



**SIAM WELLNESS GROUP
PUBLIC COMPANY LIMITED**

Invitation to the Annual General Meeting of Shareholders 2015

Monday, March 30, 2015 at 14.00 hours

**at Mandarin C Room
1st Floor of Mandarin Hotel Bangkok
662 Rama 4 Road, Bangrak District, Bangkok**



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน) ทะเบียนเลขที่ 0107557000144
483 ซอยสุทธิพงษ์ ถนนปทุมธานี เขตดินแดง กรุงเทพฯ 10400
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED
483 Soi Suthiporn, Prachasongkroh Road, DinDaeng, Bangkok 10400 THAILAND
Tel: +662 641 6619 Fax: +662 641 6621
www.siamwellnessgroup.com

19 March 2015

Subject: Invitation to the Annual General Meeting of Shareholders 2015

Dear Shareholder(s) of Siam Wellness Group Public Co.,Ltd ("Company")

Attached:

1. A copy of the Minutes of Meeting of the Extraordinary General Meeting of Shareholders No. 1/2014 on August 22, 2014 (Refer for Agenda 1)
2. Annual Report 2014 in CD-Rom (Refer for Agenda 2 and 3)
3. Financial Statements for the Year Ended December 31, 2014 and Report of Independent Auditor (Refer for Agenda 3)
4. Profiles of the nominated persons being proposed for directors appointment (Refer for Agenda 6)
5. Profile of Auditor (Refer for Agenda 8)
6. Proxy Form A, B and C (Choose only one form)
7. Definition of the Company's Independent Director and Profiles of the Independent Directors who serves as proxy for shareholders
8. Guidelines for proxy appointment, registration documents and procedures for attending the meeting
9. Company's Articles of Association relating to the Meeting of Shareholders
10. Map to the venue

With reference to the resolution of the Board of Directors of Siam Wellness Group Public Co.,Ltd (the "Company"), the Company would hereby like to invite the shareholders to the Annual General Meeting of Shareholders 2015 on Monday, March 30, 2015 at 14.00 hours (Registration starts 12.00 hours). The Meeting will be taken place at Mandarin C Room, 1st Floor of Mandarin Hotel Bangkok located at 662 Rama 4 Road, Bangrak District, Bangkok. The agendas of the Meeting has been set as follows:

Agenda 1: To consider and adopt the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2014

Background Information: The Company's Extraordinary General Meeting of Shareholders No. 1/2014 was held on August 22, 2014. The Minutes include the change in number of Directors and number of Independent Directors, as well as the change in Authorized Directors and the Articles of Associations of the Company (Attachment No. 1)

Board's Opinion: The Board of Directors agrees to present to the Annual General Meeting of Shareholders 2015 for its adoption of such Minutes

Required Votes: The passing of a resolution requires a majority vote of the shareholders who attend the meeting and cast their votes. (Articles of Association No. 43)

Agenda 2: To acknowledge the Board of Directors' report on the Company's performance for the year 2014

Background Information: The company's performance has been presented in the company's annual report 2014. The company has sent a copy of the annual report in CD-Rom along with this invitation letter (Attachment No. 2)

Board's Opinion: The Board of Directors agrees to present to the Annual General Meeting of Shareholders 2015

Required Votes: Vote is not required

Agenda 3: To consider the auditor's report and approve the financial statements of the Company and its subsidiaries for the year ended December 31, 2014

Background Information: The Company has prepared the Statement of Financial Positions and Statement of Comprehensive Incomes for the Year Ended December 31, 2014 as duly audited and certified by the auditor of BPR Audit and Advisory Co., Ltd and reviewed by the Audit Committee. The statements have been included in the company's annual report – Financial statement section. This included Financial Statements for the Year Ended December 31, 2014 and Report of Independent Auditor. (Attachment No. 2 and No. 3)

Board's Opinion: The Board of Directors agrees to present to the Annual General Meeting of Shareholders 2015 and have shareholders approve the consolidated and company financial statements for the year ended December 31, 2014 as duly audited and certified by the auditor of BPR Audit and Advisory Co., Ltd and has been reviewed by the Audit Committee.

Required Votes: The passing of a resolution requires a majority vote of the shareholders who attend the meeting and cast their votes (Articles of Association No. 43)

Agenda 4: To consider and approve the non-allocation of annual net profit and the dividend omission for the year 2014

Background Information: 1. The Company's dividend policy is to pay out at least 40 percent of its net profit, after deducting income tax and legal reserve. Each year's payout depends on the Company's investment plan, necessity, and future considerations. Upon approval by the Board of Directors, the annual dividend payout shall be presented to the shareholders' meeting for approval. However, for an interim dividend, the Board has the authority to pay the dividend and report the payout at the next shareholders' meeting. Dividend shall be considered from net profit only according to Articles of Association No. 6 (Dividend and Reserve), No. 49, No. 50 and No. 51

2. According to Clause 116 of the Public Limited Companies Act B.E. 2535 and Clause 52 of the Company's Articles of Association, the Company is required to allocate not less than 5 percent of its annual net profit less the accumulated losses brought forward (if any) to legal reserve until this reserve attains an amount not less than 10 percent of the registered capital. Nevertheless, the Company's legal reserve had already attained the amount of 10 percent of the registered capital.
3. The Board of Directors at its meeting No.1/2015 on February 25, 2015 had approved the setting of additional reserve from previous reserve as of December 31, 2014 that has the

balance of 3,749,092.35 bahts (three millions seven hundreds and forty-nine thousands ninety-two bahts and thirty-five satangs), which is calculated as 2.63 percents of registered capital. According the financial statements, there is a net profit of 21,733,326.95 bahts (twenty-one millions seven hundreds and thirty-three thousands three hundreds and twenty-six baht ninety-five satangs), thus the company need to allocate reserve for this year of the amount 1,087,000 bahts (one million and eighty-seven thousands bahts). Thus, the reserve will have a balance of 4,836,092.35 bahts (four millions eight hundreds and thirty-six thousands ninety-two bahts thirty-five satangs), which is calculated as 3.39 percents of the registered capital.

4. The Board of Directors at its meeting No.1/2015 on February 25, 2015 had also approved the payment of dividend on April 30, 2015 from the profits earned from the operations during the twelve month period ended December 31, 2014, total 20,646,326.95 bahts (twenty millions six hundreds and forty-six thousands three hundreds and twenty-six bahts ninety-five satangs) at the rate of THB 0.025 (zero point zero two five bahts) per share for the total eligible shares of 570,000,000 shares (five hundreds and seventy million shares) or in the total amount of 14,250,000 bahts (fourteen millions two hundreds and fifty thousands bahts).

The right to receive the dividend income is yet confirmed until getting approved by the Annual General Shareholders' Meeting 2015

Board's Opinion:

1. The Board of Directors has agreed to allocate reserve for this year of the amount 1,087,000 bahts (one million and eighty-seven thousands bahts)
2. The Board of Directors has agreed to the payment of dividend at the rate of THB 0.025 (zero point zero two five bahts) per share for the total eligible shares of 570,000,000 shares (five

hundreds and seventy million shares) or in the total amount of 14,250,000 bahts (fourteen millions two hundreds and fifty thousands bahts).

3. The Board of Directors has agreed to set the record date as March 12, 2015 and to collate the shareholder's list that is eligible for dividend according to Clause 225 of the Securities and Exchange Act B.E. 2535 with book closing date on March 13, 2015 and the payment will be made on April 30, 2015

Required Votes:

The passing of a resolution requires a majority vote of the shareholders who attend the meeting and cast their votes (Articles of Association No. 43)

Agenda 5: To consider and approve the number of Directors in the Board

Background Information:

1. On February 12, 2015, Mr. Juckpat Jiravanstit and Ms. Ratpalee Suphawatanakiat, Directors and Authorized Directors of the Company, have submitted letter of resignation to the Chairman in which the Board of Directors has acknowledged the resignation in the meeting No. 1/2015 effective on February 28, 2015.
2. According to Clause 31 of Company's Articles of Association which stated that the Board of Directors and the Shareholders has the power to set the authority of the company. Thus, the meeting No. 1/2015 of Board of Directors has removed both of their names from "Two of the Authorized Directors sign with company stamp". These changes has been reported to the Securities Exchange Commission and the Stock Exchange of Thailand. As a result, the number of directors has been reduced from 11 to 9.
3. According to Clause 15 of Company's Articles of Association which stated that "The Company must have at least 5 directors and the Board must decide on Chairman as well as other positions such as Deputy Chairman if appropriate except two special cases 1) on the special agendas of the meeting in which the company has been converted to Public Company 2) the selection of directors of the whole board. Under these circumstances, the shareholders

will select the Chairman and other positions if appropriate. However, at least half of the total numbers of directors must have Thai citizenship.

Board's Opinion: Given the size of the company being medium-size as well as each director has knowledge, expertise and experience that allows them to manage the Company efficiently, thus the Board agrees that the number of Directors in the Board shall be reduced from 11 to 9.

Required Votes: The passing of a resolution requires a majority vote of the shareholders who attend the meeting and cast their votes (Articles of Association No. 43)

Agenda 6: To consider and approve the re-election of the directors, who are due to retire by rotation

Background Information: 1. According to Clause 18 of the Articles of Association which stated that “one-third of the directors must retire from the office by rotation at the Annual General Shareholders Meeting. If the number is not a multiple of three, then the number nearest to one-third, must retire from office. A director who vacates the office under this Article may be re-elected”.

2. The company has converted to public company on May 8, 2014. Thus, the decisions are through the ballot. Three directors who are due to retire by rotation in the year 2015 were as followed:

- | | |
|--------------------------------|---|
| 1. Mrs. Pranee Suphawatanakiat | Director/Chairman |
| 2. Mr. Polchet Likittanasombat | Director/Independent Director/Chairman of the Audit Committee |
| 3. M.R. Pensiri Chakrabandhu | Director/Independent Director/Audit Committee |

In compliance with the good corporate governance regarding the equitable treatment of shareholders, the Company provides opportunities for the minority shareholders to propose names

of qualified candidates to be nominated for selection as member of the Company's Board of Directors in advance of the Meeting, through an announcement on the Company's website ([www.siamwellnessgroup.com/investor relation](http://www.siamwellnessgroup.com/investor_relation)) as well as on SET's News Section during January 9 – January 31, 2015. For this Meeting, there is not any minority shareholder proposing nominees to the Company.

Board's Opinion:

Although the Company has not appointed the Nomination and Compensation Committee, In order to assure maximum benefit to the Company, the Board of Directors, except those who have conflict of interest, has thoroughly considered the nomination of directors by taking into consideration the qualifications, experiences and expertise of all three nominees, including their previous performance. The Board has accordingly agreed to present to this Meeting for its approval of the re-election of three directors, who are due to retire by rotation, to resume their positions as the directors of the Company for another session with the same job titles as their previous ones. Profiles of the retiring directors proposed for re-election appeared on Attachment No. 4 to the invitation to this Meeting, which was delivered to all shareholders.

Required Votes:

The passing of a resolution requires a majority vote of the shareholders with following conditions

- (1) Each shareholder has the number of votes equals to number of shares
- (2) Each shareholder can select one or more candidate as director
- (3) Candidate with the most number of votes will be selected.
Candidates will be selected according to number of vacant director's numbers available. If the vote is equal, the chairman will be the decision-maker (Clause 17)

Agenda 7: To consider and approve the determination of the directors' remuneration for the year 2015

Background Information: According to Clause 34 and 44 of the Company's Articles of Association, the directors are entitled to receive remuneration in the form of reward, meeting allowance, gratuity, bonus or other form of benefit under the articles of association or as determined by shareholders meeting in either fixed sum or under certain criteria.

Board's Opinion: Although the Company has not appointed the Nomination and Compensation Committee, The Board of Directors has considered the remuneration for the Directors from the performance of the year 2014 of the company, their duties and responsibilities and comparison with the remuneration payment of the other listed companies on the Stock Exchange of Thailand. After due consideration, the Board then deemed it appropriate to propose this Meeting to approve the directors' remuneration for the year 2015 as followed:

| No. | Consideration | 2014 (Existing Rate) | 2015 (New Rate) |
|-----|---|--|--|
| 1. | Director's Remuneration | | |
| 1.1 | Monthly Allowance (per month per person) | - Chairman 20,000 Baht - Director 10,000 Baht * If one has been selected to more than one position, one shall receive only the highest rate of the position. **Director who is member of Executive Committee will not receive monthly allowance | - Chairman 20,000 Baht - Director 10,000 Baht * If one has been selected to more than one position, one shall receive only the highest rate of the position. **Director who is member of Executive Committee will not receive monthly allowance (same) |
| 1.2 | Meeting Allowance (per month per person) | - Chairman / Director 10,000 Baht | - Chairman / Director 10,000 Baht (same) |

| No. | Consideration | 2014 (Existing Rate) | 2015 (New Rate) |
|-----|---|--|--|
| 1.3 | Annual Bonus (per month per person) | - Chairman 300,000 Baht - Director 200,000 Baht | - Chairman 300,000 Baht - Director 200,000 Baht (same) |
| 2. | Audit Committee's Remuneration | | |
| 2.1 | Monthly Allowance (per month per person) | - Chairman 20,000 Baht - Audit Committee 15,000 Baht * If one has been selected to more than one position, one shall receive only the highest rate of the position. **Director who is member of Audit Committee will not receive the monthly allowance as Director | - Chairman 20,000 Baht - Audit Committee 15,000 Baht * If one has been selected to more than one position, one shall receive only the highest rate of the position. **Director who is member of Audit Committee will not receive the monthly allowance as Director (same) |
| 2.2 | Meeting Allowance (per month per person) | - Chairman / Audit Committee 10,000 Baht | - Chairman / Audit Committee 10,000 Baht (same) |
| 2.3 | Annual Bonus (per month per person) | - Chairman 300,000 Baht - Audit Committee 200,000 Baht * If one has been selected to more than one position, one shall receive only the highest rate of the position. **Audit Committee shall receive Annual Bonus as Audit Committee only and will not receive as Director | - Chairman 300,000 Baht - Audit Committee 200,000 Baht * If one has been selected to more than one position, one shall receive only the highest rate of the position. **Audit Committee shall receive Annual Bonus as Audit Committee only and will not receive as Director (same) |

Required Votes:

The passing of a resolution requires at least 2/3 (two-thirds) of the shareholders who attend the meeting and cast their votes (Clause 90 Second section Public Company Limited Act)

Agenda 8: To consider and approve the appointment of the Company's auditor and the determination of the audit fee for the year 2015

Background Information: According to Clause 120 of the Public Limited Companies Act and Clause 60 of the Company's Articles of Association, the appointment of the auditor and the determination of the audit fee shall be brought into consideration in the Annual General Shareholders' Meeting.

In addition, as prescribed by the Notification of the Securities and Exchange Commission No. 7(7) TorChor. 11/2552 Re: Rules, Conditions and Procedures for Reporting of Information Disclosure on Financial Status and Operating Result of Issuing Company, it requires the issuing company to arrange for auditor rotation if its existing auditor has conducted his/her duties of reviewing or auditing and giving opinions towards financial statements of the company for five consecutive accounting years. However, the rotation does not mean that the company is required to engage a new auditing firm; the company may appoint any auditors in the existing auditing firm to replace the old ones. Since Mr. Boonlert Kaewphanpurk, certified public accountant no. 4165 of BPR Audit and Advisory Co.,Ltd has been the company's auditor for the period of 5 years (from 2010-2014), the Company requires the change of auditor for the 2015 Financial Year.

This year, the Board of Directors, with recommendation of the Audit Committee, has thoroughly considered proposing for the appointment of

- 1) Ms. Sumana Punpongsanon, certified public accountant no. 5872 and/or
- 2) Mr. Sophon Permsirivallop, certified public accountant no. 3182 and/or
- 3) Ms. Rungnapa Lertsuwankul, certified public accountant no. 3516 and/or
- 4) Ms. Pimjai Manitkajohnkit, certified public accountant no. 4521 and/or

- 5) Mrs. Gingkarn Atsawarangsalit, certified public accountant no. 4496 and/or
- 6) Mr. Chayapol Suppasedtanon, certified public accountant no. 3972 and/or
- 7) Ms. Rosaporn Decharkorn, certified public accountant no. 5659 of EY Office Limited as the Company's auditor for the year 2015, whereby any one of them being authorized to conduct the audit and express an opinion on the financial statements of the Company. In the absence of the above-named auditors, EY is authorized to appoint other Certified Public Accountants of EY to carry out the work. In 2015, the auditor has proposed the audit fee in total of THB 960,000 bahts (Attachment No. 5)

Board's Opinion:

The Board of Directors, with recommendation of the Audit Committee, has deemed it appropriate to propose for the appointment of

- 1) Ms. Sumana Punpongsanon, certified public accountant no. 5872 and/or
- 2) Mr. Sophon Permsirivallop, certified public accountant no. 3182 and/or
- 3) Ms. Rungnapa Lertsuwankul, certified public accountant no. 3516 and/or
- 4) Ms. Pimjai Manitkajohnkit, certified public accountant no. 4521 and/or
- 5) Mrs. Gingkarn Atsawarangsalit, certified public accountant no. 4496
- 6) and/or Mr. Chayapol Suppasedtanon, certified public accountant no. 3972 and/or
- 7) Ms. Rosaporn Decharkorn, certified public accountant no. 5659 of EY Office Limited as the Company's auditor for the year 2015, in which none has relationship or conflict of interest with the Company/Subsidiary Company/Executive/Major Shareholders/Related Party.

In the absence of the above-named auditors, EY is authorized to appoint other Certified Public Accountants of EY to carry out the

work. In 2015, the audit fee is THB 960,000 bahts as detailed below

| | Year 2015 |
|-------------------------------|---------------|
| Annual Auditing | 600,000 bahts |
| Quarter Auditing (3 Quarters) | 360,000 bahts |
| Total | 960,000 bahts |

Required Votes: The passing of a resolution requires a majority vote of the shareholders who attend the meeting and cast their votes (Articles of Association No. 43)

Agenda 9: To consider and other matters (if any)

Board's Opinion: In compliance with the good corporate governance regarding the equitable treatment of shareholders, the Company provides opportunities for the minority shareholders to propose agenda of 2015 Annual General Shareholders Meeting in advance of the Meeting, through an announcement on the Company's website as well as on SET's News Section during January 9 – January 31, 2015. For this Meeting, there is not any minority shareholder proposing additional agenda to the Company.

However according to clause 105(2) of Public Limited Company Act and Clause 40 of Company's Articles of Association, shareholders has the right to propose agenda if combined shares are at least 1/3 of total shares.

The Record Date for the right of shareholders to attend the Annual General Meeting of Shareholders 2015 is scheduled on March 12, 2015, and the closing date of share registration book for gathering the shareholders' names in accordance with the Section 225 of the Securities and Exchange Act B.E. 2535 is scheduled on March 13, 2015.

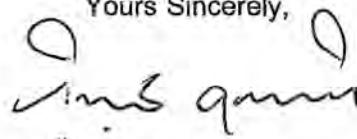
All shareholders are hereby invited to attend the Meeting on the date, at the time and place mentioned above. In case that any shareholder cannot attend the Meeting in person, such shareholder may appoint any other person as proxy to attend and vote on their behalf, by completing the Proxy Form (Attachment No. 6) (along with 20 baht affixed stamp). The

shareholder must also prepare other required documents or evidence for the proxy to submit to the Company three day in advance or any authorized officer prior to the commencement of the Meeting. The Company will open for shareholders' registration from 12.00 Hrs on March 30, 2015 onwards.

For the shareholders' right and benefit, in case any shareholder wishes to appoint the Company's Independent Director, whose details appears in Attachment No. 7, or other to attend and vote on their behalf as spcified in Proxy Form B, please submit the completed and duly executed Proxy together with the required documents or evidence to "Mrs. Dissaya Wiwattanakrai via fax no. 02-641-6621 or e-mail address dissaya@siamwellnessgroup.com or via post at least 5 days before meeting date. For fax or e-mail, please post the original proxy via post to the company. Should the shareholders have any question or enquiry, please contact Mrs. Dissaya Wiwattanakrai at telephone number: 0-2641-6619-20 ext. 103.

We strongly suggest that all shareholders read Guidelines for proxy appointment, registration documents and procedures for attending the meeting (Attachment No. 8) as well as Company's Articles of Association (Attachment No. 9) and the map of venue (Attachment No. 10)

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Wiboon Utsahajit".

(Mr. Wiboon Utsahajit)

Chief Executive Officer



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน) ทะเบียนเลขที่ 0107557000144
 483 ซอยสุทธิพร ถนนประชาราษฎร์ แขวงดินแดง เขตดินแดง กรุงเทพฯ 10400
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED
 483 Soi Suthiporn, Prachasongkroh Road, DinDaeng, Bangkok 10400 THAILAND
 Tel: +662 641 6619 Fax: +662 641 6621
www.siamwellnessgroup.com

**Minutes of the Extraordinary General Shareholders Meeting No.1/2014
 of Siam Wellness Group Public Company Limited**

Time and Place:

The Meeting was held on August 22, 2014 at 14.00 hours at The Head Office,
 483 Soi Suthiporn, Prachasongkroh Road, DinDaeng, Bangkok

The following directors were present:

| | |
|---------------------------------|---|
| 1. Mrs. Pranee Suphawatanakiat | Chairman of the Board of Directors |
| 2. Mr. Wiboon Utsahajit | Director |
| 3. Mr. Prasert Jiravanstit | Director |
| 4. Mrs. Thanit Amornthirasan | Director |
| 5. Mr. Juckpat Jiravanstit | Director |
| 6. Mr. Polchet Likittanasombat, | Chairman of the Audit Committee and Independent Director |
| 7. Mr. Chaiyut Thienyutichai | Independent Director and Member of the Audit Committee |
| 8. M.R. Pensiri Chakrabandhu | Independent Director and Member of the Audit Committee |

Commencement:

As Chairman of the Board of Directors, Mrs. Pranee Suphawatanakiat presided as Chairman of the Meeting. The Chairman stated that there were 4 shareholders attended the Meeting in person and 6 shareholders via proxies, which represented 400,000,000 shares or 100 percent of the Company's total issued shares (out of 10 shareholders with the total of 400,000,000 shares), constituting a quorum in accordance with the Company's Articles of Association. The Chairman then proceeded the Meeting with the following agenda items:

Agenda 1: Message from Chairman

Chairman has informed that the Chairman has been appointed by the Board of Directors at the Meeting no. 2/2014 on August 14, 2014 and has been appointed to be Chairman effective from August 15, 2014. Thus, this is the first meeting as Chairman.

On August 13, 2014, Executives and Officers from the Securities and Exchange Commission and Stock Exchange of Thailand have made a company visit to the Head Office and the spa branch – Let's Relax Mandarin Hotel Bangkok. The visit went well.

Agenda 2: To consider and adopt the Minutes of the Extraordinary General Meeting of Shareholders of Siam Wellness Group Company Limited No. 1/2014

The Chairman proposed the Meeting to adopt the Minutes of the Extraordinary General Meeting of Shareholders of Siam Wellness Group Company Limited No. 1/2014 held on May 7, 2014. The Minutes of the aforementioned meeting was delivered to all shareholders along with the invitation letter. The passing of a resolution requires a majority vote of the shareholders who attend the meeting and cast their votes

The Meeting resolved to adopt the Minutes of the Extraordinary General Meeting of Shareholders of Siam Wellness Group Company Limited No. 1/2014 held on May 7, 2014. By a majority vote of the shareholders attending the meeting and casting their votes, details of which were as followed:

| | | | | | |
|-------------|-------------|-------|---------------|--------|----------|
| Approved | 400,000,000 | votes | Equivalent to | 100.00 | percent* |
| Disapproved | 0 | votes | Equivalent to | 0.00 | percent* |
| Abstained | 0 | votes | Equivalent to | 0.00 | percent* |

**Percent of total shares of shareholders who attend the meeting and cast their votes*

Shareholder's Decision:

The shareholders approved the minutes of the Extraordinary General Meeting of Shareholders of Siam Wellness Group Company Limited No. 1/2014

Agenda 3: For Acknowledgement

Agenda 3.1: To acknowledge the delay in dividend payment to shareholders

Mrs. Dissaya Wiwattanakrai, Company Secretary, has informed the shareholders that in the Annual General Meeting 2014 held on April 19, 2014 (Before conversion to public company limited), the Meeting has approved the dividend payment to shareholders from the profits earned from the operations ended December 31, 2013 at the rate of 40 (forty) bahts per share for the total eligible shares of 1,000,000 (one million) shares or in the total amount of 40,000,000 (forty millions) bahts to all shareholders who have name list in the registered book on March 31, 2014.

Given that the company has 3 new projects which are Let's Relax Siam Square One, Let's Relax Hua Hin and RarinJinda Wellness Spa Ploenchit in which the company has loan from Kasikornbank PCL ("Bank") for investment, yet the Bank is currently in process of loan approval, therefore the company needs this retained earnings (part that will be paid for dividend) to use as investment budget. In order to proceed with the new projects, the Company will use these retained earnings (part that will be paid for dividend) to support the new projects. The bank has informed the company that there were no obstacles in the approval process. After approval, the company will deduct these loans to pay for the new projects. Thus, the company will delay the dividend payment to shareholders.

