176	-	-	-	-	176	2.00
Long-term debentures	-	2,485	2,481	-	-	4,966	4.13 - 4.97
	<u>176</u>	<u>2,485</u>	<u>2,481</u>	<u>-</u>	<u>1,347</u>	<u>6,489</u>	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2013							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<b>Financial assets</b>							
Cash and cash equivalent	5,152	-	-	522	38	5,712	0.10 - 3.00
Trade and other receivables	-	-	-	-	1,302	1,302	-
Long-term loan to a related party	-	-	-	-	2	2	-
	<u>5,152</u>	<u>-</u>	<u>-</u>	<u>522</u>	<u>1,342</u>	<u>7,016</u>	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	850	850	-
Accrued physicians' fees	-	-	-	-	483	483	-
Long-term loan from a related party	176	-	-	-	-	176	2.00
Long-term debentures	-	2,485	2,481	-	-	4,966	4.13 - 4.97
	<u>176</u>	<u>2,485</u>	<u>2,481</u>	<u>-</u>	<u>1,333</u>	<u>6,475</u>	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2012							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<b>Financial assets</b>							
Cash and cash equivalents	5,816	-	-	201	17	6,034	0.10 - 2.72
Trade and other receivables	-	-	-	-	1,335	1,335	-
	<u>5,816</u>	<u>-</u>	<u>-</u>	<u>201</u>	<u>1,352</u>	<u>7,369</u>	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	800	800	-
Accrued physicians' fees	-	-	-	-	503	503	-
Long-term debentures	-	1,489	3,471	-	-	4,960	4.13 - 4.97
	<u>-</u>	<u>1,489</u>	<u>3,471</u>	<u>-</u>	<u>1,303</u>	<u>6,263</u>	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2012							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<b>Financial assets</b>							
Cash and cash equivalents	5,741	-	-	183	17	5,941	0.10 - 2.72
Trade and other receivables	-	-	-	-	1,333	1,333	-
	<u>5,741</u>	<u>-</u>	<u>-</u>	<u>183</u>	<u>1,350</u>	<u>7,274</u>	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	795	795	-
Accrued physicians' fees	-	-	-	-	498	498	-
Long-term debentures	-	1,489	3,471	-	-	4,960	4.13 - 4.97
	<u>-</u>	<u>1,489</u>	<u>3,471</u>	<u>-</u>	<u>1,293</u>	<u>6,253</u>	

In addition, as at 31 December 2013 and 2012, the Company's exposures to fixed interest rate risk relate to convertible bonds treated as equity securities amounting to Baht 550 million with maturity date in 2017 and carry interests at the rates 1% and 10% per annum, as described in Note 21 to the financial statements.

### ***Foreign currency risk***

The Company's exposure to foreign currency risk arises from investment in subsidiaries that is denominated in foreign currencies. The Company has no forward contracts to reduce the exposure since the Company expects the risk to be minimal. The Group does not use foreign currency forward contracts or purchased currency options for trading purposes.

There was no balance of financial assets and liabilities denominated in foreign currencies as at 31 December 2013 and 2012.

### **31.2 Fair values of financial instruments**

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.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows.

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, trade and other receivables, long-term loan to and long-term loan from, trade and other payables and accrued physicians' fees, the carrying amounts at the statement of financial position approximate fair value.
- b) For long-term debentures, fair value is derived from quoted market prices of the Thai Bond Market Association at the close of the business on the reporting date.

The majorities of the Group's 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. The carrying amount of long-term debentures with fixed interest rates as at 31 December 2013 amounted to Baht 4,966.1 million (2012: Baht 4,960.5 million), their fair value amounted to Baht 4,994.2 million (2012: Baht 5,075.4 million).

### **32. Capital management**

The primary objective of the Group'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 0.80:1 (2012: 0.88:1) and the Company's was 0.82:1 (2012: 0.90:1).

### **33. Events after the reporting period**

33.1 On 6 January 2014, the Company set up and registered a new subsidiary, Bumrungrad Personnel Development Center Co., Ltd., incorporated in Thailand with a registered share capital of Baht 5.0 million, comprising of 500,000 common shares with par value of Baht 10 each. The Company paid for a common share of the subsidiary at 25% of par value of Baht 10, totaling Baht 1.3 million, representing 100% of total issued and paid-up share capital. Subsequently, on 10 February 2014, the Company fully paid for the unpaid amount of common shares of the subsidiary totaling Baht 3.7 million.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 19 December 2013, which approved the Company's establishment of a new subsidiary to be the Company's personnel development and training center for healthcare service business.

33.2 On 16 January 2014, the Company set up and registered a new subsidiary, Vitallife International AG, incorporated in Switzerland with a registered share capital of CHF 100,000, comprising of 100,000 common shares with par value of CHF 1 each. The Company invested in the new subsidiary with 51% shareholding through a wholly owned subsidiary, Life and Longevity Ltd.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 20 September 2013, which approved the Company's establishment of a new subsidiary to be the Company's holding company for overseas investments.

33.3 On 19 February 2014, a meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2014 to adopt a resolution to pay a dividend of Baht 1.90 per share, or a total of Baht 1,387.1 million, to the shareholders in respect of the 2013 profit. The Company already paid an interim dividend of Baht 0.70 per share, or a total of Baht 511.0 million on 5 September 2013. The remaining dividend of Baht 1.20 per share, or a total of Baht 876.1 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

### 34. Reclassifications

The Company reclassified certain amounts in the financial statements for the year ended 31 December 2012 to conform to the current year's classification, as following.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Cost of hospital operations	8,242,007	8,232,117	8,148,242	8,138,353
Administrative expenses	2,294,947	2,304,837	2,235,465	2,245,354

The reclassification had no effect to previously reported profit or shareholders' equity.

### 35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2014.