The Chairman has stated that this agenda requires no vote. Unless there is any suggestion, the meeting will acknowledge the delay payment of dividends.

Shareholder's Decision:

The shareholders acknowledged the delay in dividend payment.

Agenda 3.2: To acknowledge the explanation about dividend policy

Mrs. Dissaya Wiwattanakrai, Company Secretary, has informed the shareholders that in the Extraordinary General Meeting 1/2014 held on May 7, 2014, the shareholders have approved the dividend payment as followed.

"The Company's dividend policy is to pay out at least 40 percent of its net profit, after deducting income tax and legal reserve. Each year's payout depends on the Company's investment plan, necessity, and future considerations. Upon approval by the

Board of Directors, the annual dividend payout is subject to approval from the shareholder or Board of Director's meeting"

The Net Profit is calculated after deducting income tax and legal reserve of the company and does not include the net profit of its subsidiary company (Siam Wellness Lab Company Limited, Siam Wellness Resort Company Limited and Siam Wellness Education Company Limited). Each subsidiary company has its own dividend policy, which correlates with the Company's Dividend Policy.

The Chairman has stated that this agenda requires no vote. Unless there is any suggestion, the meeting will acknowledge the explanation about dividend policy.

Shareholder's Decision:

The shareholders acknowledged the explanation about dividend policy.

Agenda 4: Approval

Agenda 4.1: To consider and approve the appointment of additional member of the Board of Directors

Mrs. Dissaya Wiwattanakrai, Company Secretary informed the Meeting that given that the Company is currently in Initial Public Offering process and in order to increase management knowledge and efficiency in Public Relations and Sales Promotion, the Company, therefore, found it appropriate to propose the Meeting to consider and approve the appointment of a candidate who has knowledge and experience in these fields. Candidates for consideration are:

- 1) Ms. Ratpalee Suphawatanakiat to be Director

She was previously the PR Manager of Siam Wellness Group Company Limited.

- 2) Mrs. Supee Pongpanich to be Director and Independent Director

She is currently Advertising and Promotion Director of Siam Commercial Bank Public Company Limited and has had experiences in this field for many years and had good public record.

According to Securities Commission, there must be at least 1/3 of Directors who are independent Directors. Thus, the appointment of an additional director will require appointment of additional independent director also.

As a result of this appointment, there will be total of 11 directors in the Board, which are:

| | |
|---------------------------------|---|
| 1. Mrs. Pranee Suphawatanakiat | Chairman of the Board of Directors |
| 2. Mr. Wiboon Utsahajit | Director |
| 3. Mr. Prasert Jiravanstit | Director |
| 4. Mrs. Thanit Amornthirasan | Director |
| 5. Mr. Narun Wiwattanakrai | Director |
| 6. Mr. Juckpat Jiravanstit | Director |
| 7. Ms. Ratpalee Suphawatanakiat | Director |
| 8. Mr. Polchet Likittanasombat | Chairman of the Audit Committee and Independent Director |
| 9. Mr. Chaiyut Thienvutichai | Independent Director and Member of the Audit Committee |
| 10. M.R. Pensiri Chakrabandhu | Independent Director and Member of the Audit Committee |
| 11. Mrs. Supee Pongpanich | Independent Director |

By a majority vote of the shareholders attending the meeting and casting their votes, details of which were as followed:

1. Appointment of Ms. Ratpalee Suphawatanakiat as Director

Approved 400,000,000 votes Equivalent to 100.00 percent*

Disapproved 0 votes Equivalent to 0.00 percent*

Abstained 0 votes Equivalent to 0.00 percent*

**Percent of total shares of shareholders who attend the meeting and cast their votes*

2. Appointment of Mrs. Supee Pongpanich as Director and Independent Director

Approved 400,000,000 votes Equivalent to 100.00 percent*

Disapproved 0 votes Equivalent to 0.00 percent*

Abstained 0 votes Equivalent to 0.00 percent*

**Percent of total shares of shareholders who attend the meeting and cast their votes*

Shareholder's Decision:

1. Approved the appointment of Ms. Ratpalee Suphawatanakiat as Director
2. Approved the appointment of Mrs. Supee Pongpanich as Director and Independent Director

Agenda 4.2: To consider and approve the change in Authorized Directors

Mrs. Dissaya Wiwattanakrai, Company Secretary informed the Meeting that referring to Agenda 4.1, in order to increase more flexibility in administration of the company, the Company would like to change the company authority from:

“Two out of three, Mr. Wiboon Utsahajit or Mr. Prasert Jiravanstit or Mrs. Thanit Amornthirasan, the Authorized Directors sign of with company stamp”

“Two out of five, Mr. Wiboon Utsahajit or Mr. Prasert Jiravanstit or Mrs. Thanit Amornthirasan or Mr. Juckpat Jiravanstit or Ms. Ratpalee Suphawatanakiat, the Authorized Directors sign of with company stamp”

By a majority vote of the shareholders attending the meeting and casting their votes, details of which were as followed:

Approved 400,000,000 votes Equivalent to 100.00 percent*

Disapproved 0 votes Equivalent to 0.00 percent*

Abstained 0 votes Equivalent to 0.00 percent*

**Percent of total shares of shareholders who attend the meeting and cast their votes*

Shareholder's Decision:

Approved the change in company's authority to “Two out of five, Mr. Wiboon Utsahajit or Mr. Prasert Jiravanstit or Mrs. Thanit Amornthirasan or Mr. Juckpat Jiravanstit or Ms. Ratpalee Suphawatanakiat, the Authorized Directors sign of with company stamp”

Agenda 4.3: To consider and approve the change in the company's Articles of Association

Mrs. Dissaya Wiwattanakrai, Company Secretary informed the Meeting that referring to the SET's recommendation to change the Articles of Association in the section of proportion of shareholder and buy back shares, the management and the

Board of Directors have sought advice from the Legal Advisor and SET's Staff and consider change the company's Articles of Association as followed (Details in attachment no. 3 of invitation letter):

1. Change No. 10 to "Shares of the company can be transferred without any limitations and shares held by foreigners cannot be more than 49% of total shares. The company has the right to decline the transfer of shares to foreigners if it is more than 49% of total shares".
2. Add to No. 12 "Buy back of shares no more than 10% of registered capital can be approved by Board of Directors. If more than 10%, approval by the majority of shareholders is required. Buy back of shares must be completed within 1 year after shareholder's decision." Thus, the Board of Directors has the authority to approved buy back of shares no more than 10% of registered capital.

Moreover, the registrar of the Public Company Section, Department of Business Development, Ministry of Commerce, has advised the change in Company's Articles of Association as followed:

1. Change the first paragraph of No. 43 to "The passing of a resolution requires a majority vote of the shareholders who attend the meeting and cast their votes unless specified". For this change, at least 3/4 of shareholders must approved.

By a majority vote of the shareholders attending the meeting and casting their votes, details of which were as followed:

Approved 400,000,000 votes Equivalent to 100.00 percent*

Disapproved 0 votes Equivalent to 0.00 percent*

Abstained 0 votes Equivalent to 0.00 percent*

**Percent of total shares of shareholders who attend the meeting and cast their votes*

Shareholder's Decision:

Approved the change in Company's Articles of Association as followed:

1. Change No. 10 to "Shares of the company can be transferred without any limitations and shares held by foreigners cannot be more than 49% of total

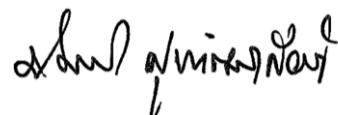
shares. The company has the right to decline the transfer of shares to foreigners if it is more than 49% of total shares".

2. Add to No. 12 "Buy back of shares no more than 10% of registered capital can be approved by Board of Directors. If more than 10%, approval by the majority of shareholders is required. Buy back of shares must be completed within 1 year after shareholder's decision." Thus, the Board of Directors has the authority to approved buy back of shares no more than 10% of registered capital.
3. Change the first paragraph of No. 43 to "The passing of a resolution requires a majority vote of the shareholders who attend the meeting and cast their votes unless specified". For this change, at least 3/4 of shareholders must approved.

Agenda 5: Other Matters

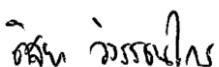
The Chairman asked if any shareholders would like to propose any agendas. When no one would like to propose any agendas the chairman then offered the opportunity to ask the question, comment and recommend about the future direction of the company.

Since there were none, the Chairman, therefore, thanked all shareholders for their attendance at the Meeting and closed the Meeting at 15.20 hours.



(Mrs. Pranee Suphawatanakiat)

Chairman of the Meeting



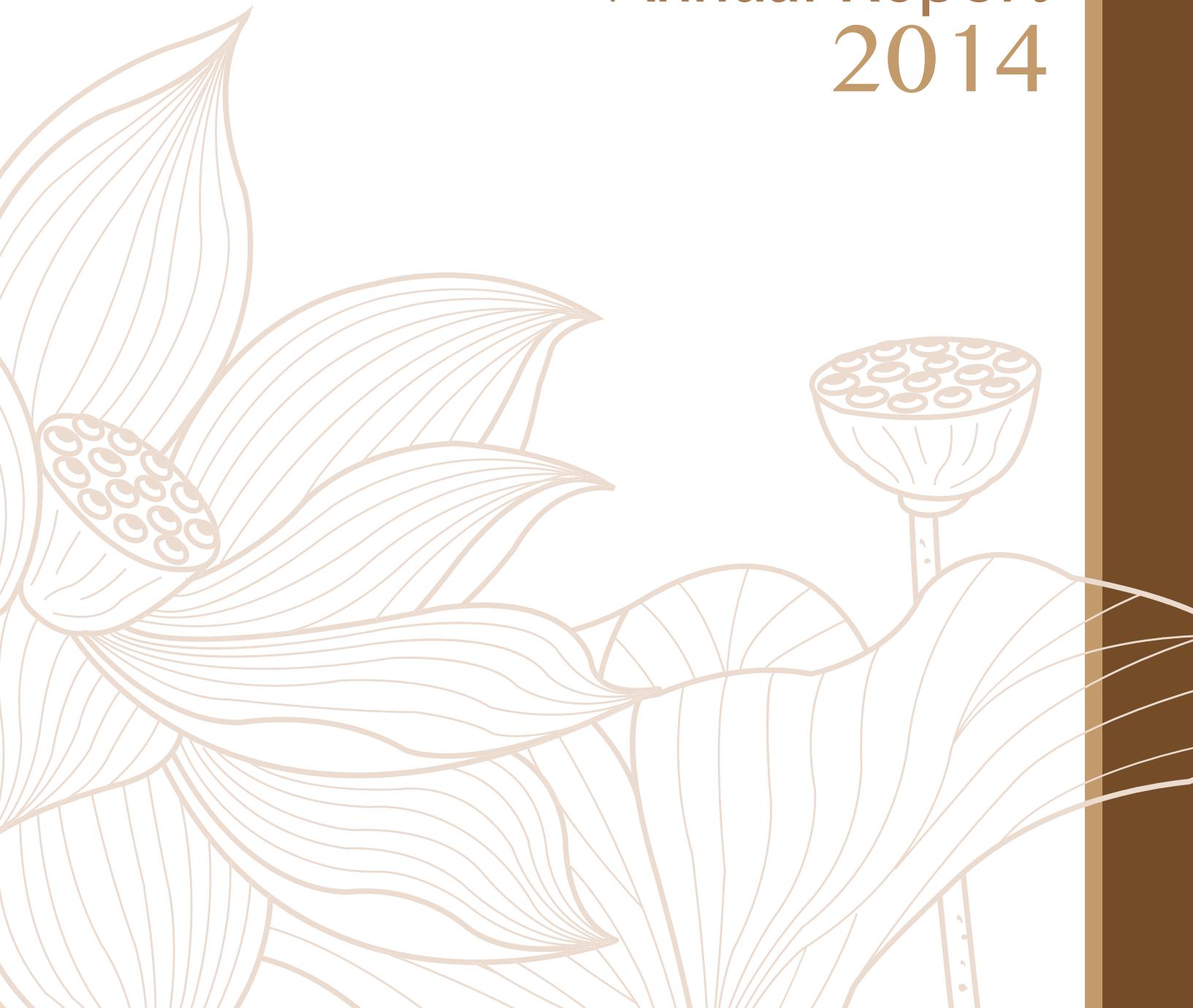
(Mrs. Dissaya Wiwattanakrai)

Company Secretary

Rapporteur

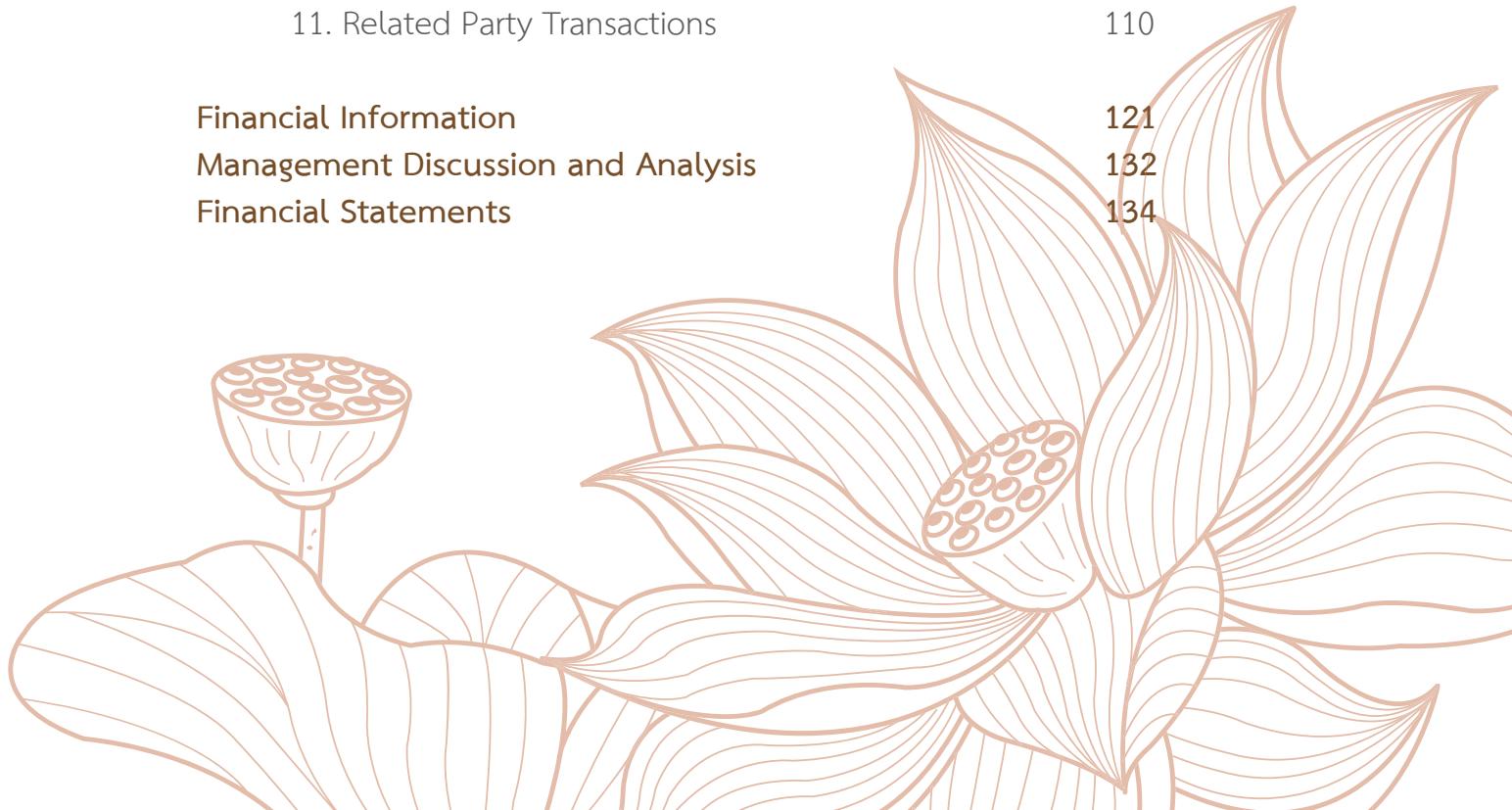
Siam Wellness Group Public Company Limited

Annual Report 2014



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Message from Chairman

Dear Shareholders of Siam Wellness Group Public Company Limited [SPA],

On behalf of the Board of Directors of Siam Wellness Group Public Company Limited, I would like to sincerely thank all of the shareholders for your trust and support in our company. This year, the company was registered and traded as a public company in the Stock Exchange of Thailand. SPA was officially traded in mai Stock Exchange on October 31, 2014. This made us the first spa operators to be listed in the Stock Exchange of Thailand. The objectives of the IPO were branch expansion, debt repayment and working capital funding. Although there were political demonstrations and conflict during the first half of the year 2014, which results in detrimental public sentiment amongst foreigners as well as deteriorating domestic spending amongst Thais, Company still had a relatively positive performance. The Revenue was 343.36 million bahts, which is about 5.34% increase from last year. The Net Profit was 33.25 million bahts.

Nowadays, Spa business has continuous development as seen in many changes such as increase in competitiveness for each country to create the unique spa services, increase in foreign traveller's spending, increase in health concern as well as the preparedness of Asean Economic Community (AEC). The free trade of labour and investment will be both opportunities and challenges for Thai Spa Operators. The Company is strongly determined and ready to continuously develop the quality and the standards of its services to provide a unique Thai Spa experience for the customers, as well as differentiating from our competitors, in order for the Company to be able to grow sustainably.

In 2014, Siam Wellness Group Public Company Limited has expanded 3 new branches including Let's Relax Siam Square One, Let's Relax Hua Hin and RarinJinda Wellness Spa Ploenchit. Our esteemed customers both Thai and Foreign have warmly welcomed each new branch. Together with our international standard of services, the Company has been awarded a total 6 awards at the Thailand Spa & Well-Being Awards 2014 including Amazing Destination Spa, Amazing Day Spa, Amazing Medical/Wellness Spa, Amazing Marketing Campaign, Amazing New Spa and Amazing Value for Money Spa.

Lastly, I would like to sincerely thank our management and staff for their contributions to the Company as well as our shareholders, government agencies, business partners as well as other parties that had continuously support our Company throughout the year. These will be a great willpower and encouragement for the Company to continues to achieve its business goals and commitment and to become the leader of the spa business in Southeast Asia (ASEAN) in the forthcoming future.

Yours Sincerely,

(Mrs. Pranee Suphawatanakiat)

Chairman

Board of Directors

As of December 31, 2014, The Board of Directors composed of 11 Directors:



Mrs. Pranee Suphawatanakiat
Chairman of the Board of Directors



Mr. Wiboon Utsahajit
Director
President of the Executive Committee
Chief Executive Officer



Mr. Prasert Jiravanstit
Director
Member of the Executive Committee
Managing Director



Mrs. Thanit Amorntirasan
Director
Member of the Executive Committee
Deputy Managing Director



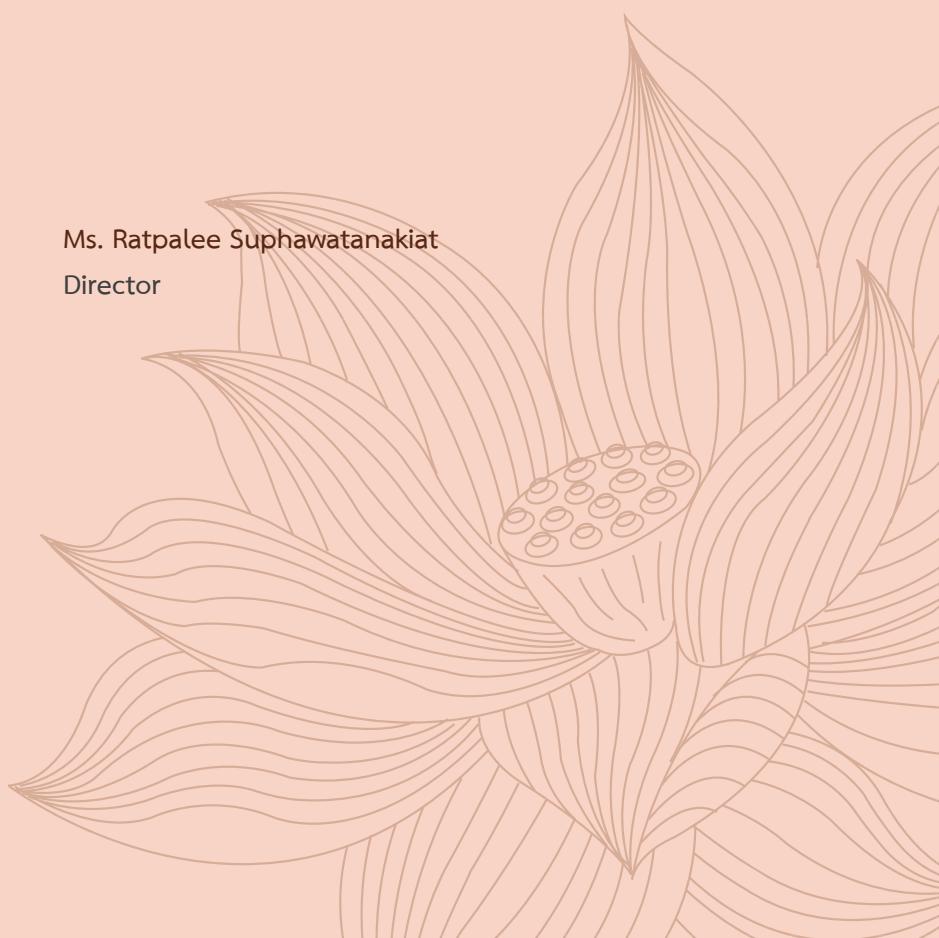
Mr. Narun Wiwattanakrai
Director
Member of the Executive Committee
Assistant Managing Director



Mr. Juckpat Jiravanstit
Director
Member of the Executive Committee



Ms. Ratpalee Suphawatanakiat
Director





Mr. Polchet Likittanasombat
Director
Chairman of the Audit Committee
Independent Director
(Audit Committee with Accounting Knowledge)



Mr. Chaiyut Thienvutichai
Director
Member of the Audit Committee
Independent Director



M.R. Pensiri Chakrabandhu
Director
Member of the Audit Committee
Independent Director



Mrs. Supee Pongpanich
Director
Independent Director

General Information and Other Information

1. General Information

Company Name : Siam Wellness Group Public Company Limited

Stock name : SPA

Company Registration Number : 0107557000144

Business Type : Spa under 2 brands – Let's Relax and RarinJinda Wellness Spa

Head Office Address : 483 Soi Suthiporn, Prachasongkroh Road, DinDaeng,
Bangkok 10400 THAILAND

Branch Address:

1) Let's Relax

- 2,88 Terminal 21 Shopping Mall, Room SH-6-003, 004, 6th Floor,
Soi Sukhumvit 19, Klongtoey Nua sub-district, Wattana district, Bangkok
- 145 Pavilion Night Bazaar Shopping Mall, LG, 1st, 2nd Floor, Changklan Road,
Changklan sub-district, Muang district, Chiang Mai
- 184/14 Pangmuang Sai Kor Road, Patong sub-district, Kathu district, Phuket
- 209/22-24, Raj-u-thid 200 years old Road, Patong sub-district,
Kathu district, Phuket
- 77 Soi Sukhumvit 39, Sukhumvit Road, Klongtun Nua sub-district,
Wattana district, Bangkok
- 240/9 Moo 5, Naklua sub-district, Banglamung district, Chonburi
- 108/42 Moo 1, Bophut sub-district, Koh Samui district, Suratthani
- 662 Mandarin Hotel Bangkok, M Floor, Rama 4 Road,
Mahapreuttharam sub-district, Bangrak district, Bangkok
- 388 Siam Square 1 Shopping Mall, Room SS6032, 6th Floor, Rama 1 Road,
Pathumwan sub-district, Pathumwan district, Bangkok
- 234/1 Hua Hin Market Village Shopping Mall, Room E201, E201_Terrace, E301,
A313, 2nd and 3rd Floor, Phetkasem Road, Hua Hin sub-district, Hua Hin district,
Prachuab Khiri Khan

2) RarinJinda Wellness Spa

- 14 Charoenraj Road, Wat Kate sub-district, Muang district, Chiang Mai
- 153/2 Grande Centre Point Ratchadamri Hotel, 6th and 8th Floor,
Soi Mahatlekluang 1, Ratchdamri Road, Lumpini sub-district,
Pathumwan district, Bangkok
- 100 Grande Centre Point Ploenchit Hotel, 30th and 31st Floor,
Wireless Road, Lumpini sub-district, Pathumwan district, Bangkok

Telephone/Facsimile : 0 2641 6619-20 / 0 2641 6621

Website : www.siamwellnessgroup.com

Registered Capital : 142,500,000 bahts (one hundred and forty-two millions five hundreds
thousands bahts) after initial public offering on October 31, 2014

Par Value : 0.25 bahts (twenty-five satangs)

2. Other registered company that Company holds at least 10% of total shares

2.1 Siam Wellness Resort Company Limited

Head Office Address: 483 Soi Suthiporn, Prachasongkroh Road, DinDaeng
Bangkok 10400 THAILAND

Business Type : Resort and Restaurant

Registered capital : 60,000,000 bahts (sixty millions bahts)

% Shares : 99.99

2.2 Siam Wellness Lab Company Limited

Head Office Address: 483 Soi Suthiporn, Prachasongkroh Road, DinDaeng
Bangkok 10400 THAILAND

Business Type : Spa Products Trading

Registered capital : 1,000,000 bahts (one million bahts)

% Shares : 99.99

2.3 Siam Wellness Education Company Limited

Head Office Address: 483 Soi Suthiporn, Prachasongkroh Road, DinDaeng
Bangkok 10400 THAILAND

Business Type : Massage School

Registered capital : 1,000,000 bahts (one million bahts)

% Shares : 99.97

3. Other references

Registrar : Thailand Securities Depository Company Limited (TSD)
62 Stock Exchange of Thailand
Ratchadaphisek Road, Klongtoey sub-district, Klongtoey district, Bangkok
Tel. 0 2229 2800
Fax. 0 2359 1259
Website : <http://www.tsd.co.th>

Auditor:

1. Mr. Boonlert Kaewphanpurk, certified public accountant no. 4165
2. Mr. Narit Saovalucksakul, certified public accountact no. 5369 of
BPR Audit and Advisory Company Limited
Chartered Square Building, 12A Floor, Room 08, 152 Sathorn Nua Road
Silom sub-district, Bangrak district, Bangkok
Tel: 0 2634 5398
Fax: 0 2634 5399

Legal Advisor: HNP Legal Company Limited
Q House Convent Building, 11th Floor, Room 11 AB, 38 Convent Road,
Silom sub-district, Bangrak district, Bangkok
Tel: 0 2632 1800
Fax: 0 2632 1700

4. Other information

- None -

News and Events 2014

JANUARY

Assistant Professor Kittiorn Sirisuk led a group of students from Department of Interior Architecture, Faculty of Architecture, Chulalongkorn University to visit RarinJinda Wellness Spa Rajdamri. Mrs. Thanit Amornthirasan, Deputy Managing Director, welcomed the group.



FEBRUARY

Let's Relax Chiangmai Pavilion Night Bazaar New phase was opened. The area has been expanded from 336 sqm to 668 sqm.



MARCH

SPA has been selected by Tourism Authority of Thailand to perform demonstration of Thai Massage and Spa to delegates of Internationale Tourismus Borse (ITB 2014) at Berlin, Germany.



HRH Princess Ubolratana Rajakanya visited the booth and was welcomed by Mr. Prasert Jiravanit, Managing Director. He presented a basket of Blooming Siamese Wellness Secrets, to the Princess.

MARCH

SPA has been selected by Tourism Authority of Thailand to demonstrate of Thai Massage and Spa to delegates of Moscow International Travel and Tourism Exhibition at Moscow, Russia Federation.



MARCH

RarinJinda Wellness Spa Chiangmai opened the onsen services, the first Japanese Onsen in Chiangmai.

His Excellency Akhihiko Fujii (middle) Consul-General of Consulate General of Japan in Chiangmai was the guest of honor at the Grand Opening event. Ms. Jirarat Meengam, Assistant Director of TAT Chiangmai was also present.



MAY

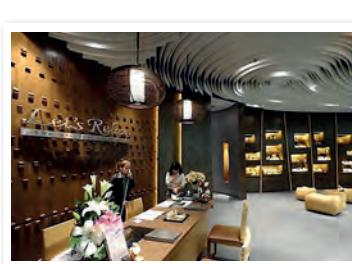
Mr. Prapan Charoenprawat (middle), President of mai Stock Exchange and team visited Let's Relax Mandarin Hotel Samyan, one of the 13 branches of Siam Wellness Group Public Company Limited.

MAY

RarinJinda Wellness Spa Resort received Tripadvisor Certificate of Excellence 2014 Award.

Visitors from Tripadvisor.com has voted RarinJinda Wellness Spa Resort to be the winner of Certificate of Excellence 2014 for the 3rd consecutive year.





JUNE

Let's Relax Siam Square One was officially opened. Associated Professor Trirat Jarutach, Assistant to President of Chulalongkorn University, was there to congratulated.

JUNE

Siam Wellness Group Public Company Limited or SPA made the official Press Conference as the first spa company to be traded in the Stock Exchange of Thailand.



AUGUST

Let's Relax Hua Hin was officially opened. Mrs. Orasa Awutkom, Director of TAT Prachuab Khiri Khan, was the guest of honor at the Grand Opening event.

SEPTEMBER

Siam Wellness Group Public Company Limited received 6 awards at Thailand Spa & Well-Being Awards 2014, in which RarinJinda Wellness Spa received 2 awards - Amazing Wellness/Medical Spa and Amazing Destination Spa awards and Let's Relax received 4 awards – Amazing Day Spa, Amazing Value for Money Spa, Amazing Marketing Campaign and Amazing New Spa, held at Grand Diamond Ballroom, Impact Muang Thong Thani.

**OCTOBER**

Siam Wellness Group Public Company Limited prepared a domestic investor's roadshow in 5 key provinces – Bangkok, Chonburi, Nakhon Ratchasima, Chiangmai and Songkhla.

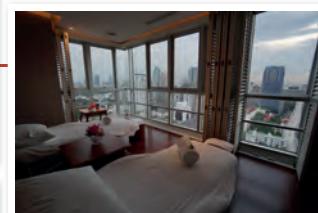
**OCTOBER**

Siam Wellness Group Public Company Limited officially appointed Globex Securities Company Limited as the lead underwriter.



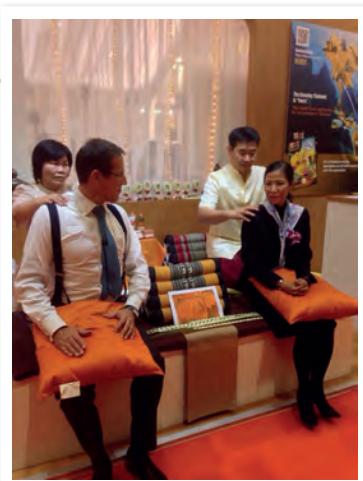
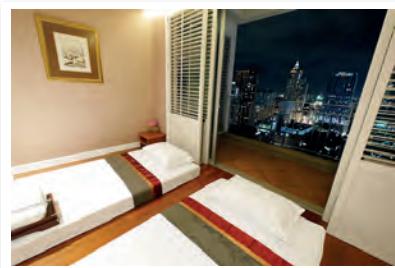
OCTOBER

Siam Wellness Group Public Company Limited officially traded in the Stock Exchange of Thailand under "SPA".



NOVEMBER

RarinJinda Wellness Spa Ploenchit was officially opened.



NOVEMBER

SPA has been selected by Tourism Authority of Thailand to perform demonstration of Thai Massage and Spa to delegates of World Travel Market 2014, London, United Kingdom.

[Hon. Kobkarn Wattanavarangkul, Minister of Tourism and Sports and Mr. Richard Quest, a popular CNN Anchor tried the service.]

Financial Highlights

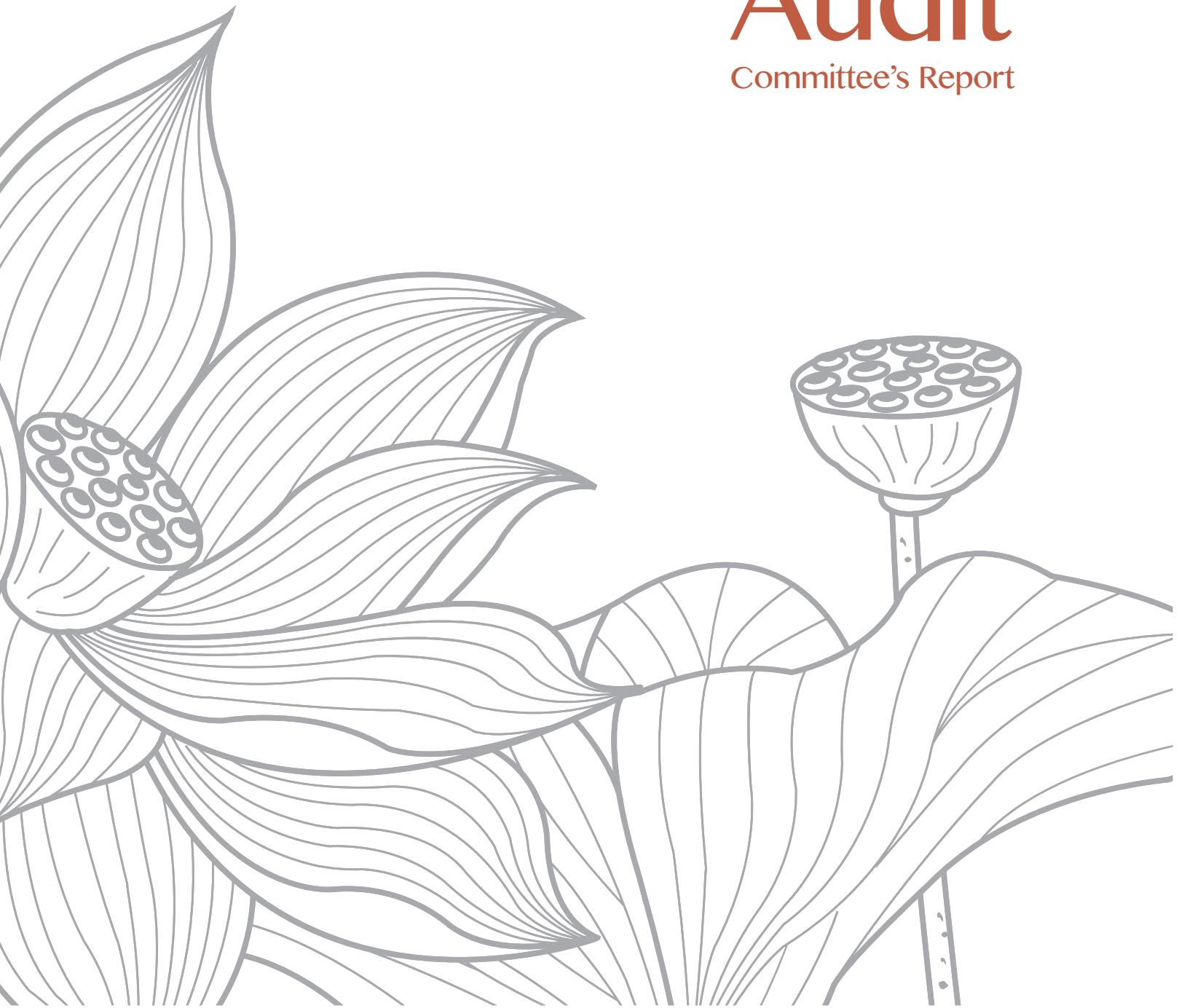
| Financial Position | 2014 | 2013 |
|---|---------|---------|
| Total Assets (In Thousand Baht) | 600,856 | 348,720 |
| Total Liabilities (In Thousand Baht) | 117,892 | 143,520 |
| Total Shareholders' Equity (In Thousand Baht) | 482,964 | 205,200 |

| Operational Performance | 2014 | 2013 |
|---|---------|---------|
| Total Revenues (In Thousand Baht) | 343,358 | 325,933 |
| Cost of Sales and Services (In Thousand Baht) | 225,344 | 186,346 |
| Selling Expenses (In Thousand Baht) | 18,333 | 20,614 |
| Administrative Expenses (In Thousand Baht) | 37,814 | 30,662 |
| Total Expense (In Thousand Baht) | 303,431 | 250,221 |
| Profit for the Year Attributable to Shareholders of the Parent (In Thousand Baht) | 33,247 | 57,325 |
| Net Earnings per Share for Profit for the Year Attributable to Shareholders of the Parent (Baht) | 0.08 | 0.17 |

| Ratio Analysis | 2014 | 2013 |
|------------------------------|-------|-------|
| Current Ratio (Times) | 3.92 | 0.48 |
| Gross Profit Ratio (%) | 33.41 | 41.72 |
| Net Profit Ratio (%) | 9.68 | 18.48 |
| Return on Equity (%) | 9.66 | 40.32 |
| Return on Assets (%) | 7.00 | 17.28 |
| Debt to Equity Ratio (Times) | 0.24 | 0.70 |

Audit

Committee's Report



Audit Committee's Report

To Shareholders of Siam Wellness Group Public Company Limited

Siam Wellness Group Public Company Limited (“Company”) has the Audit Committee composed of 3 independent directors whom have expertise and are professional in the specific, with the qualifications according to the provision of The Stock Exchange of Thailand. They independently perform the profession under the Charter of Audit Committee, the Audit Committee consists of:

- | | |
|--------------------------------|---------------------------------|
| 1. Mr. Polchet Likittanasombat | Chairman of the Audit Committee |
| 2. Mr. Chaiyut Thienvutichai | Audit Committee |
| 3. M.R. Pensiri Chakrabandhu | Audit Committee |

In 2014, the Audit Committee had a meeting total of 8 times. The Audit Committee’s meeting had attended all meetings with the percentage of 100 of the meeting and also invited the management to attend the meeting according to the related agenda of those involved in order to explain the topics matter. As well as invited the internal auditors and certified public accountants to participate in the discussion, the audit results, and the evidences in each quarter. The Audit committee held a meeting with the certified public accountants without the management of the company with total of 4 times.

The Audit Committee’s meeting had strictly followed the profession under the Charter of Audit Committee which approved by the Board of Directors of the Company. And the results from each meeting had been reported with the performance summary with useful suggestions to the Board of Directors of the Company to acknowledge, the essence topics are as followed:

1. Reviewed the annual financial statements for the year 2013 and quarterly financial statements for the year 2014 before submitting to the Board of Directors of the company, to be completely certain that the financial transactions prepared by related parties were accurate and adequate to the accounting standards and legal terms as well as enough disclosure in the notes of financial statements. Along with providing the observations and acknowledgement of the solutions as an advantage for the Company, the Audit Committee supposed that the financial transactions was prepared under the guaranteed accounting standards with the accuracy and adequacy which can be reliable, where the choices of accounting policy are reasonable.
2. By reviewing the adequacy of internal controls and internal audit, the Audit Committee supposed that as a matter fact, there are sufficient and effective and no deficiency with the internal auditor working independently. Herewith, the Audit Committee considered the approval of an internal audit plan for the year 2014, following the risk accordingly and focusing on effective and sufficient performance as well as continuing to improve the internal audit system to enhance internal control.
3. By reviewing the observance under the Securities and Exchange Commission, the regulations of The Stock Exchange of Thailand, and the company’s related laws, the Audit Committee supposed that the Company has followed the regulations appropriately, as well as reviewing the related subjects or the conflict of interest matters. The Audit Committee agreed that it is reasonable to maximize the benefits of the Company following by the regulations and laws of The Stock Exchange of Thailand as noted in financial statements.

4. By reviewing the risk management, the audit report, and the observations on the internal control system, along with exchanging opinions with the management, the Company has scheduled the meeting for the risk management task force frequently as well as imposing the meeting for the Board of Directors at least every quarter. During the meeting, the Audit Committee mentioned about the overall results, the risks, and suggestions in order to avoid or reducing the significant risks, also reported the progress of the overall results of those responsible individuals. The Audit Committee supposed that the measurement of the risk management was appropriate and sufficient to support the great risky performances according to the business's environment nowadays.

5. By reviewing the adequacy of the internal control system prescribed by the Securities and Exchange Commission, the results showed that the Company had the adequacy of the internal control system.

6. Considered selecting the auditors with the transparency and good corporate governance. Along with the overall results of the previous auditors considering the reputation and reliability in auditing with the ability to affirm the financial statements punctually, the Audit Committee suggested that the Board of Directors proposing to the Shareholders' Meeting to approve as followed,

- Appointing the auditors of EY Office Co., Ltd. with the names as followed,

Ms. Sumana Punpongsanon, certified public accountant no. 5872 and/or

Mr. Sophon Permsirivallop, certified public accountant no. 3182 and/or

Ms. Rungnapa Lertsuwankul, certified public accountant no. 3516 and/or

Ms. Pimjai Manitkajohnkit, certified public accountant no. 4521 and/or

Mrs. Gingkarn Atsawarangsalit, certified public accountant no. 4496 and/or

Mr. Chayapol Suppasedtanon, certified public accountant no. 3972 and/or

Ms. Rosaporn Decharkorn, certified public accountant no. 5659

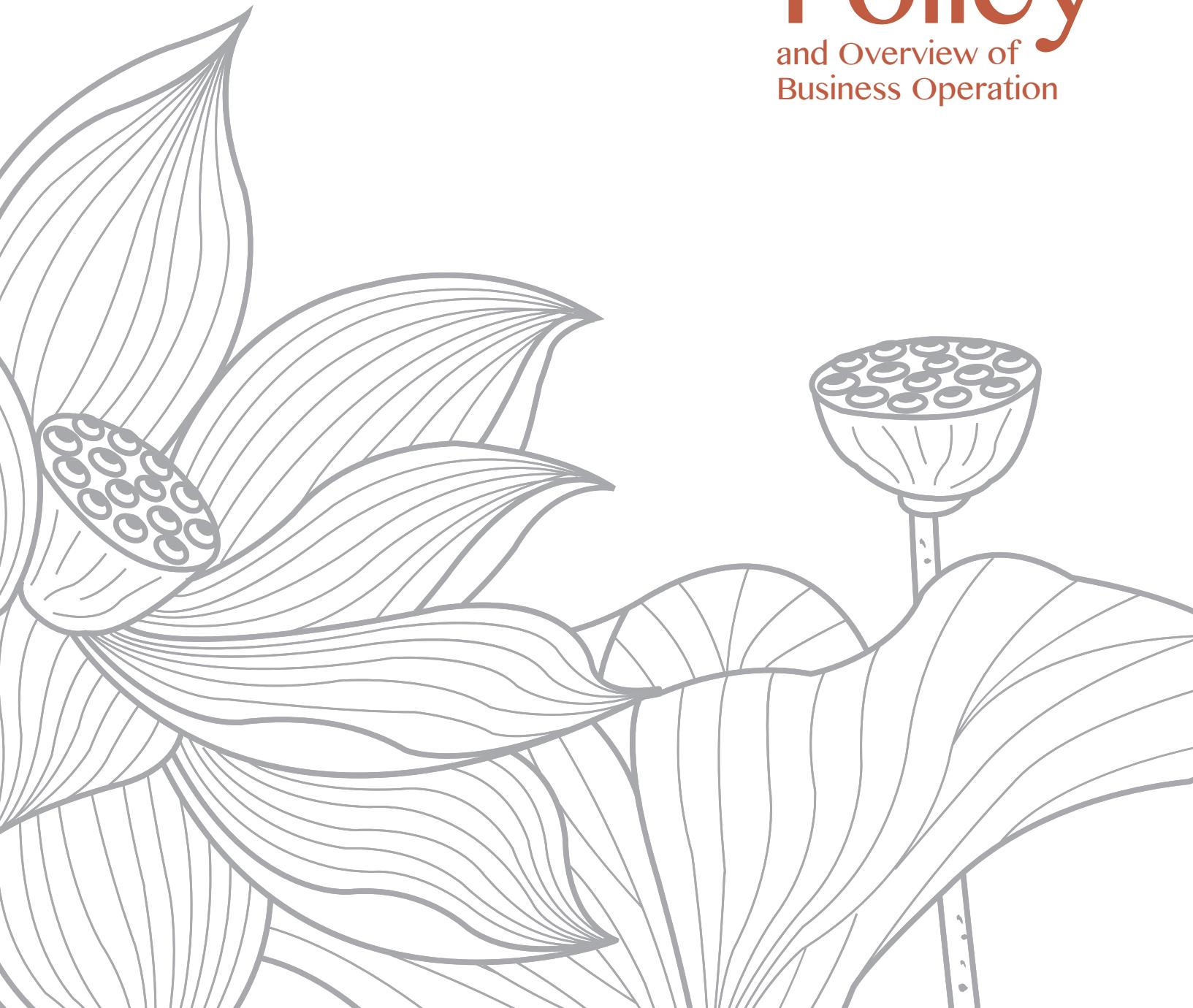
To be auditors of Siam Wellness Group Public Company Limited for the fiscal year 2015 with the audit fees of 960,000 baht (nine hundreds and sixty thousands baht)

7. The Audit Committee evaluated the overall results of the Audit Committee by evaluating the overall for the year 2014 and had an agreement that the Audit Committee has followed the Charter of Audit Committee effectively and sufficiently.

Siam Wellness Group Public Company Limited

(Mr. Polchet Likittanasombat)

Chairman of the Audit Committee



Section 1

Policy

and Overview of
Business Operation

1

Policy and Overview of Business Operation

1. The Vision and Objective of the Business Operation of the Group of Companies

Siam Wellness Group of Companies (Plc) operates a health spa and spa-related businesses as well as the hotel (hospitality) business. For this purpose, the Group of Companies defines its operational vision and objective for expansion and growth of the business in the future as follows:

THE VISION

The Group of Companies defines a comprehensive overview of its business as the provider of standard spa service and the most full cycle spa services of Asian with spas covering multi-level diverse spa services and has the Regional Brand of the products accepted and recognized both in Thai and overseas markets with simultaneous business growth and expansion both in the Group of Companies and in the operation of its business characterized by reciprocity of support. Incidentally, the Group of Companies has defined 4 missions of its business operation, namely,

- As an organization that creates the standard of Thai spa to be recognized internationally and builds reputation for Thai spa at international level and ultimately at global level.
- As an organization that focuses on the integration of the Western and Thai sciences to enable the service of the Company to be increasingly developed.
- As an organization that promotes and gives support to personnel of every part to enable them to learn and develop themselves consistently and continually in the best interest of the Company and for ultimate maximized benefit of the customers.
- As an organization that attaches importance to the fundamental regulations, the law by adhering to the operation of its business with integrity, precision and ethics with awareness of impact on its personnel, on the environment and community being of paramount importance.

ITS BUSINESS OBJECTIVE

• SIAM WELLNESS GROUP PLC. : SPA

SPA defines its business objective to be increasingly on expansion by setting forth its objective to be the leader of Asian spa with brand symbol impressed on the mind of the customers and to further want to expand its health spa business to provide services to fully meet all demands of the target customers through division of service brands; starting from the upper level customers who have plenty of time to be admitted to receive services and with more purchasing power to the customers with less purchasing power. This is to gain access to customers of every needs through emphasis on good staff training from the Company as to provide the best services to the customers and to build the customer base of new customers as to increase the growth of income for every branch of spa on a continual basis and for further growth in net profit continually in the future.

• SIAM WELLNESS RESORT CO., LTD. : SWR

SWR defines the target for its hotel operation business by emphasizing growth in occupancy rate at the hotel by the customers through a launch of publicity for room occupancy sale, through the organizing of workshop seminars for both private and government sectors, both nationally and internationally; through sales promotion during festivity period for restaurant businesses. SWR has a plan to increase the power of consumption through organizing sales promotion during various festivity periods as to increase operating income for SWR.

- SIAM WELLNESS LAB CO., LTD. : SWL

SWL defines the objective of its spa-related products distribution business and health-related products distribution with an aim to expand distribution channels of both domestic and abroad. For the domestic market, it focuses on expanding the distribution channel in a spa place of business established in a hotel; the distribution of goods in medium spa shops in department stores, the distribution of souvenir goods during various festivities such as during the New Year festival and other festive occasions, etc. As for overseas market, SWL is planning to recruit additional distribution agents to handle the export of goods to places of the spa business in leading hotels abroad as to increase income for SWL and to create a business opportunity for expansion and continual growth in the future.

- SIAM WELLNESS EDUCATION CO., LTD. : SWE

SWE defines its objective to operate a Thai traditional massage school by emphasizing staff training as to maintain the massage standard and to teach job applicants for the Company's therapeutic staff and to accommodate the launch of SPA branches to promote SPA future growth.

2. Significant Changes and Developments

Siam Wellness Group Plc. the "Company" or "SPA", previously was named "Blooming Spa Co., Ltd." It was established in 2001 by the group of Utsahajit Family and the group of Jiravanstit Family with an authorized capital of 3 million Baht. It operated the spa for health business under the brand "Let's Relax", which emphasized the provision of day-spa type service. It is the 4-star service in the format of the service-user having little time, mostly the customers used about 1-2 hours of service time.

In 2006, as the Company envisioned a channel for providing service to customers who increasingly wish to have more comprehensive healthcare, it expanded its business by establishing more places for providing spa service under the brand of "RarinJinda Wellness Spa", by emphasizing the provision of wellness-type spa service. It is a 5-star spa service of leading standard integrating increasingly new technology in the spa service circle and the time of service provided is 1 hour and a half hour upwards.

In 2007, the Company founded Siam Wellness Lab Co., Ltd. or "SWL", previously "Blooming Lab Co., Ltd." with an authorized capital of 1 million Baht to operate a spa-related products, health products and crispy snack distribution business under the brand of "Blooming" for distribution domestically and abroad.

In 2008, the Company increased the authorized capital to 40 million Baht for working capital funding and for branch expansion.

In 2011, the Company founded Siam Wellness Education Co., Ltd. or "SWE", previously named "Blooming Spa Education Co., Ltd." with an authorized capital of 1 million Baht. It operates an educational institute-type school teaching Thai traditional massages recognized by the Ministry of Education. It has the objective to train employees to be service staff of the Company to accommodate the expansion of SPA branches.

In 2013, the Company launched additional Day Spa service under the brand of "Sabaii by Let's Relax", by emphasizing the service to be provided to group of customers who have limited use of service not more 1-2 hours with lesser service area than that of the brand "Let's Relax." The place of service is located near community area in the center of the city with travel convenience. Moreover, in 2013, the Group of Companies underwent the shareholding restructuring in preparation for listing in the Stock Exchange of Thailand. For this purpose, Siam Wellness Group Limited issued shares for increase of the authorized capital in order to buy the share of Siam Wellness Resort Co., Ltd. previously "RarinJinda Co., Ltd." in the ratio of 99.99 percentage of the authorized capital.

SIGNIFICANT CHANGES AND DEVELOPMENTS DURING THE PAST 3 YEARS ARE AS FOLLOWS:

| Year | Significant changes and developments |
|------|---|
| 2011 | <ul style="list-style-type: none"> • The Company launched “Let’s Relax”, Terminal 21 Branch in the Trade Center Terminal 21 on 6th floor, Soi Sukhumvit 19 (Soi Watthana), Sukhumvit road, Bangkok. • The Company bought the share of Blooming Lab Co., Ltd. in June. • The Company founded Blooming Spa Education Co., Ltd. in July. • The Company launched RarinJinda Wellness Spa, Phuket Branch, located near Jung Cylon Trade Center, on Pung Muang Sai Kor road, in Tambol Patong, Phuket province (leased of building area from Asia Fortune Property Co., Ltd., an allied company). |
| 2012 | <ul style="list-style-type: none"> • Blooming Lab Co., Ltd. changed its name to “Siam Wellness Lab Co., Ltd.” • Blooming Spa Education Co., Ltd. changed its name to “Siam Wellness Education Co., Ltd.” |
| 2013 | <ul style="list-style-type: none"> • The Company launched “Lets Relax”, Samui Branch, on Rob Koh Road, in Tambol Bo Phud, Koh Samui district, Suratthani province. • The Company launched “Let’s Relax”, Mandarin Branch, located in Mandarin Hotel, on Rama IV road, Bangkok. • The Company started the first spa massage service under the new brand name of Sabaii by Let’s us Relax on Silom road, located on the premises of the Commercial Building near Narai Hotel, on Silom Road, Bangkok, to launch a basic health massage service, by emphasizing the community-based location, but with the utility area lesser than that of the Let’s Relax brand. • Increased the authorized capital of 60 million Baht to up the total authorized capital to 100 million Baht as to restructure the business of the Group of Companies to be subject to the same control by issuing share for capital increase in exchange for the share of Siam Wellness Resort Co., Ltd., previously “RarinJinda Co., Ltd.”, from Utsahajit Family and Jiravanstit Family as to merge into a subsidiary company of the business at the par value price. |
| 2014 | <ul style="list-style-type: none"> • The Company launched Onsen service at RarinJinda Wellness Spa, Chiangmai Branch. • The Company renovated and expanded the area of Let’s Relax, Pavilion Branch • Being converted into a public company by changing its share par value from 100 Baht to 0.25 Baht per share and increased the authorized capital to 142.5 million Baht (570 million shares) to make public sale offering of 170 million ordinary shares for increase of the authorized capital and to apply for listing in the mai Stock Exchange. • The Company launched Let’s Relax, Siam Square One branch, situated at Siam Square One on 6th floor, Bangkok. • The Company launched Let’s Relax, Hua Hin Branch, situated at Hua Hin Market Village Trade Center, HuaHin district, Prachuab Khirikhan province. • The Company renovated the format of providing service of RarinJida Wellness Spa, Phuket branch, situated on Pung Muang Sai Kor. Road, in Tambon Patong, Phuket province, into Let’s Relax, Patong Third Street branch. • The Company changed the name Let’s Relax, Phuket branch to be Let’s Relax, Patong Second Street branch. • The Company launched Sabaii Let’s Relax, Silom branch. |

As at 31 December 2014, the Company had its places of operation opened as follows:

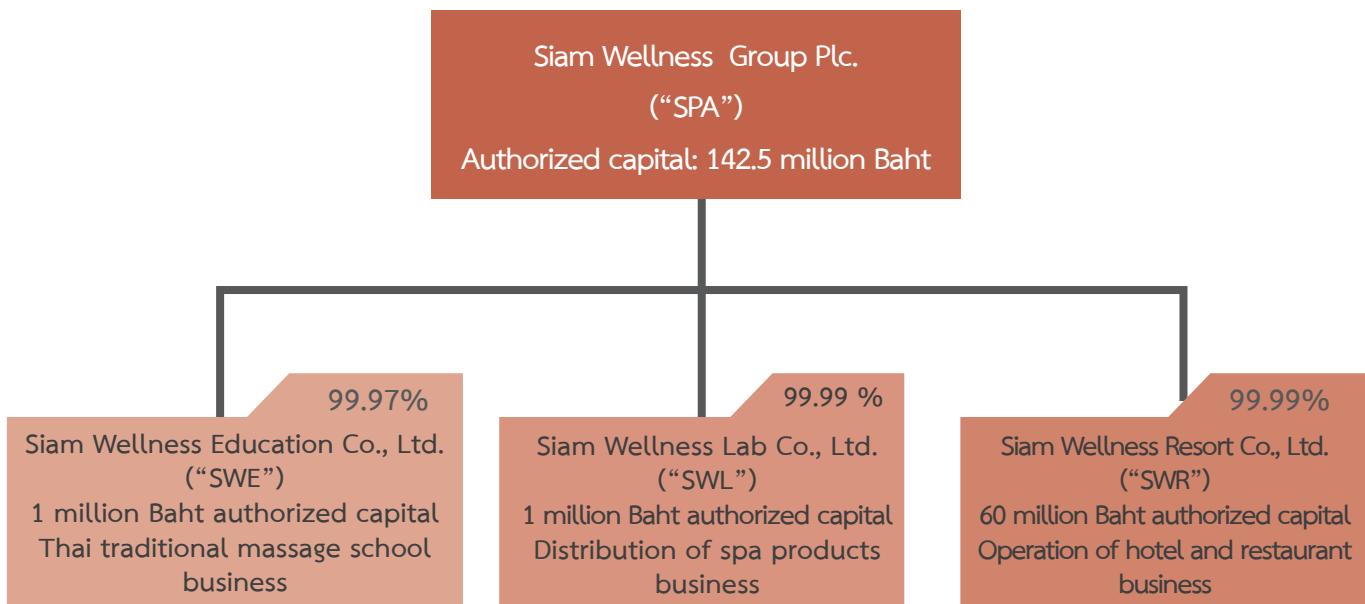
- 10 branches of “Let’s Relax” brand
- 3 branches of “RarinJinda Wellness Spa” brand.

Branches in the process of being prepared for opening

The expanded part of Let’s Relax at Siam Square One branch (Let’s Relax Siam Square One Phase 2) is being planned for opening for service within April 2015.

3. Shareholding Structure of the Group of Companies

As of 31 December 2014, the Group of Companies had the shareholding structure as follows:



The details of the operation of each company are as follows:

1) Siam Wellness Group Plc. ("Company") or ("SPA")

It was founded on 28th November 2001 to operate a health spa business. Currently its authorized capital is 142.5 million Baht and 142.5 million Baht was fully paid up. The Company's service is divided into 2 types as follows:

- **Day Spa.** It is a 4-star spa service in the format of the user of the service using less time, mostly about 2 hours of providing service under the brand of "Let's Relax" (it is the 4-star level service). Presently there is a total of 10 branches of the 4-star service.
- **Wellness Spa.** It provides service to the customers who wish to increasingly care for their health. The time of service is over two hours. It is a 5-star level spa service with leading standard in which new spa technology is integrated under the brand of "RarinJinda Wellness Spa". Currently there are 3 branches of the wellness spa service.

Summary of the details of the Day Spa of the type “Let’s Relax”

| Branch No. | Year in which service is provided | Branch | Location |
|------------|-----------------------------------|-------------------------------|--|
| 1 | 1998 | Pavilion | Pavilion Night Bazaar Project in Chiangmai province |
| 2 | 2002 | Patong 2 nd Street | Rat-uthid road 200-year, Tambon Patong, Katu district, Phuket province |
| 3 | 2004 | Pattaya | Sunshine Garden Hotel, North Pattaya Road, Cholburi province |
| 4 | 2004 | Sukhumvit 39 | Soi Sukhumvit 39 (Soi Promphong), Bangkok |
| 5 | 2011 | Terminal 21 | Terminal 21 Trade Center, 6th floor, Soi Sukhumvit 19 (Watthana), Babngkok |
| 6 | 2013 | Samui | Tambon Bo Phud, Koh Samui district, Suratthani province |
| 7 | 2013 | Mandarin | Mandarin Hotel, Rama IV road, Bangkok |
| 8 | 2014 | Siam Square One | Siam Square One, 6th floor, Rama I road, Bangkok |
| 9 | 2014 | Hua Hin | Hua Hin Market Village Trade Center, Hua Hin district, Prachuab Khirikhan province |
| 10 | 2014 | Patong 3 rd Street | Pung Muang Sai Kor road, Tambon Patong, Katu district, Phuket province |

Summary of the details of the Wellness Spa of the type “RarinJinda Wellness Spa”

| Branch No. | Year in which service is provided | Branch | Location |
|------------|-----------------------------------|-----------|--|
| 1 | 2005 | Chiangmai | Charoenrat road, Chiangmai province |
| 2 | 2007 | Rajdamri | Grand Center Point Hotel, Rajdamri road, Bangkok |
| 3 | 2014 | Ploenchit | Grand Center Point Hotel, Wireless road, Bangkok |

2) Siam Wellness Resort Co., Ltd. (“SWR”)

It was founded on 30th March 2005 to operate a boutique hotel resort in the name of “RarinJinda Wellness Spa Resort” and a restaurant under the name of “Deck 1” in Chiangmai province. Currently SWR has authorized paid up capital of 60 million Baht.

3) Siam Wellness Lab Co., Ltd. (“SWL”)

It was founded on 6th December 2007 to operate a business of the distribution of spa-related products and health products and crispy snacks under the brand “Blooming” for distribution both domestically and abroad. Currently SWL has paid up authorized capital of 1 million Baht.

4) Siam Wellness Education Co., Ltd. (“SWE”)

It was founded on 6th July 2011 to operate a business of Thai massage training school recognized by the Ministry of Education in the name of “Blooming Thai Massage School” as to impart knowledge of spa and massage both in theory and practice to members of the staff. Currently SWE has paid-up authorized capital of 1 million Baht.

4. Relationship with the Business Group of the Major Shareholders

After the restructuring of the Group of Companies in 2013, the Group of Companies and the major shareholders of the Utsahajit family and the Jiravanstit family have not engaged in the business of the same characteristic or that may compete with the Company.

The Characteristics of the Business Operation

Siam Wellness Group Plc. (“SPA”) operates a health spa business and a business secondary to the spa business. The groups of business are divided into 4 principal businesses, namely,

1. Spa business

The spa business provides the spa service to Thai and foreign customers under the brand “Let’s Relax” and the brand “RarinJinda Wellness Spa” which is operated by the Company.

2. Hotel and restaurant businesses

Siam Wellness Resort Co., Ltd. (“SWR”) operates the Boutique Hotel Resort business in Chiangmai province in the name of “RarinJinda Wellness Spa Resort” and the restaurant in the name of “Deck 1”.

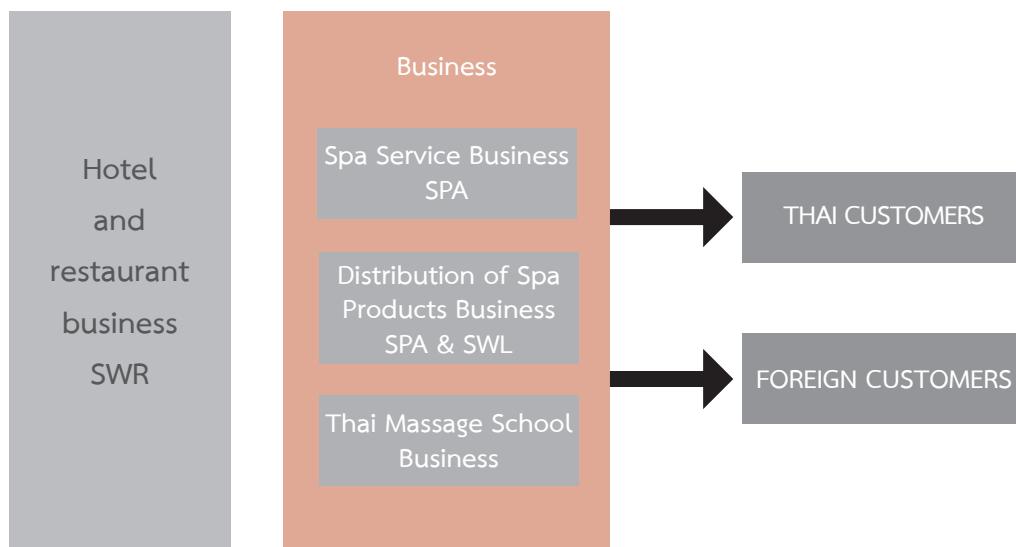
3. Distribution of spa products business

Siam Wellness Lab Co., Ltd. (“SWL”) operates the business of distributing the spa products under the brand “Blooming” for customers in the country and abroad.

4. Thai massage school business

Siam Wellness Education Co., Ltd. (“SWE”) operates the Thai massage school business in the name of “Blooming Thai Massage School,” to provide training on Thai massage and spa to therapist staff as to accommodate the expansion of the business.

The overview of the business operation of the Group of Companies is as follows:



2.1 SPA BUSINESS

The spa business is the principal business of the Group of Companies. It provides service under 2 brand names, i.e., “Let’s Relax” and “RarinJinda Wellness Spa”. The operation of the business must have a license to operate a health spa business which is deemed as hazardous to health and a certificate of standard of the health massage parlor. As of 3rd March 2015, the details are as follows:

| Summary of the License to operate a business that is hazardous to health and the Certificate of the Standard of the place of business of “Let’s Relax”. | | | | | | |
|---|----------------------|---------------|--------------|-----------------|-------------|---|
| Branch No. | Branch | The License | | The Certificate | | Remarks |
| | | Issuance Date | Expiry | Issuance Date | Expiry | |
| 1 | Pavilion | 7 Jul 2014 | 17 Jul 2015 | 10 Apr 2013 | 9 Apr 2015 | Health Massage Certificate |
| 2 | Patong 2nd Street | 25 Jul 2014 | 8 Jul 2015 | | | For the certificate, upon the competent officer having completed the inspection of the premises, the genuine certificate will be issued. |
| 3 | Pattaya | | | 4 Aug 2013 | 3 Aug 2015 | For the license, upon the competent officer having completed the inspection of the premises, the genuine certificate will be issued. |
| 4 | Sukhumvit 39 | 21 Oct 2014 | 3 Nov 2015 | 20 Sep 2013 | 19 Sep 2015 | Health Spa Certificate |
| 5 | Terminal 21 | 9 Jul 2014 | 17 Jul 2015 | 12 Feb 2014 | 11 Feb 2016 | Health Spa Certificate |
| 6 | Samui | 1 Jul 2014 | 6 Jun 2015 | 19 Aug 2014 | 18 Aug 2016 | Health Spa Certificate |
| 7 | Mandarin | 22 Aug. 2014 | 21 Aug. 2015 | | | For the certificate, upon the public health officer having completed the inspection of the premises, the genuine certificate will be issued. |
| 8 | Siam Square One | | | | | As for the License, upon having paid the fee, the genuine License will be issued. As for the Certificate, the License is required to support the application for the Certificate of the Standard of the Place of Business. |
| 9 | Hua Hin | 22 Oct 2014 | 21 Oct 2015 | | | As for the Certificate, having filed the support documents for the application for the certificate of the place of business at the Municipality, awaiting the inspection by the competent authority. |
| 10 | Patong 3rd Street | 30 Jul 2014 | 3 Jul 2015 | | | As for the Certificate, having filed the support documents for the application for the certificate of the place of business at the Municipality, currently awaiting the inspection by the competent authority. |

Summary of the License to operate a business that is hazardous to health and the Certificate of the Standard of the place of business of “RarinJinda Wellness Spa”.

| Branch No. | Branch | The License | | The Certificate | | Remarks |
|------------|-----------|---------------|-------------|-----------------|------------|--|
| | | Issuance Date | Expiry | Issuance Date | Expiry | |
| 1 | Chiangmai | 14 May 2014 | 14 May 2015 | 10 Oct 2013 | 9 Oct 2015 | Health Spa Certificate |
| 2 | Rajdamri | 28 Mar 2014 | 26 Apr 2015 | | | For the certificate, upon the competent officer having completed the inspection of the premises, the genuine certificate will be issued. |
| 3 | Ploenchit | | | | | As for the License, having already paid the fee, the genuine License will be issued. As for the Certificate, the License will be needed to apply for the Certificate of the Standard of the Place of Business. |

REMARKS:

1. As for the License and the Certificate are in the process of being applied for. The Company has already furnished the supporting documents to apply for the License and the Certificate to the competent officer. Currently, the matter is being considered by the local competent officer and the public health officer.
2. For the rules, regulations and procedure for applying for the License to Operate the Business which is hazardous to health and the Certificate of the Standard of the Place of Business of Health Spa category or the Certificate of the Standard of the Place of Business of the Health Massage category are available for viewing in the Share Offer Prospective for sale offer of ordinary share to increase the authorized capital of the Company or at the Website http://www.siamwellnessgroup.com/ir/files/prospectus_spas_2014.pdf.

2.1.1 Characteristics of the Products or Services

The Company operates a health spa business by providing the “day spa” service under the brand of “Let’s Relax” and “Wellness Spa” under the brand of “RarinJinda wellness Spa”. The service of the Company is prominently unique as its therapeutic science is derived from the Thai wisdom of traditional medicine integrated in massaging and service combined with Western and Eastern techniques to create a uniquely new service experience of international standard in which new technology is integrated in the spa service coupled with the use of Thai herbs in massaging service for relaxation and massaging for health promotion provided to both Thai and foreign customers.

Characteristics of Day Spa service

The characteristics of providing service under the brand of “Let’s Relax”.

The provision of Day Spa type service is a 4-star spa service of the format that can be seen generally in locations where travel to use the service is convenient. The use of this type of Day Spa is characterized by short period of service lasting for 1 to 2 hours for use of one type of the spa service or the longest period of use is 4 hours for a full cycle spa service consisting of both massaging and skin health care; the massaging service for relaxation to Thai and foreign customers integrating Thai massaging wisdom and service together with technique of massage derived from the science of the West and the East as to create the unique service experience that is exclusive of the Company.

Categories of the provision of service of “Let’s Relax”

1. Thai massage
2. Thai massage with hot herbal ball
3. Aromatherapy Oil Massage
4. Aromatic Hot Stone Massage
5. Back & Shoulder Massage
6. Facial Relaxation Massage
7. Foot Reflexology Massage
8. Body Scrub
9. Body Mask
10. Floral Bath

Currently, Let’s Relax launches a total of 10 branches both in Bangkok and in principal tourist cities of Thailand, namely, Chiangmai, Pattaya, Phuket, Samui Island and Hua Hin. Every branch is open for service from 10.00 hrs. to 24.00 hrs. and there is one more branch in the process of being prepared for opening. The details of the branches are as follows:

- **Terminal 21 Branch** is situated on the 6th floor, Terminal 21 Trade Center on Soi Sukhumvit 19 (Soi Wathana), Kwaeng Khlong Toey Nua, Khet Wathana, Bangkok. The total area is 752 sq.m.
- **Sukhumvit 39 Branch** is situated on Soi Sukhumvit 39 (Phromphong), Sukhumvit road, Khwaeng Khlong Toey Nua, Khet Wathana, Bangkok. The total area is 806.82 sq.m.
- **Mandarin Branch** is situated in Mandarin Hotel on Rama IV road, Bangkok. The total area is 1,100 sq.m.
- **Pavilion Branch** is situated in the Pavilion Night Bazaar Project on Chang Khlan road, Tambon Chang Khlan, Amphoe Muang Chiangmai, Chiangmai province. The total area is 668 sq.m.
- **Pattaya Branch** is situated on the premises on Sunshine Garden Hotel, Pattaya Nua road, in Tambon Naklua, Bang Lamoon district, Chonburi province. The total area is 540 sq.m.
- **Patong 2nd Street** is situated about 600 meters from Jung Cylon Trade Center on Rat-Uthid 200-Year road, in Tambon Patong, Katu district, Phuket province. The total area is approximately 1,292 sq.m.
- **Samui Branch** is located on Rob Koh road close to Big C Super Center in Tambon Bo Phut, Koh Samui district, Suratthani province. The total area is 1,588 sq.m.
- **Siam Square One Branch** is located on the 6th floor, Siam Square One Trade Center, Bangkok. It uses the total space of 424.43 sq.m. The space is leased from Chulalongkorn University.
- **Hua Hin Branch** is located at Hua Hin Market Village (Phase 2- on 2nd and 3rd floor), Hua Hin district, Prachuab Khirikhan province. There are two accesses to Hua Hin Branch, that is, from the entrance to the 2nd Floor and the entrance to the 3rd floor (linked to the Store). It uses the space of 743 sq.m., and space is leased from Market Village Co., Ltd.
- **Patong 3rd Street** is located on Pung Muang Sai Kor road, in Tambon Patong, Katu district. It has the total area of 2,418 sq.m.

- **The Branch in the Process of being Prepared for Opening**

The expanded project of Let’s Relax in Siam Square One Branch, Bangkok (Let’s Relax, Siam Square One Branch, Phase 2) in the vicinity of Room No. SS6041, on 6th Floor, Siam Square One Trade Center Project, Bangkok, having the total area of 321.29 sq.m. The total investment is 10,000,000 Baht. The capital will be raised from the Initial Public Offering. Decoration work has been started since December 2014. It is expected that its opening could take place in April 2015.

Characteristics of Wellness Spa service

It is the 5-star service under the brand of “RarinJinda Wellness Spa”. It is the spa located within or on the premises of the same hotel or resort to accommodate guests of the hotel who want to use the spa service for relaxation in addition to the use of room service. It is of larger size than the DAY SPA generally. It is located at the place of tourist attractions or in the community area. In particular, mostly for 4-star or 5-star hotels, the service emphasizes the ambience of a place for relaxation and massage; the place is so arranged to have good atmosphere, beautiful view and landscaped surrounding in tandem with service to care for the body and complexion. Moreover, the Company also integrates the new technology in the spa circle, e.g. the services of Quartz Bed, Hydrotherapy Pool, Vichy Shower with the science of multi-type Thai massage coupled with the use of Thai herbs for relaxation and health promoting massage including aesthetic treatment to both Thai and foreign customer.

Categories of Service of the branches under the brand “RarinJinda Wellness Spa”

The branches which provide service under the brand “RarinJinda Wellness Spa” also contain health spa service in the same fashion as “Let’s Relax” according to the category of the services of “Let’s Relax” provided, for instance, Item 1. Thai massage to Item 10. Floral Bath. Besides the same services provided as with “Let’s Relax”, the brand “RarinJinda Wellness Spa” also provides additional services as follows:

1. Hydrotherapy Service

- Hydrotherapy pool (only at Chiangmai branch)
- Hydro Glow & Tone therapy
- Splashy Vichy Massage

2. Sauna Service

- Detoxifying Infared Sauna
- Herbal Rainforest Steam Sauna

3. Shirodhara Treatment

4. Warm Sand bed Therapy & Tibetan Sound Therapy

5. Four-Hands Aromatherapy Warm Oil Massage

6. Onsen Service (Service is open particularly for Chiangmai Branch). Mineral water is filled in 3 service ponds alternately according to the need of the customer, namely,

- Hot mineral water pond
- Soda spa pond and
- Cool water pond

Currently 3 branches of “RarinJinda Wellness Spa” are open for service in Chiangmai and in Bangkok according to the details as follows:

- **Chiangmai Branch** is situated in the part of the front area adjacent to the RarinJinda Wellness Spa Resort on Charoenrat Road, in Tambon Wat Ket, Chiangmai district, Chiangmai province. It has total area of approximately 3,500 sq.m.

- **Rajdamri Branch** is situated on the 6th floor and on the 8th floor of the Grand Center Point Hotel, Rajdamri, on Soi Mahad Lek Luang 1. It is on the space of about 903 sq.m.

- **Ploenchit Branch** is situated on 30th floor and 31st floor the Grand Center Point Hotel Ploenchit, Wireless road, Bangkok, on the space of about 1,087 sq.m.

2.1.2 Marketing

Target Customer

The Company has a majority of foreign customers, mostly coming from Asia such as from China, Hong Kong, Taiwan, Japan, South Korea, Singapore and Malaysia. The Company has made an analysis of the target customers for the benefit of its own business. According to target customer analysis, the customers are divided into 3 main principal groups based on the income according to the service format and the brand positioning, that is to say:

| Customer Group | Income per month(Baht/month) | Brand of service used |
|----------------|------------------------------|-------------------------|
| 1. B to A- | 30,000 - 50,000 | Let's Relax |
| 2. A- to A+ | >50,000 | RarinJinda Wellness Spa |

Source: Data from the Company

The Group 1 customers are company's staff from the level of members of the staff to the manager including owners of small and medium enterprises (SME). The Company defines the brand positioning of Let's Relax in the format of DAY SPA service which is convenient, prompt, relaxing. For the DAY SPA service type, the customers can use the service as frequently as they wish. It is the service suitable for Group 1 customers.

For RarinJinda Wellness Spa, it is suitable for Group 2 customers of high income earners such as the owners of SMEs including the owners of large sized business. The service for the Group 2 customers will emphasize relaxation and healthcare; it is the 5-star full format service with high degree of privacy and plenty of time for full service. Rarinjinda Wellness Spa principally emphasizes the use of international standard equipment. The Company envisions that current socio-economic condition and high business competitiveness cause stress and health problem, prompting the said group of customers to increasingly take serious interest in healthcare; the entry into using the spa service is one of the options. Besides attention to alleviate the stress of the customers, some categories of the spa service are also health promoting for the customers.

Distribution Channels

Most of the Company's customers are foreigner thanks to the Company's launch of publicity campaign through various media such as in magazines and participations in various spa booth events both domestic and abroad with principal objective to publicize the Company's spa business; therefore, the Company's spa brands become well-known among the group of foreign tourists. The overall distribution channels of the Company are summarized as follows:

1. Distribution through the service booking system via the Internet.
2. Direct sale to the customers.
3. Distribution through agents.

Price Determination

The Company fixes the price by calculation based on cost of lease of the premises or the depreciation in the case of the construction of a building for use in the operation of the business plus personnel labor cost and incidental expenses coupled with price comparison of the competitor's spa business in combination with the marketing analysis as to determine the price strategy, taking into account surrounding factors concerned such as the location of the spa business, marketing opportunities, groups of target customers and the operating costs, for instance.

As for the part of the Let's Relax spa business, the Company has the policy of determining the service price from 150 Baht to 4,000 Baht. Moreover, there is available a package service deal to meet the need of the customers who wish to use more than one type of the spa service with cheaper service expense.

While at RarinJinda Wellness Spa, the Company offers a 5-star service emphasizing the service privacy

for relaxation and healthcare including innovation in terms of the equipment and services. These are the salient points from most of general spa compared with the spa services in 5-star hotels at the price level worthy of the money so paid. The Company determines the price range of 1,000 Baht to 8,000 Baht according to the format of service. These price ranges are suitable when compared with the quality of service received.

Factors Affecting Competition

The Spa business makes the difference in each provider of service in terms of location, the aesthetics of the place at which the services are provided; the convenience of travel, the location in the center of the city or in the vicinity of popular tourist attractions in Thailand. The provision of good service for the masseur who provides service, the experience of the provider of service, the quality of service and trust from the customers, the management of the Group of Companies therefore considers the factors affecting the competition in the business to be used as a strategy as to create the difference and to promote the strength for business competition of the Group of Companies as follows:

1. Experience and Professionalism in the Conduct of Business

As the Company has had more than 15 years of spa business experience, it is able to offer various types of massage service to be provided by able and skilled therapist staff that has been trained properly according to the school's training course of the subsidiary company (SWE) in tandem with the premium grade spa products of the subsidiary company (SWL) to create confidence in the consumers and to effectively respond to their needs. This is to make a good impression and create brand loyalty to the business and to the goods. When the customers are impressed with the goods, they are able to buy more for further consumption, thus, resulting in increased distribution of the products for the Group of Companies.

2. Location

The choice of the location for spa business "Let's Relax" is made in location with convenient communication, easy travel and is in the vicinity of important tourist attractions. For example, for the branches in Bangkok, the Company would choose a location of the spa to be near to the BTS station. For the branches in the provinces of tourist attraction, they will be located in the vicinity of a tourist attraction or a department store.

As for "RarinJinda Wellness Spa", the Company would choose the location inside the hotel or in the neighborhood to be in agreement with the business of the Company as guests would want to have a long stay for relaxation and better way of life.

3. Creation of the difference in terms of quality

To use the spa service for relaxation and for healthcare due to stress and health problem caused by socio-economic condition and current business competition, the Company therefore provides service that emphasizes safety and reliability when providing the service as the principal service of the spa is involved massaging. Each type of massage requires contacts with various parts of the body.

As for RarinJinda Wellness Spa, emphasis will be made on the provision of service for relaxation and massage with full format of services of world standard with integration of new spa technology such as Quartz Bed, Hydrotherapy Pool and Vichy Shower combined with Thai massage science in tandem with the use of herbs.

4. Sales Promotion

The Company arranges for sales promotion such as offering special price discounts to encourage the customers to decide tentatively to use the spa service with increased ease and to help increase the rate of service use during the tourist Low Season and there is an organized sales promotion during the period of publicity campaign in various tourist events both domestically and abroad with offers of discount coupons through magazines.

2.1.3 Procurement of Products or Services

In conducting a spa business, the Company has the operational factors as to acquire the said services, namely,

1. In the matter of acquiring a location to be used for operating the spa business, the space needed for providing service.
2. Therapist staff.
3. Accessories for providing service.
4. The spa products used in the service branches of the Company.

The Company, therefore, procures various factors as follows:

1. A location to be used to operate a spa business

The location of the spa business for each branch has importance for choice of use of service by customers. The Company therefore takes into account the said factors by selecting a location of the branch of the spa with convenient communication, ease of travel in the neighborhood of important tourist attractions or is located within a hotel. The location will be arranged to have a good environment and safety including beautiful design and decoration of the branch. These are important factors that would influence the decision to choose the spa service by the customers. Furthermore, the Company is acquiring the area which is divided into 2 formats as follows:

- Lease of the space

Currently, there has been executed the agreement for long-term lease of the area to operate a total of 12 branches of the spa service. Most of the agreement for lease of the area is a 3-year lease. There is negotiation for renewal of the lease agreement for newly opened branches for around 6 - 9 years of lease (a 3-year lease with a further 3-year renewal and/or with a further 3-year renewal). This is for worthy returns on investment in terms of decoration for opening the spa branch; but thereafter, generally, the lease agreement can be renewed once for 2-3 years of lease each. Due to good consistent relationship with the lessor, during the past, there was no problem encountered with the renewal of the lease agreement. For some branches, more than 15-year continuing lease is renewed to operate the business. The details are shown in the Table as follows:

Brand "Let's Relax"

| Branch | Year of operation | Total space (sq.m.) | Lease Period Expiry of Lease | Start date and | Remarks |
|-------------------------------|-------------------|---------------------|---|--|---|
| Pavilion | 1998 | 668 | 4 years 5 months 15 days 4 years 3 months 15 days 3 years | 1 Apr 2012 to 15 Sep 2016 1 Jun 2012 to 15 Sep 2016 16 Sep 2013 to 15 Sep 2016 | - 4 lease agreements (expansion of area) with renewal of the agreement to expire simultaneously. - Lease is renewable for two renewals of 3 years each. |
| Patong 2 nd Street | 2002 | 1,292 | | | |
| Pattaya | 2004 | 540 | 2 years | 1 May 2013 to 30 Apr 2015 | |
| Sukhumvit 39 | 2004 | 806.82 | 3 years | 1 Apr 2013 to 31 Dec 2016 | - Renewal of the lease is subject to notice to the Lessor by the Lessee for not less than 6 months before the expiry of the lease agreement. |
| Terminal 21 | 2011 | 752 | 3 years | 11 Oct 2014 to 10 Oct 2017 | - Lease is renewable for one renewals of 3 years each. |
| Samui | 2013 | 1,588 | 3 years | 1 Jan 2013 to 31 Dec 2015 | - Lease is renewable for two renewals of 3 years each. |
| Mandarin | 2013 | 1,100 | 3 years | 1 Jan 2014 to 31 Dec 2016 | - Lease is renewable for three renewals of 3 years each. |
| Siam Square One | 2014 | 424.43 | 3 years | 1 Aug 2014 to 31 Jul 2017 | - Lease is renewable for two renewals of 3 years each. |
| Hua Hin | 2014 | 743 | 3 years | 21 Jun 2014 to 20 Jun 2017 | - Lease is renewable for two renewals of 3 years each. |
| Patong 3 rd Street | 2014 | 2,418 | 2 years 2 months | 1 Dec 2014 to 31 Jan 2017 | - Lease is renewable for 1 renewal of 3 year each. |

BRAND “RarinJinda Wellness Spa”

| Branch | Year of operation | Total space (sq.m.) | Lease Period Expiry of Lease | Start date and | Remarks |
|-----------|-------------------|---------------------|---------------------------------|---------------------------|--|
| Chiangmai | 2005 | 3,500 | 30 years | 1 Jan 2013 to 31 Dec 2042 | - Lease of land from an affiliated person and improvement made on the wreckage of the building to be used as a place for operating a spa business and to sub-let part of the space connected to the subsidiary company to be converted into a hotel. - Renewal of the lease agreement is subject to a notice to be given by the Lessee to the Lessor not less than 3 years in advance prior to the expiry of the Lease Agreement. |
| Rajdamri | 2007 | 903 | 3 years | 1 Jan 2014 to 31 Dec 2016 | - Renewal of the lease agreement is subject to a notice to be given by the Lessee to the Lessor not less than 6 months in advance prior to the expiry of the Lease Agreement. |
| Ploenchit | 2014 | 1,087 | 3 years | 1 Nov 2014 to 31 Oct 2017 | - Lease is renewable for two renewals of 3 years each |

REMARKS: The details of lease and terms of lease are according to the details shown in the heading no 4: Property used for the operation of the business.

- PURCHASE OF PROPERTY

The Company made a capital investment to purchase 3 compartments in the commercial building located on Rat-Uthid 200-year road in Tambon Patong, Katu district, Phuket province, to operate the only spa business ‘Let’s Relax’, Patong Sai 2 Branch, of the space of 1,292 sq.m. scheduled for opening in 2002.

2. Therapist Staff

The therapist staff (the massage staff) is one of the important factors that will enable the Company to provide for spa service. Mostly the Company’s staffs have been working for the Company for a long time. Moreover, the Company had opened subsidiary companies in the name of Siamwellness Education Co., Ltd. (SWE) to operate a massage training school to support the recruitment of therapist staff of the Company to replace the personnel who resigned and to prime additional staff in anticipation of the expansion of the Company’s branches in the future including its being used as a facility for training the Company’s therapists to provide service and maintain the standard of the therapists for the Company’s spa business to enable the staff to be knowledgeable both in theory and in practice; they can learn to massage according to the correct method for safety to both the provider of service and the recipient of service to the extent that the provider of service is skilled and able to provide advice on relevant matters to the users of service.

Moreover, the in case of some branches with great number of the service users, the Company will be able to relocate its therapist personnel from other branches to provide service in the branches as required to ensure smooth service and in timely manner.

Currently (as of 31 December 2014), the Company has had about 320 therapist personnel stationed at various branches of the spa business.

3. Accessories for Providing Services

To ensure that required spa services can be provided to the customers, the Company must procure the equipment and accessories needed for providing said spa service according the Brand “Let’s Relax” and “RarinJinda Wellness Spa”. The details of the service provision can be displayed as follows:

Equipment for Providing Day Spa Type as of 31 December 2014

| Brand providing service | Branch | Thai Massage Bed | Foot Massage Cushion | Oil Massage Bed | Shoulder Massage Bed | Total |
|-------------------------|-------------------------------|------------------|----------------------|-----------------|----------------------|-------|
| “Let’s Relax” | Terminal 21 | 21 | 12 | 17 | 7 | 57 |
| | Sukhumvit 39 | 19 | 11 | 15 | 8 | 53 |
| | Mandarin | 21 | 9 | 14 | 6 | 50 |
| | Pavilion | 18 | 13 | 10 | 8 | 49 |
| | Pattaya | 10 | 9 | 10 | 6 | 35 |
| | Patong 2 nd Street | 32 | 15 | 18 | 9 | 74 |
| | Samui | 16 | 7 | 21 | 5 | 49 |
| | Siam Square One | 16 | 9 | 7 | 3 | 35 |
| | Hua Hin | 12 | 6 | 9 | 4 | 31 |
| | Patong 3 rd Street | 22 | 13 | 25 | 8 | 68 |

Equipment for providing service of the Wellness Spa Brand “RarinJinda Wellness Spas” as of 31 December 2014

| Branch | Thai Massage Bed | Foot Massage Cushion | Oil Massage Bed | Hot Sand Bed | Vichy Shower | Hydro Tub | Jacuzzi Baht | Detoxer | Total |
|-----------|------------------|----------------------|-----------------|--------------|--------------|-----------|--------------|---------|-------|
| Chiangmai | 19 | 9 | 26 | 2 | 1 | 1 | 9 | 1 | 68 |
| Rajdamri | 6 | 3 | 12 | 2 | 1 | 1 | 5 | - | 30 |
| Ploenchit | 12 | 4 | 15 | 2 | - | - | 5 | 1 | 39 |

4. Spa products used in the Company’s service branches

The spa products used in the Company’s spa business is one of important factors to create an impression with customers in the Company’s service such as massage oil and essential oil, the body scrub and body mask products including fresh herbal ball. By relying on its expertise, experience, Company has developed the quality of its products to have unique characteristics in collaboration with a team of pharmacists in the country and in the case of the said products are not consistent with the established requirement, the Group of Company is able to supply the substitute for said products thanks to numerous producers of the same products.

2.1.4 Industry Situation and Competition

Industry situation

Since the Government’s announcement of its policy for the development of Thailand to become the International Health Center in the year 2004 and its plan to push for realization of Health Care Service business within a period of 5 years (2009-2013) to promote Thailand to become the “Spa Capital of Asia” by pushing for the creation of the standard for Thai spa business coupled with an offensive marketing strategy through the launch of publicity campaign, the organizing of business promotion activities and support to be given to expansion of the market abroad including investment/joint venture for setting up a business, the creation of a network and a unique brand. The said push is responsible for the Thai spa and Thai massage businesses to be well-known and to be of service standard recognized internationally and it has become another branch of

service business to play an important role in strengthening the economic growth of Thailand. It is a service business that Thailand has the potential to become the “exportable service” in the format of accommodating foreigners who enter to use the service in the country, the export of the service including the export of spa personnel to provide the service abroad. Moreover, it is the business that supports the expansion of other secondary service businesses concerned, e.g tourism, health products, etc., resulting in the increased influx of foreign currency from this group of service businesses.

Market Value of the Spa Business

Collectively, the spa industry has continually expanded in term of the place of providing service and the operating income from the spa business thanks to Thailand’s readiness in terms of personnel, premises and resources coupled with unique support service of the country such as Thai massage, use of Thai herbs and the salient points in the aspect of friendly disposition and manners in providing service, resulting in rather high growth rate of this branch of service.

Analysis of the market value of Thai spa business is divided into 2 guidelines according to the compilation of data by the relevant organizations, namely,

1) Director for Service Business Logistics, the Department of International Trade Promotion, the Ministry of Commerce, offers the opinion that the trend of Thai spa industry is towards continual growth. The forecast in 2015 for the secondary business to the Thai spa industry could bring in the income for the country of not lower than 21,000 million Baht or an increase of 27 percent from that of 2012 at the value of 16,415 million Baht.

2) The President of Thai Spa Association said that the Thai Spa business had continued growth rate by average about 5-6 percentage per year, creating income of more than 15,000-16,000 million Baht.

The Department of Health Service Support, Ministry of Public Health, forecasted that within the year 2016, Thailand will earn increased income from the spa business amounting to 18,850 million Baht or accounting for average growth of 5 % per year from the level of 15,000 million Baht at the present that is favorable to the expansion of the spa business thanks to the increase in the number of foreign tourists. The increase in the number of foreign tourists is favorable directly to Thai spa industry due to more than 80 percent of total customers in the spa business are foreign customers and the remaining 20 percent is Thai customers. As for Thai customers, the number of service user will likewise be on the increase thanks to the still expanding economic condition resulting in an increase in public income and spending on healthcare may as well on the increase. While at the same time, the public also espouse value for increased healthcare. Incidentally from the data made available from the Thai Farmers Research Center, it was found that more than 48 percent of the Bangkokians are turning to using the natural method for health therapy and treatment prompting ever-increase in expansion of healthcare market on a consistent basis.

Overview of Competition

Spa industry in Thailand has started to expand clearly since 2002 both in terms of the number of service users and places of providing the service. Most of the places of providing spa service in Thailand are being operating by small operators. According to the compilation of the statistics of Thai Spa Association, it was found that during the years 2008 and 2012, Thailand had about 60 percent of the places of business being set up in the hotels and resorts and about 40 percent of the places of business which were set up in the format of Stand Alone. Moreover, Thai Spa Association yet further forecasted that in the future, the ratio of the place of business of the two formats would switch to 50:50 due to the format of the STAND ALONE spa started to embark on investment in the business format and were increasingly launched for operation in the form of branches. The ratio of the places of business was divided according to the location in the hotels and resorts and according to the type of Stand Alone.

The trend of the increase in the attention to healthcare of the Thai people results in the branching out of the spa business from the hotels and is on rapid expansion in the business and tourist districts. Under the concept of providing diverse services and the attention is focused on the spa business that it is one of the group of healthcare businesses with high potential of growth and it was forecasted that the income from spa business in the tourism market is likely to be expanding continually thanks to the growing trend in tandem with tourism industry being continuously promoted and supported by the government sector; yet it is one of the health service businesses of which the government sector setting forth the target for Thailand to become the Health Center of Asia.

As the trend of paying attention to health among the middle income group is on the increase which forms the majority of the population or accounts for 70 percent of total Thai population, it is an opportunity for the spa business to be expanded into the middle level market comprising the target group of both Thai customers and foreigners who are staying in Thailand including the tourists with the purchasing power of the middle income upwards. The majority of the spa operators are Thai nationals, launching the business in large cities or in business districts, covering the spa business outside of the hotels but focusing on catching the upper market and small-sized spa business focusing on the middle market.

Based on the reason stated above, the overview of the spa business within Thailand is a market of high competition thanks to the increase in large number of the spa business operators both in Bangkok and in the provinces, in the format of the full-cycle spa service with luxurious design and decoration including the diversity of spa service together complete with amenities and conveniences that give a feel of relaxation when entering into using the spa service to the format of the row-house spa being open for massage and beautifying services in various formats without placing emphasis on the beauty of the design of the spa shop or luxury, but the emphasis is placed on providing service specially prepared for the customer only.

2.1.5. The Environmental Impact

The Company has a policy to operate the business by strictly complying with the law and regulation, observing the practical procedures of the Ministry of Public Health in operating the said business. With the certification from the Ministry of Public Health to operate the branch spa business of the Company placing an emphasis on the conservation of the natural ecological system by preserving to the utmost the gardening area and plants (green foliage) as much as possible and by placing importance to the matter of ecological system, to the preservation of the environment, the products of the Company in providing service to the customers being the produce made from the nature without destroying the environment as to preserve the environment to good condition.

2.2 HOTEL AND RESTAURANT BUSINESSES

The operation of the hotel and restaurant business of the Group of Companies is managed by Siam Wellness Resort Co., Ltd. (SWR), having the details as follows:

2.2.1 Characteristics of the Products or Services

The provision of services of SWR can be classified according to the categories of the service characteristics, that is, hospitality (hotel) business and restaurant services in Chiangmai.

The Hotel Service

It is the hotel service under the name of “RarinJinda Wellness Spa Resort”. It is a boutique-resort hotel of 5-star level and with the maintenance of the ambience of the Northern Lanna style. Every room has the private balcony overlooking the scenic view of Doi Suthep hill and Ping river complete with amenities and conveniences, whether or not it is the high-speed Wi-Fi Internet, the fitness room and Yoga room, an open-air

swimming pool, a limousine service and tour-guide service, laundry service including the library with free computer service and DECK 1 restaurant including the availability of RarinJinda Wellness Spa, Chiangmai Branch, to provide full-cycle service; it is situated in the area in front of the hotel.

Moreover, inside the hotel, the ancient teak house aged over 140 years is preserved. It is the integration of Burmese and Lanna ambiance. It is placed as part of the Drawing Room of the hotel; the meeting room and Thai massage room of RarinJinda Wellness Spa Resort as to preserve it for posterity generation and for foreigner to touch and to be impressed.

On the part of the hotel which is newly constructed, the architect had designed it to blend with the original ancient wooden house including the landscaping design which emphasizes the green foliage of the plants including the water lines meandering along the building, which is the special feature that is distinct from other architecture in Chiangmai province and resulted in RarinJinda Wellness Spa Resort to receive various awards for preservation of the construction of historical importance, the culture and the good tradition as well as the custom of Thailand.

• Guest Room Service

RarinJinda Wellness Spa Resort provides the guest room service as follows:

| TYPE | SIZE (sq.m) | NUMBER OF ROOMS | ROOM RATE (Baht) |
|--------------------|-------------|-----------------|------------------|
| Deluxe | 46 | 22 | 6,500 |
| Deluxe Pool Access | 53 | 7 | 10,000 |
| Wellness Suite | 93 | 5 | 16,000 |
| RarinJinda Villa | 164 | 1 | 27,000 |
| TOTAL | | 35 | |

Note : * The price of the guest room according to the Website of the Hotel as of 31 December 2014.

** The above price does not include 10% of Service charge and 7% of VAT.

• Food and Beverage Services

RarinJinda Wellness Spa Resort provides Deck 1 restaurants service. It is located adjacent to the riverside of Ping River. It emphasizes the open perspective outlook with cozy ambiance both inside and outside of the building. The restaurant provides food and drinks including the catering for the party, wedding party, emphasizing the impressive quality of service and the quality of food prepared by experienced chef to provide service to hotel guests and general customers. The details are as follows:

Deck 1 provides healthy food like Modern Asian Fusion, open daily from 07.00 hrs. to 24.00 hrs. with total capacity of 80 seats. For festival period, for example, Songkran festival or New Year festival, total capacity can be increased to total of 120 seats and can be divided the period of service as follows :

| | |
|-------------------|-------------------------|
| Breakfast service | 07.00 hrs. – 10.00 hrs. |
| Lunch | 11.00 hrs. – 14.00 hrs. |
| Afternoon snack | 14.00 hrs. – 17.00 hrs. |
| Dinner | 17.00 hrs. – 24.00 hrs. |

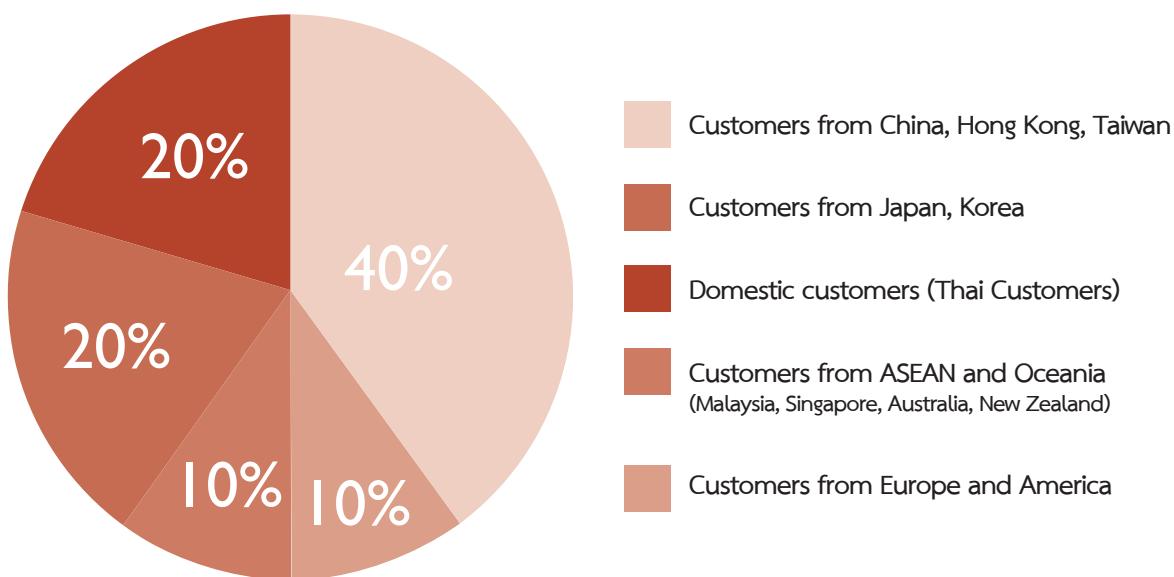
Moreover, in terms of catering to the party, meeting, workshop seminar, the gathering of the government officials and private companies as well as a private party or a wedding party, the hotel provides these services on the 2nd floor comprising 1 medium size catering room and 2 small-sized rooms with 50-person capacity.

2.2.2 Marketing

Characteristics of the customers and target groups of the hotel business

The Company has the ratio of foreign customers to the domestic customers of 80:20. As for the proportion of foreign customers, about 60 percent is the customers from Asia such as from China, Hong Kong, Taiwan, Japan and South Korea. The customers from China form the largest part of the customers group while another 10 percentage is the customers from ASIAN countries and Oceania such as Malaysia, Singapore, Australia and New Zealand and the remaining 10 percent will be customers from Europe and the United States of America, which can be displayed as follows:

The proportion of customers using RarinJinda Wellness Spa Resort.



Thanks to the Luxury Boutique Hotel service being provided by RarinJinda Wellness Spa Resort which is equivalent to a 5-star hotel comprising luxury rooms complete with various amenities and conveniences, the target customers group therefore for the business will be those with high income, e.g high level staff of the company, the owners of SME businesses including the owners of large-sized business to be in agreement with the price of the guest rooms ranging from 6,500 Baht to 27,000 Baht per month.

Distribution and Distribution Channel of the Hotel Business

The distribution and the distribution channel for customers group of RarinJinda Wellness Spa Resort can be divided as follows:

- 1) Distribution via the room booking system through the Internet
- 2) Distribution via the distribution agents
- 3) Distribution via the Sales and Marketing Department.

Competition Strategy of the Hotel Business

Price Strategy

For the pricing of guest rooms of SWR, as the Group of Companies is positioning its business as a 5-star Luxury Boutique Hotel by focusing on the customers group having a health awareness lifestyle with the introduction of spa service including Healthy Food for health as well as the service and the privacy of the 5-star hotel standard; the Company therefore opts for the Price Skimming strategy as to create an image of being a luxury 5-star boutique hotel and apply the strategy of price adjustment predicated upon the tourist season and Occupancy Rate with the price for walk-in customers at 6,500 – 27,000 Bhat per night, depending on the size of the room and interior decoration.

The Strategy to Make the Difference in Terms of Quaity and Products

SWR is characterized by creating the difference in terms of quality and products from the hotel on the same premises as to provide complete services to foreign and Thai tourists on the premises of the hotel. This is a strategy that enables the provision of full-cycle services on the premises of SWR.

1. Emphasizing service to be provided to lovers of good health and hygiene.
2. Having the place centrally located in the middle of Chiangmai town; it is convenient, close to the Night Bazaar Market and is only a 15-minute drive to the Airport. Moreover, beauty is emphasized with a private balcony overlooking the swimming pool in the common area, Doi Suthep hill range and the scenic view of Ping river.
3. Emphasizing decoration with semi-modern style mixed with Thai style incorporating the antiquity or integration of modernism with original Thai style.
4. There is availability of 5-star on the premises of the hotel; it is the most perfect spa of Chiangmai complete with the latest technology of spa and amenities of high standard, that is, RarinJinda Welkiness Spa offering diverse spa services and multi-format therapies by medical specialists and nurses providing consultancy and advice.
5. Providing service of health food by Deck 1 restaurant which offers the Healthy Food cuisine for health.

2.2.3. Procurement of Products or Services

For the purpose of running hotel business and restaurant of SWR, SWR enters into a sub-lease of parcel of land for a 30-year lease to operate the hotel business and Deck 1 restaurant. Here are the details of importance:

SUB-LEASE OF LAND AGREEMENT

| | |
|--|---|
| Contract party: | Siam Wellness Group Co., Ltd. (Sub-lessor)(Currently it changed its name to Siam Wellness Group Plc). RarinJinda Co., Ltd. (Lessee) (currently it changed its name to Siam Wellness Resort Co., Ltd.) |
| Date of the Contract: | 1 January 2013 |
| The Objective of the Sub-lease: | To operate the hotel and restaurant businesses. |
| Ownership of the Building: | Both parties agree that the building of the hotel and the restaurant building which were constructed on the land as of the date of entry into this Agreement is the ownership of the sub-lessee without the rental being charged on the said buildings from the sub-lessee throughout the period of the sub-lease; but for the land lease, the rental will be charged. |
| Sub-lease of the property: | Specifically for the land size of 0-3-96 rai on which the building of the hotel RarinJinda Wellness Spa Resort and Deck 1 Restaurant is situated and the right to utilize some space on Baan Ruan Thai. Incidentally, for the building which the Sub-lessee has renovated, constructed or made any addition to the leased property, the Sub-Lessee agrees to become the property of the Sub-Lessor upon the expiry of the lease. |
| Period of Lease: | The overall period of the sub-lease is 30 years with effect from 1 January 2013 to 31 December 2042. Incidentally, if, upon the expiration of the sub-lease, the Sub-lessee wishes to renew the sub-lease, the Sub-lessee must give a written notice of the intention to renew the sub-lease agreement to the Sub-Lessor for information for not less than 3 years prior to the expiry of the Sublease Agreement. If the Sub-lessor wishes to permit the Sub-lessee to continue the sub-lease, both parties agree to allow the various terms and conditions under the new Sub-lease Agreement to be identical to the terms and conditions of this Agreement in every respect except Clause 3 of the Agreement re: Period of Sub-lease and Clause 4 re: The sub-lease rental payment, in respect of which there will be further mutual agreement in writing. |

Sub-lease Rental: The rental payment will be made on a monthly basis subject to rental adjustment to be made by the Sub-Lessor according to the market situation, but not exceeding 15 percent of the sub-lease rental effective for every 3 years.

Termination of the Agreement: The lease agreement will be terminated in the following cases:

- Upon the expiration of the sub-lease and there is no exercise of the right to renew the sub-lease according to the terms and conditions of this Agreement.
- Upon the parties mutually agreeing voluntarily to terminate this Agreement.
- When the land is expropriated or the leased property are damaged to the extent that they are rendered useless according to the objective of the lease under this Agreement

2.2.4 Situation of the Industry and Competition

Situation of the industry

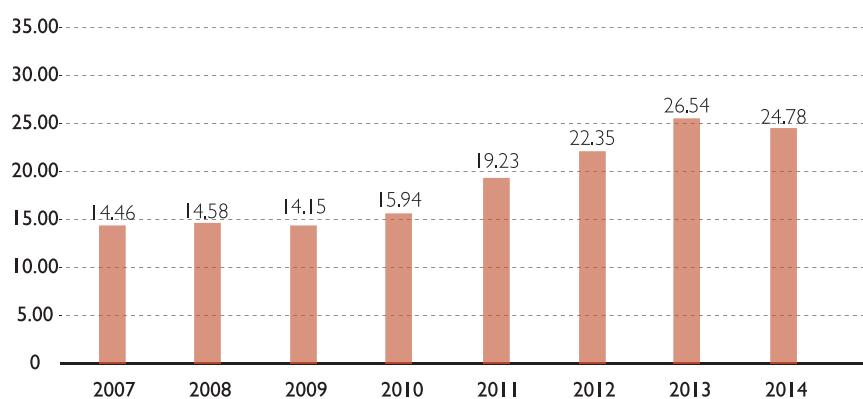
In 2014, the economy of Thailand was expected to expand at the rate of 1.2-1.7 percent; but it was slowed down when compared with the previous year. The political crises during the First Quarter and the Second Quarter prompted the households to be more cautious in respect of spending and the weakened confidence in addition to the uncertainty of the economy and politics, prompting the contraction of consumption in similar fashion to the slowdown of investment opted by the operators awaiting the clarity of economic and political situation.

However, the tourism sector is still a positive impetus of importance for the economy of Thailand for the whole year of 2014. Based on the report of the number of tourists by the Department of Tourism, the Ministry of Tourism and Sports, it was stated that the number of foreign tourists stood at 24.78, down by 6.63 percent when compared to the past year, creating income for the country up to 1.15 million million Baht, a contraction of 4.93 percent from the same period of the past year owing to the warning announcement for travel to Thailand made by the government of each country in the wake of political gathering during the first half of the year. However, during the second half of the year, the number of tourists had slightly increased after the situation returned to normalcy.

As for the Thai tourism situation in 2015, the Ministry of Tourism and Sports, has made an increased estimate of the number of foreign tourists to 28 million persons, an expansion of 13 percent when compared with that of 2014. An estimated revenue from foreign tourism stood at 1.35 million million Baht whereas an estimated revenue from domestic tourists increased by 0.8 million Baht for the year 2015 stood at 2.15 million Baht.

The Number of Foreign Tourist

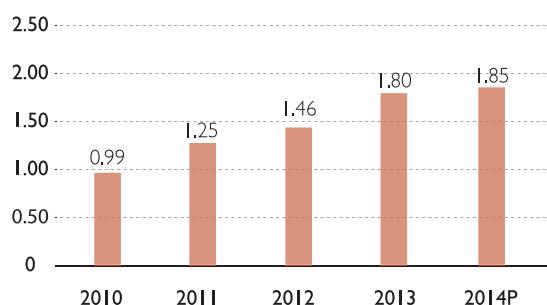
Million Persons



Source: Department of Tourism, Ministry of Tourism and Sports

Income from Tourism

Million Million Baht

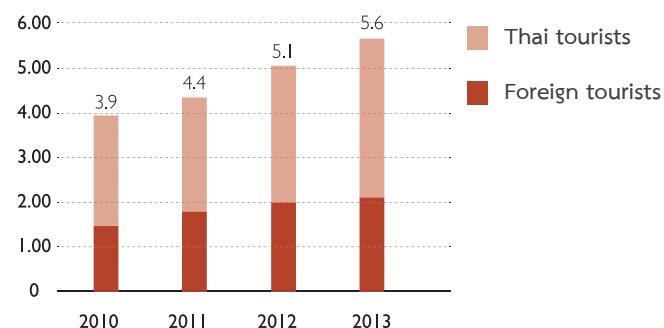


Remarks: P is fundamental data F is the estimate data

Source: Department of Tourism, the Ministry of Tourism and Sports

Number of Tourists in Chiangmai

Million Persons



Chiangmai province is deemed to be the center of Northern provinces, in particular, in the matter of tourism which is well-known and attracts interest from both Thai and foreign tourists alike thanks to the readiness of the tourist attractions; including the aspect of natural beauty, art and culture and unique and impressive tradition and the readiness in terms of accommodations and various and diverse tourist services which are converging both Thai and foreign tourists to Chiangmai throughout the year.

In the first quarter of 2014, the data available from the Bank of Thailand, the Northern Office, reported on the situation of the hotel industry in Chiangmai that the occupancy rate had the trend towards being constant from the same period of the previous year; although from January to February, the occupancy rate underwent considerable expansion thanks to the majority of tourist groups who used the short-haul flight to Chiangmai; these tourists were from China, Singapore, Hong Kong, Malaysia and Korea. But in March, there was the beginning of booking cancellation, in particular, by tourists from Europe due to the uncertainty of political situation in Thailand. As for the third and the fourth quarter, the growth in tourists was on the rise after the situation returned to normalcy, in particular, for the fourth quarter as it was the tourist season including PRC's National Day, Loy Krathong Festival , the National Father Day and the Christmas.

Overview of the Competition

Based on the data shown above, it can be seen that although the number of tourists is on the increasing trend, in particular, among the groups of foreign tourists, but the number of places of accommodations and hotels are continuously growing at the higher rate is spurring high competition for the hotel business in Chiang Mai. For survival of the business, therefore, the operators must readjust the operation plan or various strategies as to maintain the level of profitability of the business. The format of competition which has become increasingly more intense is the price cut of the guest room, the competition in the aspect of the service quality, the granting of privileges for using other services of the hotel, etc.

As for the part of accommodations in Chiang Mai province which are characterized by providing the service of resort and spa type, according to the tourism data from the Tourism Authority of Thailand, it was stated that there is a total of 139 spa and resorts of 2-5-star quality level and if the emphasis is placed on the accommodations of the same quality level as RARINJINDA WELLNESS SPA RESORT, the number stood at 15 while the accommodations characterized by providing the service of boutique resort of 2-5 star quality, the number stood at 19.

Currently, the increase in the number of boutique hotels undoubtedly has spurred high competition in the market. However, in terms of the characteristics of the operation of the boutique hotel which emphasizes the format of being a small-sized luxury hotel, the importance is attached to the prominence of the architecture, the provision of service with close attention from the staff and the presentation of the story through the architecture, the provision of service of the boutique hotel must be able to respond to the lifestyle of the potential guests so that it serves as a place to reflect the personality and the format of living of the potential guests. Therefore most of the boutique hotels do not place emphasis on the price competition; but the emphasis is mainly placed on the quality, the standard and the provision of service. Each hotel has different sales pitch depending on the lifestyle of each customer.

2.3 SPA PRODUCTS DISTRIBUTION BUSINESS

The operation of the spa products distribution business is managed by the Company and the subsidiary, that is, Siam Wellness Lab co., ltd.: SWL. The details are as follows:

2.3.1 The Characteristics of the Products or Services

The operation of SWL is characterized by the procurement of the spa-related products and the consumer products such snacks for distribution to the Company and customers, both of Thai and foreign customers. The distribution of the products is made under the "Blooming" brand and the purchase is made selectively from among the products of the Group of Companies from the producers expert in the manufacture of the spa products for home use and in the spa shop under the "Blooming" brand. Most of the products are all of natural products. The goods of SWL can be divided into 3 groups as follows:

Spa product for body care

- Massage Oil for Professional Use
- Massage Oil for Home Use
- Essential Oil
- Shower Gel
- Natural Soap
- Body Lotion
- Aloe Vera Soothing Gel
- Body Scrub
- Foot Scrub

Other spa products

- Herbal Ball
- Incense
- Aromatic Scented Candle
- Ceramic Oil Burner

Products for consumption

- Cookies
- Snacks
- Herbal Drinks

2.3.2 Market and Competition Condition

Characteristics of the customers and customers target group of the Spa Products Business

Most of the Company's customers will be the customers who are visiting to use the Spa of Let's Relax and RarinJinda Wellness Spa and from the 5-star hotels which distribute the products of the Company, while the remaining number of customers is at the minimum, orders will come from business customers who order the products as a premium items for distributing to the customers and customers from abroad as a result of the goods exhibition booth by the Company.

Distribution and Distribution Outlets of the Spa Products

- 1) At the shop branches of Let's Relax and RarinJinda Wellness Spa, all kinds of products are on sale at every shop branch of Let's Relax and RarinJinda Wellness Spa to the customers who come to use the service and those who are interested in the products.
- 2) Direct sale through sales agents who are experienced in the business, who are reliable and accepted by the customers in the same business.
- 3) Products exhibition fair or tourism event, both in the country and abroad in which the Company participated including the distribution of the spa products via the online market. The customers can order for the goods and make the payment via the Website of the Company at www.siamwellnesslab.com
- 4) Sale booths in the 5-star hotels in which the products of the Company are distributed such as at Renaissance Hotel, in Bangkok and Samui Island, JW Marriott Hotel, Khao Lak Resort and Spa, etc.

Business Competition Strategy

The Company has the business operation strategy according to the details as follows:

- **The Products strategy**

The strategy of creating the difference in terms of quality and the products.

The Blooming products are natural products and the raw materials of high quality are selected which are devoid of any hazardous substances. The raw materials are used as an ingredient of the products to derive perfect product ready to soothe the mind and body. The products are rich in the values of Thai herbs and therapeutic scent from the pure essential oil in diverse forms which are agreeably blended between the sciences of the East and the West.

- **Marketing Strategy**

For the marketing strategy of SWL , the SWL focuses on the marketing of the distribution to groups of consumers who are interested in health care and want to directly consume the products of SWL directly. These are groups of customers who consume the products of good quality, wanting to use the products made from natural raw materials. As they attach lesser importance to the price, SWL is therefore able to make direct sale of the products according to the demand of the groups of the consumers of SWL, thus spurring the increase in sales of the products.

2.3.3 Procurement of the Products or Services

The spa products of Siam Wellness Lab Co., Ltd. are such as massage oil, essential oil, body scrub products and body massage pack as well as harbal products such as harbal balls. Orders for domestic products are possible. The formula will be defined by the Company based on its know-how, knowledge, experience in the spa business. Thereafter, several firms are engaged to make to products according to the formula required by the Company. Currently, most of the spa products put on sale are produced by the producers experinced in the spa products who also produce the spa products for export; while about 20 percent of SWL's spa products will be distributed to small producers as to hedge the risk of problem that would disable the principal producers of spa products to be supplied to SWL such as the occurrence of catastrophic flooding in late 2011.

2.3.4 Industry Situation and Competition

Industry situation

*Currently, the global demand for herbs is high and there is a trend towards the increase, in particular, the Thai herbs of cosmetic groups are valued as high as 180,000 million Baht, while the herbs for the food supplement groups are valued as consumption and export at 80,000 million baht. As for the herbs of the spa products group and the products has the value of consumption and export at approximately 10,000 million Baht. The herbs of the ancient medicine formula groups according to the local wisdom of Thai traditional medicine are of value totaling 10,000 Baht, etc.

(*Data available from the Department of Agriculture)

**At the present, the city population transforms its lifestyle into being more metropolitan society, thereby emerges a new business to respond to the need of the said lifestyle. This makes various city dwellers to attach more importance to the natural lifestyle for therapy as to alleviate minor ailments instead seeing a doctor as to avoid the remnants of chemeical substannce in the body; thus making the market of herbal products to grow to more than 30 percentage per year at the market value of higher than 8,000 million Baht.

The market of the essential oil is one of the products that is playing an increasing role in the daily products of the people, whether or not it is used as food ingredients, beverages, cosmetics, products used for

daily living and medicine. The essential oil being presently in use is mostly derived from chemical synthesis while the trend of the demand for the natural products by the people in the city society is towards the increase and the need for use of the essential oil in the household for health purpose and aromatherapy is as well on the rise. The business opportunity for the essential oil is promising as to create considerable income for the operators and there is a trend towards the high business growth continually.

In Thailand, most of the essential oil used in the industry and for domestic distribution is imported from abroad. For those essential oil produced domestically is spread out in the local community enterprises and it is produced for use in the related products. In the small enterprise which produces the essential oil, mostly, the raw material is derived from the local plants for extraction of the essential oil; and in producing the essential oil, small-sized production technology is used with low production capacity. Therefore, the standard level of the essential oil products is of diverse level in each community enterprise. The remnant of chemical substance from the extraction of the essential oil still exists. This precludes the development of the pure organic essential oil. To establish a plant for extraction of the pure essential oil based on herbal plants and spices of international standard must rely on high capital investment and involving multi-discipline personnel such as a technician, a pharmacist, a controller and quality inspector; a research and development specialist, the examiner of scent and farmers who grow herbal plants and spices. If the venture is possible, the industry of essential oil and aromatic products of Thailand will have high potential in the global market as well as in domestic markets.

** Data from business thai

2.4 THAI MASSAGE SCHOOL BUSINESS

The operation of Thai massage school business is run by Siam Wellness Education Co., Ltd. Presently, the teaching course is open for therapist staff to support the spa business of the Company only. There is no teaching course open for outsiders.

2.4.1 The Characteristics of the Products or Services

The service provided by SWE is the Thai massage teaching service in the name of “Blooming Thai Massage School”. It was opened for operation in 2011 and it was certified by the Ministry of Education to provide training on massage and spa service to therapist staff to accommodate the expansion of the Company’s business. The training courses are divided according to the category of trainees as follows:

- 60-hour and 180-hour Thai massage training course
- Course on general basic knowledge and precautionary measures for providing massage service to customer.

The course to be open will comprise Thai massage course mentioned above. Trainees who have completed the said course will be presented with the Certificate from BLOOMING THAI MASSAGE SCHOOL; the Certificate is the testimonial for employment both domestically and abroad. Currently, SWE will train the personnel wishing to work for the Company for at least one year upwards only. No course is open to the outsiders.

In addition to Thai massage course, the therapist staff and trainer of SPA will teach additional techniques for new employees to ensure the performance of diverse services as foot reflexology massage, essential oil massage, hot stone therapy massage, body scrub, body massage pack, learning the spa treatment and hydrotherapy and integrated Thai massage with new technology in the spa business, etc.

As for 2013, SWE did not operate the business. SWE started the teaching course for applicants to work as therapist of the Company in July 2014. The Thai massage course was opened emphasizing general basic knowledge and precautionary measures for providing massage service to customers.

3

Risk Factors

In the course of running the business of the Company, various risks and uncertainties were encountered which may have impact on its earning, profit, assets, liquidity and the par value of the share of the Company. Besides the risks of material importance to be further mentioned, there may be other uncertainties unknowned to the Company or cannot be specified at this moment. Therefore, the stakeholders should also take into account other risk factors which may befall the Company over and above the risk factors appeared in this Document.

Risk from the Fluctuation of Tourism Industry

For the operation of the spa and hotel businesses of the Company and of the subsidiary companies, there are major groups of foreign tourists in whom there are some factors impacting the confidence in travel for tourism which the Company cannot control such as terrorism, epidemic of the disease, natural disaster, civil commotions within the country and global economic recession, etc. The said impact has had comprehensive effect not only in Thailand alone, but is spread to tourism industry in other countries. The Company has a policy of managing the said risk by way of spreading the business along principal tourist attractions of the country to reduce risk in the event of any particular tourist attraction is facing the problem and has introduced a business plan as to increase the proportion of domestic customers in order to reduce risk of relying on any particular group of the customers.

Risk from Competition with the Competitors in the Principal Business

Siam Wellness Group Plc. operates the health spa business. Moreover, the Company has also had subsidiary company, that is, Siam Wellness Resort Co., Ltd., operating the hotel and restaurant businesses in Chiangmai with many competitors. The Company laid down its strategy to create the difference versus its competitors in terms of premises, service, raw materials, products and technology by focusing on continuing development of innovation as to create the experience for the customers with impression in using the service unique to each brand of the Company.

Competition in Spa Business

Currently, the spa business is fraught with high competition from the downstream to the upstream markets emphasizing the price competition which may impact the earning and profit of the Company. However, the Company is positioning its service to compete with the upstream market, but with the pricing that is more worthwhile than its competitors, which are 5-star hotels. The setting up of the place of service exactly at the point to the target market with the convenience of travel, that is, in the proximity of the mass transit system or tourist attractions. Moreover, the Company has had the time booking for service and payment system directly via the Internet. The system enables the Company to plan the personnel administration very effectively. The Company is convinced that with the said strategy, the Company would gain a competitive advantage against its competitors in the spa business.

Competitor in the Hotel Business

The Company has its subsidiary, that is, Siam Wellness Resort Co., Ltd. operating the hotel and restaurant businesses in Chiangmai province in which there are numerous competitors. Currently, the tourism industry has increased in competition with more opening of hotels by various operators in Chiangmai resulting in price

competition, which may impact on the earning and profit of the Company. However, the Company is convinced that with its strategy emphasizing the provision of specific service in the line of the spa and wellness business with a limited number of rooms and avoidance of price competition coupled with a marketing plan and efficient management of cost will enable Siam Wellness Resort Co., Ltd. to compete with its competitors. The salient point of RarinJinda Wellness Spa Resort is its determination to allow the customers to be in touch with the culture and tradition of Chiangmai integrated with leading therapeutic spa technology and unique quality of service and various amenities.

Risk Due to Renewal of Lease Agreement

Lease with the Outsider

Mostly, the Company would use the method of leasing the space to operate its spa business if the said lease agreement is not renewed, the Company may risk losing its income from the Company's branches. However, the Company would enter into an agreement before the commencement of the Lease Agreement to enable it to renew the Lease Agreement for at least about 6 years to 9 years (3 years lease to renew for another 3 years and/or to renew for 3 years) to reduce risk of investment in the leased branch. Moreover, the lease of the business premises instead of investment to buy the business premise as the Company's own property, it would provide the flexibility for the Company to run its business with the ability to manage the cost for expansion or reduction of service premises as to maximize the returns for the stakeholders. Incidentally, the Company would have good relationship with every lessor by being a good lessee to maintain the leased premises to good order and proper compliance with the terms and conditions of the lease agreement in every respect. Thus, the Company is able to secure the renewal of the lease with the Lessor consistently. If the Company is unable to secure the renewal of the lease agreement for any particular branch, the Company will be able to procure a location to set up a new branch in place of the said unrenewed leased branch.

Lease Agreement with Affiliated Person

For the lease entered into with an affiliated person in the case of the opening of the spa branch and the office of the Company, the Company enters into a lease agreement in the same fashion as the lease with the outsider subject to the terms and conditions of renewal of the lease for about 6 to 9 years (3 years lease to be renewed for 3 years and/or to renew for 3 years). For the land in Chiangmai, the Company has leased it from the affiliated person for use to launch the RarinJinda Wellness Spa, Chiangmai Branch and to allow Siam Wellness Resort Co., Ltd. to sublease the land to operate the hotel and restaurant in Chiangmai. The land will be leased from the affiliated person for 30 years with the terms that the lease is renewable. In this case, a notice will be given to the party to the agreement for acknowledgement and to agree in advance prior to the expiration of the agreement. This is deemed to be a long-term obligation and helps reduce risk against the uncertainty. But, however, upon expiration of the lease agreement, the renewal of the said lease agreement is not possible, the Company will then find necessary to acquire a new parcel of land to continue the business. For this purpose, the Company has entered into a lease agreement with the affiliated person according to said terms and time frame at the fair market rate. The fair price will be assessed by an independent evaluator to assess the proper lease price before it is proposed to the Board for examination and prior approval. Incidentally, the Company had established RarinJinda Wellness Spa Resort as a prototype for operating the Health Resort Hotel. If successful as anticipated and with the availability of sufficient accommodating market, the Company may consider expanding this business into the market and in a suitable time frame. The lease of the said premises enables the Company to reduce investment risk in immovable property and to maximize the efficient management of investment capital. However, nearing the expiration of the lease agreement, the Company would assess the feasibility of the renewal of the lease agreement by taking into account the maximum returns of the stakeholders.

Risk from Dependence on the Executives

The Company operates the business under the management of two founders and executives of the Group of Companies, that is, Mr. Wiboon Utsahajit and Mr. Prasert Jiravanstit, who play an important role in the management of the Company to the extent of being famous and recognized in the industry and enabling the Company to enjoy good operating profit continually. If in the absence of the said executives, it may impact the management of the Company. However, the Company has decentralized the power of operation, the scope of duty and accountability to the executives of various lines according to the ability and experience as to reduce risk from dependence on the said executives. The plan for listing in the mai securities exchange will enable the company to improve the operational system in accordance with the international style continually.

Risk from Lawsuit from the Customers Using the Service

As the Company operates the Health Spa business, in the course of providing service to the customers by the therapist staff, if they are careless in providing massage service to customer that may cause physical harm to the customer, to prevent the risk of being sued by the customer, the Company therefore takes out the Professional Liability Insurance to cover the expense of being sued to the tune of not exceeding 5,000,000 Baht during the validity of the Insurance Policy. Incidentally, the Company will be liable for the first deductible of not exceeding 200,000 Baht per incident. Moreover, the Company has initiated the briefing to exercise utmost care in providing service to the customer. Since the inception of its business, the Company not yet been sued in the said case at all.

Risk due to Shortage of Therapist Staff

As the Company operates the health spa business which is a business requiring a lot of therapists. The shortage of the said labor may impact the Company's business of material importance. Therefore the Company has arranged for the availability of proper management system of the said personnel by allocating the therapist personnel to be suitable for the number of customers and provision of the staff welfare benefit to the said therapist personnel. This is made possible through providing insurance to cover the minimum wage for the personnel who are working at the newly opened branch of the Company; the provision of personnel living quarters and taking out a life assurance policy for the therapist personnel, etc., as to reassure them and to restore their confidence in the Company so that they will be working with the Company for a long time. Moreover, the Company is opening the massage training school under the subsidiary company as to develop the personnel in accordance with the standard of the Company and to accommodate the expansion of the business and to substitute for those personnel who resigned. This is to ensure that the Company would not have the therapist personnel shortage problem in the future.

The Principal Property Used in the Operation

The principal property used in the operation of the Company and of the subsidiary company comprise of land, building and equipment and the rights under the land lease agreement and the space of the building with the details as follows:

4.1 LAND, BUILDING AND EQUIPMENT

The land, building and equipment used to operate the business of the Company and of its subsidiary companies have the value according to the Consolidated Financial Statement of the Company and its subsidiaries as follows:

| Items | Ownership | Net Value according to the Book as of 31 Dec 2014 | Encumbrances/Obligations | Unit: Thousand Baht |
|---|-----------|---|--|---------------------|
| 1. The Land *1 1.1) Nor.Sor. 3 Kor (Certificate of Utilization) No. 5241, 5242, 5243, 5896, 5918 and 5919, of total area of 112.50 sq.wah located on Rat-Uthid 200-Year Road, in Tambon Patong, Katu district, Phuket province (Let's Relax Patong 2nd Street and Staff Living Quarters) | Company | 48,110 | Nor.Sor.3 Kor No 5241, 5242, 5243 and 5919 are mortgaged to the credit line of 80 million Baht as a loan guarantee of 80 million Baht and used as a guarantee for 2 new additional loan agreements amounting to 55 million Baht and 10 million Baht with Kasikornbank Plc. Nor.Sor. 3 Kor No 5896 to the credit line of 10 million Baht as a guarantee against the overdraft facility of 3 million Baht and the Letter of Guarantee of 10 million Baht used as a guarantee for 2 new additional loan agreements amounting to 55 million Baht and the amount of 10 million Baht with Kasikornbank Plc. | |
| 1.2) Land Title Deed No. 110538 of area 18.1 square wah, located on Pattaya Nua Road, in Tambon Naklua, Banglamoong district, Chonburi province (the staff living quarters) | Company | 2,172 | None | |
| 1.3) Land Title Deed No 20725 of 26.4 sq. wah in area, located on Rob Koh Road, Tambon Bo Phud, Koh Samui district, Suratthani province (Samui staff living quarters) | Company | 2,640 | Mortgage of additional security against the mortgage of Land Title Deed No. 90025 and Nor.Sor. 3 Kor No 5896 as a security for overdraft facility of 3 million Baht and the Letter of Guarantee of 10 million Baht and used as a guarantee for 2 new additional loan agreements amounting to 55 million Baht and the amount of 10 million Baht with Kasikornbank Plc. | |
| 1.4) Land Title Deed No. 90025, of 54 sq.wah in area, located on Soi Yoo Charoen Soi 5, Khwaeng Huay Khwang, Bangkok (The land for construction of the Bangkok Staff Living Quarters.) | Company | 7,020 | The mortgage of first rank to the credit line of 10 million Baht and second rank to the credit line of 10 million Baht as a security against the overdraft facility of 3 million Baht and 10 million Baht against the Letter of Guarantee and is used as security against 2 new additional loan contracts to the credit line of 55 million Baht and 10 million Baht with the Kasikornbank Plc. | |
| TOTAL LAND | | 59,942 | | |

Unit: Thousand Baht

| Items | Ownership | Net Value according to the Book as of 31 Dec 2014 | Encumbrances/Obligations |
|---|------------------------|---|---|
| 2. Improvements on land | Subsidiary | 18 | None |
| 3. Building and improvements on the building *1 3.1) A 5-storey commercial building, 3 compartments, No. 209/22-24; a 5-storey commercial building together with the deck floor, 1 compartment, No. 207/47 and a 4-storey commercial building, 2 compartments, No. 207/6 and No. 207/5. (Let's Relax, Patong 2nd Street and Phuket staff living quarters.) | Company | 16,557 | Is part of collateral security encumbered on Nor.Sor. 3 Kor No. 5241, 5242, 5243, 5896, and 5919 in Tambon Patong, Katu district, Phuket province, which are mortgaged with Kasikornbank Plc. |
| 3.2) A 4-storey commercial building together with deck floor, 1 compartment, No 6/67 (Pataya staff living quarters). | Company | 1,276 | None |
| 3.3) A 3-storey commercial building together with mezzanine floor No 119/25 in Tambon Bo Phud, Koh Samui district, Suratthani province (The living quarters of Koh Samui staff.) | Company | 3,200 | Is part of collateral security encumbered on the Title Deed No. 20725, in Tambon Bo Phud, Koh Samui district, Suratthani province, which are mortgaged with Kasikornbank Plc. |
| 3.4) RarinJinda Wellness Spa Resort *2 Hotel building at No. 14 on Charoenrat Road, Tambon WatKet, Amphoe Muang, Chiangmai province. | Subsidiary | 62,336 | None |
| 3.5) Staff Living Quarters on Soi Yoo Charoen 5 | Company | 12,277 | The first rank mortgage to the credit line of 10 million Baht and the second rank mortgage to the credit line of 10 million Baht as security against the overdraft facility of 3 million Baht and 10 million Baht against the Letter of Guarantee and is used as security against 2 new additional loan contracts to the credit line of 55 and 10 million Baht with the Kasikornbank Plc. |
| 3.6) Part of improvement on the building comprising: - Head Office Building - Let's Relax Pavilion branch - Let's Relax Sukhumvit 39 branch - Let's Relax Pattaya branch - Let's Relax Patong 2nd Street branch - Let's Relax Samui branch - Let's Relax Terminal 21 branch - Let's Relax Mandarin branch - Let's Relax Siam Square One - Let's Relax Hua Hin branch - Let's Relax Patong 3rd Street branch - RarinJinda Wellness Spa, Chiangmai Branch - RarinJinda Wellness Spa, Rajdamri Branch - RarinJinda Wellness Spa, Ploenchit Branch - RarinJinda Wellness Spa Resort *2 - Phuket and Pattaya Staff Living Quarters | Company and subsidiary | 173,360 | None |
| TOTAL BUILDING AND PARTS OF IMPROVEMENTS | | 269,006 | |

Unit: Thousand Baht

| Items | Ownership | Net Value according to the Book as of 31 Dec 2014 | Encumbrances/Obligations |
|---|--------------------------|---|---|
| 3. Decorations, fixtures and equipment | Company and subsidiaries | 24,304 | None |
| 4. Vehicles | Company and subsidiaries | 4,938 | None |
| 5. Works under construction as at 31 Dec 2014 consisting of the buildings and improvements on the buildings of: - Let's Relax Pavilion branch - RarinJinda Wellness Spa Ploenchit branch - Let's Relax Patong 2 nd Street branch - Let's Relax Patong 3 rd Street branch - Let's Relax Siam Square One branch, part of expansion | Company | 1,307 | Nor.Sor. 3 Kor No. 5241, 5242, 5243 are mortgaged to the credit line of 80 million Baht as a security 2 new loan contracts to the credit line of 55 million Baht and 10 million Baht with Kasikornbank Plc. |
| TOTAL LAND, BUILDING AND EQUIPMENT NET | | 359,515 | |

REMARKS:

*1 The land is valued at cost price according to the Book is at 17,899,106 Baht. There was improvement on the value based on new assessment totalling 42,042,894 Baht (improvements made in 2012 amounting 38,593,865 Baht and improvements made in 2013 amounting to 651,546 Baht) and the improvements made in 2014 amounting to 2,797,483 Baht) amounting to grand total according to the Book of 59,942,000 Baht. The details of the new assessment are as follows:

1.1 Nor.Sor. 3 Kor No. 5241, 5242, 5243, 5896 and 5919 in Tambon Patong, Katu district, Phuket province, has the cost price according to the Book of 5,604,765 Baht. The price was appraised by the 15 Business Consultants Co., Ltd., represented by Mr. Watthana Jumpavan, the principal appraiser, who signed in the Report. The appraisal was carried out on 26 December 2012 for public purpose. The appraisal was made of the land together with the structures upon the land comprising 5-storey, 3 compartments, commercial building No. 209/22-24; the 5-storey commercial building together with the deck floor, No 207/47 and the 4-storey commercial building, 1 compartment, No. 207/6 (according to the property in sub-clause 3.1) by method of comparison with the market price, of total value of 81,500,000 Baht and the 15 Business Consultants Co., Ltd., sent the Letter No. FO13/031 dated 4 March 2013, giving additional notice of the calculation of the appraised price by separating part of the land and the building in the interest of recording in the Book of Account, being the value of the land being 43,350,000 Baht and the value of the structures being 38,500,000 Baht.

1.2 The Land Title Deed No. 110538 Tambon Naklua, BangLamoong district, Chonburi province, has the cost price according to the Book of 1,427,332 Baht. Price was appraised by the 15 Business Consultants Co., Ltd., represented by Mr. Watthana Jumpavan, the principal appraiser, who signed in the Report. The appraisal was carried out on 28 December 2012 for public purpose. The appraisal was made of the land together with the structures upon the land comprising 4-storey commercial building together with the deck floor, 1 compartment, at No. 6/67 (according to the property in sub-clause 3.2) by method of comparison with the market price, of total value being 4,600,000 Baht and the 15 Business Consultants Co., Ltd., sent the Letter No. FO13/032 dated 4 March 2013, giving additional notice of the calculation of the appraised price by separating part of the land and the building in the interest of recording in the Book of Account, being the value of the land being 2,172,000 Baht and the value of the structures being 2,428,000 Baht.

1.3 The Land Title Deed No. 20725 Tambon Bo Phud, Koh Samui district, Suratthani province, has the cost price according to the Book of 1,988,454 Baht. Price was appraised by the 15 Business Consultants Co., Ltd., represented by Mr. Watthana Jumpavan, the principal appraiser, who signed in the Report. The appraisement was carried out on 13 August 2013 for public purpose. The appraisal was made of the land together with the structures upon the land comprising 3-storey commercial building together with the mezzanine floor, located at No. 119/25 (according to the property in sub-clause 3.3) by method of comparison with the market price, of total value being 5,500,000 Baht and the 15 Business Consultants Co., Ltd., sent the Letter No. FO13/056 dated 15 August 2013, giving additional notice of the calculation of the appraised price by separating part of the land and the building in the interest of recording in the Book of Account, being the value of the land being 2,640,000 Baht and the value of the structures being 2,860,000 Baht.

1.4 The Land Title Deed No. 90025, Khwaeng HoueyKhwang, Khet HoueyKhwang, Bangkok, has the cost price according to the Book of 4,411,800 Baht. The price was appraised by the 15 Business Consultants Co., Ltd., represented by Mr. Watthana Jumpavan, the principal appraiser, who signed in the Report. The appraisement was carried out on 29 March 2013 for public purpose. The appraisal was made exclusively of the value of the land by means of comparison with the market price being at 7,020,000 Baht.

1.5 Nor.Sor. 3 Kor No 5918 Tambon Patong, Katu district, Phuket province, has the cost price according to the Book of 1,962,517 Baht. The price was appraised by Sasiratchada Co., Ltd., represented by Mrs. Karuna Keopornsawan, the principal appraiser, who signed in the Report. The appraisement was carried out on 20 January 2015 for public purpose. The appraisal was made exclusively of the value of the land together with the structures upon the land comprising the 5-storey commercial building together with the addition of deck floor, numbering 1 compartment, No. 207/5 by means of comparison with the market price being at total value of 4,760,000 Baht with additional notice of the calculation of appraisal separated land and the building, incidentally, in the interest of recording in the Book of Account, being the value of the land at 1,962,517 Baht and the value of the structure at 2,797,483 Baht.

*2 RarinJinda Wellness Spa Resort building was appraised by the 15 Business Consultants Co., Ltd., represented by Mr. Watthana Jumpavan, the principal appraiser, who signed in the Report. The appraisement was carried out on 27 December 2012 for public purpose. The appraisement was made exclusive the 5-storey high-rise hotel, having the utility area of 3,703.27 square meters and the swimming pool of 316.95 square meters, located at No. 14 Charoenrat road, Tambol WatKet, Amphur Muang, Chiangmai province. The appraisal was made specifically of the structure by means of cost method at total value of 84,000,000 Baht.

4.2 RIGHT OF LAND LEASE/ BUILDING LEASE

The Company operates the spa business. Most of its branches have been leasing the space in the building to operate the business and have the value according to Consolidated Financial Statement of the Company and of its subsidiaries as follows:

| Item | Ownership | Net value to the Book as at 31 Dec 2014 | Terms and Conditions |
|--|-----------|---|---|
| Right of land lease /building lease (Let's Relax Pattaya and Koh Samui) | Company | 4,642 | Right of lease shows the cost price less accumulated write-off calculated by straight line according the period of lease. |

For all these items ,the accounting items on the part of the right of land lease will be exclusively the lease right for which royalties must be paid for advance lease. The period of write-off will be according to the time frame under the lease agreement with right for renewal as specified in the agreement.

The Company and its subsidiaries have entered into the land and the structure lease agreement for use as an office building, the therapist staff living quarters and use for operating its spa business as well as for use to operate the hotel and restaurant businesses of the subsidiaries as follows:

| Date of the Lease Agreement | Particulars | Period of time | Rental and service | Other terms and conditions |
|-----------------------------------|---|---|--|--|
| 23 Jan 2014 | The Company enters into the lease of the building agreement with Mr. Santiwat Amnornthirasant, for the lease of the building No. 322/202 and No. 322/203 on Asoke Din Daeng road to be used as a living quarters of the therapist staff in Bangkok. | 3 years to be expired on 31 December 2016; being the renewal of the 7th – 9th year. | The building No. 322/202, the monthly rental for the years 2014 - 2016 is at 30,900 Baht, at 31,800 Baht and at 32,800 Baht respectively; the building No. 322/203, the monthly rental for the years 2014 -2016 is at 20,600 Baht, 21,200 Baht and 21,800 Baht respectively. | <ul style="list-style-type: none"> - Renewable for 3 years subject to advance notice of 60 days before expiration of the agreement. - Early termination of the agreement subject to advance notice of 120 day. - On 15th September 2014, the Company executed the Memorandum of the Understanding to terminate the lease agreement of the Building No. 322/203 which is effective on 1 November 2014 onwards. |
| 1 April 2013 | The Company enters into the lease of the building with Mr. Vithit Utsahajit, for the lease of the 1st floor and the 2nd floor of the Building No. 483-483/6 and for the lease of the 3rd floor of the Building No. 483/6 on Soi Suthiporn, Prachasongkroh Road, Khwaeng DinDaeng, Khet DinDaeng for total utility space of 1,392 square meters for use as the office building of the Company and of the subsidiary. | 3 years to be expired on 31 December 2015. | The rental is 104,400 Baht/ per month and the increased rental may be adjustable according to the market condition, but not exceeding 15 per cent of the rental in force on every 3 years. | <ul style="list-style-type: none"> - The rental will be exempted in the process of decoration. The rental will be charged effective on 1 May 2013 onwards. - Lease is renewable for 2 times of 3 years each subject to 30-day advance notice prior to expiration. - The Lessee has the duty to maintain, improve, repair the leased building to good condition. -The Lessee is liable for payment of property tax and other fees. - The Lessee is responsible for the cost of public utilities. |

| Date of the Lease Agreement | Particulars | Period of time | Rental and service | Other terms and conditions |
|-----------------------------|---|--|--|---|
| 26 Aug 2014 | The Company enters into the land and structure lease agreement with Mrs. Pranee Suphawatanakiat, Mr. Narun Wiwattanakrai, Mr. Thanawat Utsahajit, Mr. Prasert Jiravanstit, Mrs. Thanit Amornthirasan and Mr. Wiboon Utsahajit, by paying the rental to RarinJinda Limited Partnership jointly founded by the 6 persons, for the land under the Land Title Deed No. 117, 2875, 8985, 554, 3010, 3009 and 103754 totalling 7 Land Title Deeds, having total area of 2 rai 3 ngan 62.4 square wah for operating the spa business (RarinJinda Wellness Spa, Chiangmai branch) and some part of the land being subleased to Siam Wellness Resort Co., Ltd., to operate the hotel and restaurant business (RarinJinda Wellness Spa Resort and Deck 1 Restaurant). | 30 years. Effective on 1 January 2013. Expires on 31 December 2042. | The rental of 241,125 Baht/per month and the increased rental may be adjustable but not exceeding 15 per cent of the rental in force on every 3 years. | <ul style="list-style-type: none"> - The lease is renewable subject to not less than 3 years advance notice in writing before expiration. - Upon the expiration of the Lease Agreement, the Lessee must remove the Lessee's property from the leased premises failing which, the Lessor shall be entitled to repossess the leased premises and remove the property of the Lessee from the leased premises at the expense of the Lessee. - The lease parties must register the right of lease at the Land Officer for which the Lessee is liable to meet all the expenses for registration of the lease (The lease was registered on 29 Aug 2014). - The debris of the 4-storey of the building No 14/1 and 2-storey Thaistyle house No. 14 on Charoenrat Road, in Tambon WatKet, Amphoe Muang, Chiangmai province, on the land, the Lessee shall be responsible for improvement without charging the rental throughout the period of the Lease Agreement. - The Lessee has the duty to maintain, improve the leased premises to good condition. - The Lessee is responsible for property tax and other fees. - The Lessee is responsible for paying the cost of public utilities. - The agreement is substituted for the original agreement dated 1 January 2013. |
| 22 Jan 2014 | The Company enters into the Lease Agreement and Space Service Agreement with Asian Fortune Property Co., Ltd. Located at No 184/14 Pung Muang Sai Kor Road, in Tambon Patong, Katu district, Phuket province, on the side of the shop, of 2,418 square meters in area to use to operate the Spa business Let's Relax, Patong 3rd Street branch). | 3 years. To expire on 31 Jan 2017. Being the renewal of the 4th-6th year. | The rental for the 4th year at 150,000 Baht per month; for the 5th and the 6th year, the rental is 172,500 Baht per month. Lease Agreement security deposit of 600,000 Baht; The service charge for the 4th year is at 350,000 Baht per month; the 5th year and then 6th year at 402,500 Baht per month; the Agreement security deposit of 1,400,000 Baht. | <ul style="list-style-type: none"> - Renewable for 3 years subject to advance notice of 6 months before expiration. - The Lessee is responsible for property tax, tax on insurance premium and other fees. - The Lessee is responsible for public utilities actually incurred at the rate defined by PEA and PWA. - The rental and the service charge are adjusted downward from 172,500 Baht to 150,000 Baht; the service charge is reduced from 402,500 Baht to 350,000 Baht during 1 Feb 2014 - 31 Jan 2015 according to the Notice of the Reduction Adjustment dated 13 Jan 2014. |

| Date of the Lease Agreement | Particulars | Period of time | Rental and service | Other terms and conditions |
|-----------------------------|---|---|---|---|
| | | | | <ul style="list-style-type: none"> - Adjusted reduction of the rental and service charge from 150,000 Baht to 75,000 Baht; the service charge is reduced from 350,000 Baht to 175,000 Baht, between 1 July 2014 - 31 Dec 2014 according to the Reduction Adjustment Letter dated 18 Aug 2014. - On 24 Nov 2014, the Company entered into the Memorandum of Understanding for Amendment of the Space in the Building Lease Agreement with Asean Fortune Property Co., Ltd., for change of name of the business name from "RarinJinda Wellness Spa" to "Let's Relax" effective from 1 Dec 2014. |
| 1 Jan 2014 | The Company enters into the Space and Service Lease Agreement with Madarin Hotel Plc. for the space on M floor of the Hotel on the Mandarin Hotel No. 662 on Rama IV road, Khwaeng MahaPheutaram, Khet Bangkrak, Bangkok, of 1,100 square meters in utility area for use to operate the spa business (Let's Relax, Mandarin Hotel branch). | 3 years to be expired on 31 December 2016. | Monthly rental payment is 288,000 Baht and monthly service charge is 192,000 Baht altogether totaling 480,000 Baht and the rental is adjustable according to the market situation, but not more than 15 percent of the rental effective for every 3 years. Security deposit for lease and service agreement totaling 1,920,000 Baht. | <ul style="list-style-type: none"> - Renewable for 3 times at 3 years each subject to advance notice of not less than 6 months. - The Lessee is responsible for property tax and other fees to be averaged out according to the area. - The Lessee is responsible for cost of public utilities as actually incurred. For electricity, the charge rate is 5.50 Baht/unit and the charge rate for water supply is 50 Baht for the first unit and the following unit is 20 Baht/unit. |
| 1 Jan 2014 | The Company enters into the Lease and Space Service Lease Agreement with L&H Property Co., Ltd., for the utility space of Grand Center Point Rajdamri hotel No. 153/2 on Soi MahaadlekLuang 1, on Rajdamri road, Khwaeng Lumpini, Khet Pathumwan, Bangkok; part of the shop on 6th floor and on 8th floor, of 823 square wah in space for use in operating the spa business (RarinJinda Wellness Spa, Rajdamri Branch). | To be expired on 31 December 2016 Being the renewal of the 7th – 9th year. | The rental for the 7th year – the 9th year at monthly of 246,900 Baht. The security deposit against the lease agreement is 855,920 Baht. The service charge of the 7th month – 9th month at 370,350 Baht per month. The security deposit against the agreement is 1,283,880 Baht. Fee for use of the carpark area at 8,000 Baht per month. | <ul style="list-style-type: none"> - If the agreement is to be renewed, 6 months advance notice before expiry must be given. - The Lessee is responsible for property tax, other taxes, insurance premium and other fees averaged out according to the area. - The power charge is 5.50 Baht/unit; the water supply is 20 Baht per cubic meter. |

| Date of the Lease Agreement | Particulars | Period of time | Rental and service | Other terms and conditions |
|-----------------------------|--|--|--|---|
| 1 Jan 2014 | The Company enters into the Lease and Space Service Agreement with the Property Mutual Fund and Land & House Lease Right Agreement, the space on 1st -3rd floor of the Center Point Residence Building Phromphong No 77 on Soi Sukhumvit 39 (Phromphong), Sukhumvit road, Khwaeng Khlongtan Nua, Khet Watthana, Bangkok, of totaling space of 706.82 sq.m and the car park space on 3rd floor, of 100 sq.m in space to be used for operating the spa business (Let's Relax Sukhumvit 39 branch). | 3 years to be expired on 31 Dec 2016. Being the renewal of the 10th – 12th year. | The monthly rental is 190,841.40 Baht. Security deposit against the agreement of 735,092.82 Baht. The monthly service charge is 282,262.10 Baht. Security deposit against the agreement of 1,102,639.20 Baht. Lease of car park space on 3rd floor at 11,000 Baht per month. | <ul style="list-style-type: none"> - If wishing to renew the agreement, 6-month prior notice is required before expiration. - The Lessee is responsible for property tax, tax on insurance premium and other fees to be averaged out according to the area. - Power charge is at 4.50 Baht / unit; the water supply charge is 20 Baht/cubic meter to be adjustable according to the ratio to be levied by PEA and PWA. |
| 27 Jan 2011 | The Company enters into the Lease Agreement and Space Service Agreement with L&H Property Co., Ltd., the space on the 6th floor of the Terminal 21 Trade Center, at No 2, 88 Soi Sukhumvit 19 (Soi Watthana), Sukhumvit Road, Khwaeng KhlongToeyNua, Khet Watthana, Bangkok, of 752 sq.m as utility area for operating the spa business (Let's Relax, Terminal 21 Branch) | 3 years. Starting 1 Jul 2011 to be expired on 30 Jun 2014 or with effect from the opening of the Trade Center. (11 Oct 2011 – 10 Oct 2014) | The monthly rental is at 96,256 Baht. The security deposit for the agreement is 577,536 Baht. Monthly service charge is 144,384 Baht. The cost of public utilities is 172,960 Baht per month (230 Baht/sq.m subject to adjustment for increase during the validity of the agreement). Security deposit against damage is 866,304 Baht. | <ul style="list-style-type: none"> - If wishing to renew the agreement, 90 days advance notice before expiration is required. Renewable for 2 times for 3 years each. The rental and the service charge can be increased to not more than 25 percent of the rental and the service charge of the 3rd year. - The Lessee is responsible for property tax, other taxes, insurance premium and other fees to be averaged out according to the area. - The Lessor adjusted the monthly cost of public utilities to 275 Baht/sq.m. on 1 Oct 2013. |
| 25 Sept 2014 | The Company enters into the lease of space agreement and the provision public utilities service agreement, the Terminal 21 Trade Center Project. | 3 years. Starting 11 Oct 2014. To be expired on 10 Oct 2017. | The monthly rental is 120,320 Baht. Security deposit against the agreement is 721,920 Baht. Monthly service charge is 180,480 Baht. Monthly public utility cost is 206,800 Baht (230 Baht/sq.m. Subject to increase adjustment during the life of the Agreement). The security deposit against damage of 1,082,880 Baht. | <ul style="list-style-type: none"> - Other terms and conditions will be according to the agreement specified in the Lease of Space Agreement and Public Utility Service Agreement, Terminal 21 Trade Center Project dated 27 January 2011. |

| Date of the Lease Agreement | Particulars | Period of time | Rental and service | Other terms and conditions |
|-----------------------------|--|---|--|---|
| 21 Aug 2012 | The Company enters into the Land and Structure Lease Agreement with PhumLampha Resident Co., Ltd., a 1-storey building at No. 108/42 Moo 10, Tambon Bo Phud, Koh Samui district, Suratthani province, of 1,588 sq.m. of the utility area to be used for operating the spa business (Let's Relax Samui Branch). | 3 years starting from 1 January 2013, to be expired on 31 Dec 2015. | <p>The rental for the 1st-3rd year is 100,000 Baht per month.</p> <p>The rental for the 4th -6th year is 110,000 Baht per month.</p> <p>The rental for the 7th -9th year is at 121,000 Baht per month.</p> <p>The service charge for the 1st - 3rd year is at 100,000 Baht per month.</p> <p>The service charge for the 4th - 6th year is at 110,000 Baht per month.</p> <p>The service charge for the 7th - 9th year is at 121,000 Baht per month.</p> <p>The Special Remuneration of 3,000,000 Baht.</p> <p>Payment made in Spa Reward Coupon of 575,000 Baht.</p> | <ul style="list-style-type: none"> - If wanting to renew the agreement must give 6-month advance notice before expiration. - Is renewable for 2 times at 3 years each. - The Lessee is responsible for property tax, other taxes, insurance premium and other fees. - The Lessee is responsible for cost of public utilities. |
| 29 Jul 2013 | The Company enters into the Building Lease Agreement with Sunshine Garden Pattaya Co., Ltd. The Building No. 240/9 Moo 5 Tambon Naklua, BangLamoong district, Chonburi province; the utility space is 500 sq.m. to be used for operating the spa business (Let's Relax Pattaya branch) | 2 years starting from 1 May 2013 to be expired on 30 April 2015. | <p>The rental is 120,000 Baht per month.</p> <p>Remuneration for the right of lease is 550,000 Baht.</p> | <ul style="list-style-type: none"> - The Lessee is responsible for cost of public utilities and other service charges. - The Lessee is responsible for every category of taxes concerned with the business (such as property tax, signboard tax and VAT) |
| 29 Jul 2013 | The Company enters into the Building Lease Agreement with Sunshine Garden Pattaya Co., Ltd. A one-storey building at No. 240/9 Moo 5, in Tambon Nakua, BangLamoog district, of the utility space of about 40 sq.m. for use as a living quarters for Pattaya therapist staff. | 2 years starting from 1 May 2013 to be expired on 30 Apr 2015. | The rental is at 15,600 Baht per month. | The Lessee is responsible for the cost of public utilities. |

| Date of the Lease Agreement | Particulars | Period of time | Rental and service | Other terms and conditions |
|-----------------------------|--|--|---|---|
| 1 Mar 2012 | The Company enters in the Lease and Service Agreement with Moo Baan Seri Co., Ltd., for the utility space of the Pavilion Night Bazaar No. 145 on Chang Klan Road, Tambon Chang Klan, Amphoe Muang, Chiangmai province, 2nd floor, Room U32 special, U41 and U42, of total space of 122 sq.m for use to operate the spa business (Let's Relax Pavilion branch). | 3 years starting from 1 Apr 2012 to be expired on 31 Mar 2015 and the agreement was renewed on 16 Sep 2013 ; to be expired on 15 Sep 2016. | The rental is at 34,160 Baht per month; monthly service charge is 14,640 Baht. Electricity guarantee deposit is 60,000 Baht. Water supply guarantee deposit is 4,000 Baht. | <ul style="list-style-type: none"> -If wishing to renew the agreement, 6 months advance notice must be given before expiration. -It is renewable for two times for 3 years each. -The Lessor can readjust the service charge by giving 1 month advance notice. - The power charge is 4 Baht/unit; the water supply charge is at 23 Baht/cu.m subject to rate adjustment by giving advance notice. - Letter of Lease Guarantee to the credit line of 429,000 Baht. -The rental and service charge are adjusted downward from 42,700 Baht and 18,300 Baht to 34,160 Baht and 14,640 Baht respectively according to the Memorandum of Understanding attached to the Space Lease Agreement and Service Agreement for use of the premises dated 16 Sep 2013. |
| 5 Mar 2012 | The Company enters into the Lease and Space Service Agreement with Moo Baan Seri Co., Ltd., for the utility space at Pavilion Night Bazaar Building No. 145 on Chang Klan road, Tambon Chang Klan, Amphoe Muang Chiangmai, Chiangmai province, on 1st floor, Room U 27, of 150 sq.m in space, for use to operate the spa business (Let's Relax, Pavilion Branch) | 3 years starting from 1 April 2012 to be expired on 31 Mar 2015 and the agreement was renewed on 16 Sep 2013 to be expired on 15 Sep 2016. | The rental is at 105,000 Baht per month. The monthly service charge is at 45,000 Baht. Electricity guarantee deposit is 30,000 Baht. Water supply guarantee deposit is 2,000 Baht. | <ul style="list-style-type: none"> - If wishing to renew the agreement, 6 months advance notice must be given. - It is renewable for 2 times at 3 years each. - The Lessor can adjust the service change subject to 1 month advance notice. - The power charge is 4 Baht/unit; the water supply charge is 23 Baht/cu.m. The rate is adjustable subject to advance notice. - Letter of Lease Guarantee is to the credit line of 517,500 Baht. -The rental and service charge are adjusted downward from 120,750 Baht and 51,750 Baht to 105,000 Baht and 45,000 Baht respectively according to the Memorandum of Understanding attached to the Space Lease Agreement and Service Agreement for use of the premises dated 16 Sep 2013. |

| Date of the Lease Agreement | Particulars | Period of time | Rental and service | Other terms and conditions |
|-----------------------------|--|---|--|---|
| 1 Jun 2012 | The Company enters into the Lease and Space Service Agreement with Moo Baan Seri Co., Ltd., for the utility space at Pavilion Night Bazaar Building No. 145 on Chang Klan road, Tambon Chang Klan, Amphoe Muang Chiangmai, Chiangmai province, on 2nd floor, Room U 39 and U40 , of 64 sq.m in space, for use to operate the spa business (Let's Relax, Pavilion Branch). | 2 years 10 months ending on 31 Mar 2015 to and the agreement was renewed on 16 Sep 2013 to be expired on 15 Sep 2016. | The rental is at 17,920 Baht per month. The monthly service charge is at 7,680 Baht. Electricity guarantee deposit is 20,000 Baht. Water supply guarantee deposit is 2,000 Baht. | <ul style="list-style-type: none"> - If wishing to renew the agreement, 6 months advance notice must be given. - It is renewable for 2 times at 3 years each. - The Lessor can adjust the service charge subject to 1 month advance notice. - The power charge is 4 Baht/unit; the water supply charge is 23 Baht/cu.m. The rate is adjustable subject to advance notice. - Letter of Lease Guarantee is to the credit line of 96,000 Baht. -The rental and service charge are adjusted downward from 22,400 Baht and 9,600 Baht to 17,920 Baht and 7,680 Baht respectively according to the Memorandum of Understanding attached to the Space Lease Agreement and Service Agreement for use of the premises dated 16 Sep 2013. |
| 16 Sep 2013 | The Company enters into the Lease and Space Service Agreement with Moo Baan Seri Co., Ltd., for the utility space at Pavilion Night Bazaar Building No. 145 on Chang Klan road, Tambon Chang Klan, Amphoe Muang Chiangmai, Chiangmai province, on A-G and A-2 Floor, Room U14-U16, U32, U35, U35/1, U36 and U37 totaling 8 units with total space of 332 square meters for use to operate the spa business (Let's Relax, Pavilion Branch). | 3 years to be expired on 15 Sep 2016. | The rental is at 89,040 Baht per month. Service charge is at 38,160 Baht per month. | <ul style="list-style-type: none"> - If wishing to renew the agreement, 6 months advance notice must be given. - It is renewable for two times of 3 years each. - The Lessor can readjust the service subject to 1 month advance notice. - The power charge is 4 Baht/unit. The water supply charge is 23 Baht/cu.m. The rate is adjustable subject to advance notice. There is the Letter of Lease Guarantee, Power Charge Guarantee Deposit and Water Supply Guarantee Deposit to the credit line of 489,600 Baht. |
| 1 May 2014 | The Company enters into the Lease Agreement and Space Service Agreement with Q.H. International Co., Ltd. for lease of space ion 30th floor and some part of 31st floor, The Grand Center Point Hotel Building, Ploenchit No. 100 on Wireless Road, Khwaeng Lumpini, Khet Pathumwan, Bangkok, of total space of 1,087 sq.m, for use to operate the spa business (RarinJinda Wellness Spa, Ploenchit Branch). | 3 year Starting from 1 Nov 2014 Expiring on 31 October 2017. | The rental is at 200,000 Baht per month. First rental instalment is due in January 2015. The Lease guarantee deposit is 600,000 Baht. Space service charge is at 300,000 Baht/month. Space service charge guarantee deposit is 900,000 Baht. | <ul style="list-style-type: none"> - Decoration during the months of May 2014-Oct 2014. - It is renewable for 2 times at 3 years each. - If the agreement is renewed, the rental and service charge may increase not exceeding 15 % of the rental and the service charge in the 3rd year. - The Lessee is responsible for property tax, other taxes, insurance premium and other fees to be averaged according to the space. - On 1 Sep 2014, the Company entered into the Memorandum of Understanding to assign the rights and duty under the Space Lease Agreement and Provision of Service Agreement from Q.H. International Co., Ltd., to L&H Hotel Management Co., Ltd., with effect from 1 Sep 2014 onwards. |

| Date of the Lease Agreement | Particulars | Period of time | Rental and service | Other terms and conditions |
|-----------------------------|---|---|--|---|
| 15 May 2014 | The Company enters into the Lease Agreement and Space Service Agreement with Market Village Co., Ltd. The Hua Hin Market Village Trade Center Project, on the 2nd floor, Room E201 and E201 Terrace, on the 3rd floor, Room A313 and E301, of total space of 743 sq.m. at No. 234/1 on Phetkasem Road, Tambon Hua Hin, Hua Hin district, Prachuab Khirikhan province, for use to operate the spa business (Let's Relax Hua Hin Branch). | 3 years starting on 21 June 2014 and to be expired on 20 June 2017. | The rental is at 88,836 Baht/month. The Lease Guarantee Deposit of 533,016 Baht. Space Service charge at 59,224 Baht/month. Space Service Charge Guarantee Deposit of 355,344 Baht. Power Meter Guarantee deposit of 60,000 Baht. Common Area Service Charge of 188,440 Baht/month (at 280 Baht/sq.m). | <ul style="list-style-type: none"> - It is renewable for 2 times at 3 years each subject to not less than 180 days advance Notice before expiration of the agreement. - If the agreement is renewed, the rental and the space service charge is to be increased not exceeding 15 % of the rental and the service charge in the 3rd year. - The common area service is adjustable according to the policy of the Lessor and according to the burden of direct cost and expense incurred. - The Lessee is responsible for insurance premium to be averaged out according to the area. The power charge and water supply charge are payable according to the amount actually consumed at the rate defined by the service provider. Presently the power charge is 5.02 Baht per unit and the water supply is 20.50 Baht per unit. |
| 5 Sep 2014 | The Company enters into the Lease Agreement and Space Service Agreement with Chulalongkorn University. The Project Siam Square One, 6th floor, Room SS 6032, having total space of 424.43 sq.m on Rama 1 Road Bangkok to be used for operating the spa business (Let's Relax, Siam Square One Branch) | 3 years. Starting on 1 Aug 2014 Expiring on 31 Jul 2017. | The rental is at 114,841 Baht/month. The Lease Guarantee deposit of 459,364 Baht. Space Service Charge is at 172,261 Baht /month. Space Service Charge Guarantee deposit of 689,044 Baht. Public utilities service charge of 84,886 Baht/month. Public utilities cost guarantee deposit of 339,544 Baht. Power Meter guarantee deposit of 10,000 Baht. Water supply meter guarantee deposit of 5,000 Baht. Education cost subsidy of 1,887,912 Baht. | <ul style="list-style-type: none"> - The Lease is renewable for 2 times at 3 years each subject to advance notice of not less than 3 months. - The rental rate and other terms and conditions are as defined by the Lessor. - The Lessee is responsible for property tax, other levies and other fees to be averaged out by the space area. - Power charge and water supply charge are as actually consumed. The power charge rate is 5 Baht/unit and the water supply rate is 20 Baht per unit. - Incidentally, in the case of the adjustment of the service charge is based on these external sources of service charge, the provider of service can readjust the price subject to advance notice in writing of not less than 7 days. |
| 31 Oct 2014 | The Company executes the Letter of Booking for the Lease Right with Chulalongkorn University for the Siam Square One Project on 6th floor, Room SS6041, of the space of 321.29 sq.m, on Rama I Road, Bangkok, to be used for operating the spa business (Let's Relax, Siam Square Phase 2 Branch). | 3 years | Pay the education subsidy of 1,387,980 Baht for signing the Lease Agreement on the date of booking for lease right. | |

4.3 INVESTMENT POLICY IN SUBSIDIARY AND ASSOCIATED COMPANY

4.3.1 Principal Definitions

1. The Definitions in this Policy
 - 1) "Company" means Siam Wellness Group Public Limited Company.
 - 2) "Subsidiary" means "associated company" and "persons who may have conflicts" shall have the same meaning as defined in the Notification of the Securities and Exchange Commission S.E.C No GorJor. 17/2551 Re Determination of the Definition Clause in the Notification In Relation to the Issuance and Offer for Sale of the Securities (including those amended).
2. This policy besides applying to the case of the "company" as an investor, it also applies to the subsidiary and associated company which has invested in other companies to the extent that such other companies also directly become a subsidiary or an associated company of the "company" in every succession as well.

4.3.2 A Business to be Considered Investing

1. The company falling within the scope of being considered investing.
 - 1) It does not operate illegal businesses nor takes part in the support of illegal activities.
 - 2) It does not operate the business which "a person who may have conflicts" has already operated.
 - 3) There has been assessed the worthiness or feasibility thereof necessarily or appropriately.
 - 4) The "company", "the subsidiary" and the "associated company" will not hold share retroactively to the company which is its own shareholder in the characteristic of cross holding of the share except there is a necessary reason but, incidentally, it does not contravene the law to the extent that the company becomes disqualified to be authorized to make a public offering of the share in accordance with the law concerned.
2. Persons with whom the company will consider jointly investing.
 - 1) The Company will not jointly make an investment with "a person who may have conflicts" unless there is a necessary reason. Incidentally, such person who may have conflicts to jointly invest in the amount that the company is disqualified to be authorized to make a public offering.
 - 2) The criteria whereby the company uses to consider selecting persons to make a joint investment are as follows:
 - There is no history of committing illegal activities.
 - The person has the knowledge, experience, ability or a comprehensive network of relationship that helps support the operation of the business of the subsidiary or the associated company to make such joint investment.
3. The ratio or the amount of investment in the subsidiary or associated company.
 - 1) If it does not contradict the other requirements, the company should hold share in the company in which it has made investment directly and/or indirectly combined in the ratio or in the characteristic that the company is able to control or to participate in the formulation of a policy and in the management of the business in which the company has made investment or will receive other interest which the company requires.
 - 2) The amount of capital invested in each business is to be approved by the authorized person according to the manual of work performance regarding the power of action of the company.

4. Other financial assistance to be given to the subsidiary and the associated company.

- 1) Lending the money to the company which is investing must charge the interest at the rate applicable in the market or is in proximity to the interest rate which the financial institution charges to a preferred customer or a general customer or is slightly higher than the cost of borrowing of the lending company so that the lender company is not put at a disadvantage and to eliminate the doubt regarding the transfer of the property.
- 2) To allow the “Company” to underwrite particularly the subsidiary or the associated company which the “Company” holds share directly only and the terms and conditions of underwriting must be reasonable in relation to the debt which such subsidiary or associated company has received; incidentally, the line of credit which the company underwrites must not exceed the ratio of shareholding which the company holds in such company.

5. The management of the subsidiary and associated company.

- 1) The company should have its agent to sit as a director on the Board of Directors of the subsidiary company or of the associated company. The number of the agent of the company will be at least according to the ratio of shareholding of the company.
- 2) The authorized director to sign binding upon the subsidiary or the associated company should always have the company’s agent to countersign.
- 3) The company’s agent should have the right to participate in choosing the high executive or any person who is responsible for accounting and finances.
- 4) In the case that the subsidiary agrees to enter into a related transaction or acquired transaction or to dispose of the property of material importance, the company should take action according to the criteria stipulated by the law for executing the said transaction.

6. Steps of approving the investment and evaluation

1) Approval of investment

The approval of investment to buy share should undergo the assessment of the worthy returns or the feasibility of investment. The said assessment will have its scope and details to any extent, the management must consider as appropriate to the said investment project prior to being proposed to the company’s Board of Directors or shareholders for approval.

2) Evaluation of the investment

- The management of the company must follow up on the operation of the subsidiary and of the association company on a consistent basis and to prepare a summary of the performance on a quarterly basis to be proposed to the Audit Committee for opinion and proposal to the company’s Board of Directors within 45 days of the end of each quarter.
- The management of the company is to coordinate the work with the management of the subsidiary or the associated company to provide needed convenience to the Audit Committee of the company to have a tour of the business or to inquire about the work performance at least once a year.

3) Audit of the implementation of this policy.

- The management of the company is to conduct an internal audit or to have the internal audit department of the company to conduct an audit of the implementation of this policy. Incidentally in the case of the subsidiary or the associated company, the management of the company is to coordinate the work with the agent of the company in such company to furnish adequate documentation for audit by the internal auditor or by the internal audit department.

- The internal auditor or the Internal Audit Department of the Company is to submit the report on the result of the audit to the Audit Committee within 45 days of the end of each quarter so the Audit Committee will further report to and offer the opinion to the meeting of the company's board of directors.

4.4 THE POLICY TO OPEN NEW BRANCHES

Incidentally, the opening of a new spa branch will be carried out by the Company or if there is a new hotel project to be emerged in the future, the action will be then taken by Siam Wellness Resort Co., Ltd., the subsidiary which is already operating the hotel business in Chiangmai.

For opening additional branch in each location, the management would conduct a study of the data as to the feasibility in tandem.

- The area surrounding the branch to be opened is a source of the presence of the target customers who have easy access to use the service.

- Suitability and adequacy of the area for opening new branch.

- Cost of rental and service charge of the space is appropriate and the lease agreement is renewable to medium length of time, that is, inclusive of the lease period and renewal period, the lease period is about 6 - 9 years.

- Availability of the location for use as a living quarters for the therapist personnel in the neighborhood and at attractive price.

- Having made a financial estimate, it is expected that the branch would be profitable and the point of returns on capital invested will not exceed 3-4 years.

As in the case of additional hotel is to be opened of the subsidiary, if investment will be made , the hotel would be characterized by a Wellness Spa Report of small size, of Low Rise type, with the capacity of not less than 35 guest rooms. By estimate, about 50 guest rooms would worth a return on the capital invested. The hotel would be a health hotel in tandem with the spa of the Company to reciprocally support a joint business only. The Company and the subsidiary do not have a policy to principally focus on the hotel business. Incidentally, the project depends on the feasibility of the area; there are available clear groups of the target customers; the study of the feasibility study of the project, source of financial support and opportunity for investment at that time without fixed requirement that investment must be made in the company's own area or on the leased premises. However, if the project is on the leased land, the lease period must be not less than 30 years and the right of lease can be granted continuously as to be worthy of investment in the hotel project involving a large investment and longer period of return on capital.

Incidentally, based on the data of the feasibility study on investment in the said branch, the management is of the opinion that the project is feasible. Then the proposal should be made via the Executive Committee for consideration to be further proposed to the Company's Board of Directors for consideration and approval or may be presented to the meeting of the shareholders according to the criteria of acquisition of the property for approval before further carrying out the investment in the said branch.

Legal Dispute

As of 31 December 2014, the Company and the subsidiary had no legal dispute whatsoever or there is no case in the process of lawsuit which may have negative impact on the operation of the business of the Company and the subsidiary and the Company and the subsidiary have no legal dispute which have negative impact or requires indemnity exceeding 5 percent of the Company's shareholders' equities.



Section 2

Good

Corporate Governance

Securities and Shareholders Information

6.1 Registered Capital and Paid up Capital

As of December 31, 2014, the Company has the registered capital of 142.5 million bahts and the paid up capital of 142.5 million bahts with the ordinary shares of 570 million shares with par value of 0.25 bahts

6.2 Shareholders

As of December 31, 2014, the Company has the following shareholders:

| No | Name | No. of shares | % |
|-----|------------------------------|---------------|--------|
| 1. | Utsahajit Group | | |
| | Mr. Wiboon Utsahajit | 78,640,000 | 13.80 |
| | Mrs. Pranee Suphawatanakiat | 60,720,000 | 10.65 |
| | Mrs. Thanit Amornthirasan | 60,720,000 | 10.65 |
| | Mr. Thanawat Utsahajit | 24,560,000 | 4.31 |
| | Mr. Napat Wiwattanakrai | 20,260,000 | 3.55 |
| | Mr. Narun Wiwattanakrai | 20,240,000 | 3.55 |
| | Mr. Narut Wiwattanakrai | 20,870,000 | 3.66 |
| | Total | 286,010,000 | 50.17 |
| 2. | Jiravanstit Group | | |
| | Mr. Prasert Jiravanstit | 78,640,000 | 13.80 |
| | Ms. Pornpit Jiravanstit | 18,000,000 | 3.16 |
| | Mrs. Praorn Jiravanstit | 18,000,000 | 3.16 |
| | Total | 114,640,000 | 20.11 |
| 3. | Ms. Rangsima Visetsuthichai | 15,400,000 | 2.70 |
| 4. | Satithavornchai Group | | |
| | Ms. Somkid Satithavornchai | 4,046,600 | 0.71 |
| | Mr. Pornthep Satithavornchai | 3,882,000 | 0.68 |
| | Total | 7,928,600 | 1.39 |
| 5. | Mrs. Siriporn Charoenngarm | 7,474,900 | 1.31 |
| 6. | Ms. Nida Prueksatheerakul | 3,800,000 | 0.67 |
| 7. | Ms. Waraporn Tantitanawat | 3,000,000 | 0.53 |
| 8. | Ms. Nalinee Thongthae | 3,000,000 | 0.53 |
| 9. | Ms. Suwaree Sunthasup | 2,596,000 | 0.46 |
| 10. | Mr. Chaianan Siripaosuwankul | 2,590,000 | 0.45 |
| 11 | Other shareholders | 123,560,500 | 21.68 |
| | Total | 570,000,000 | 100.00 |

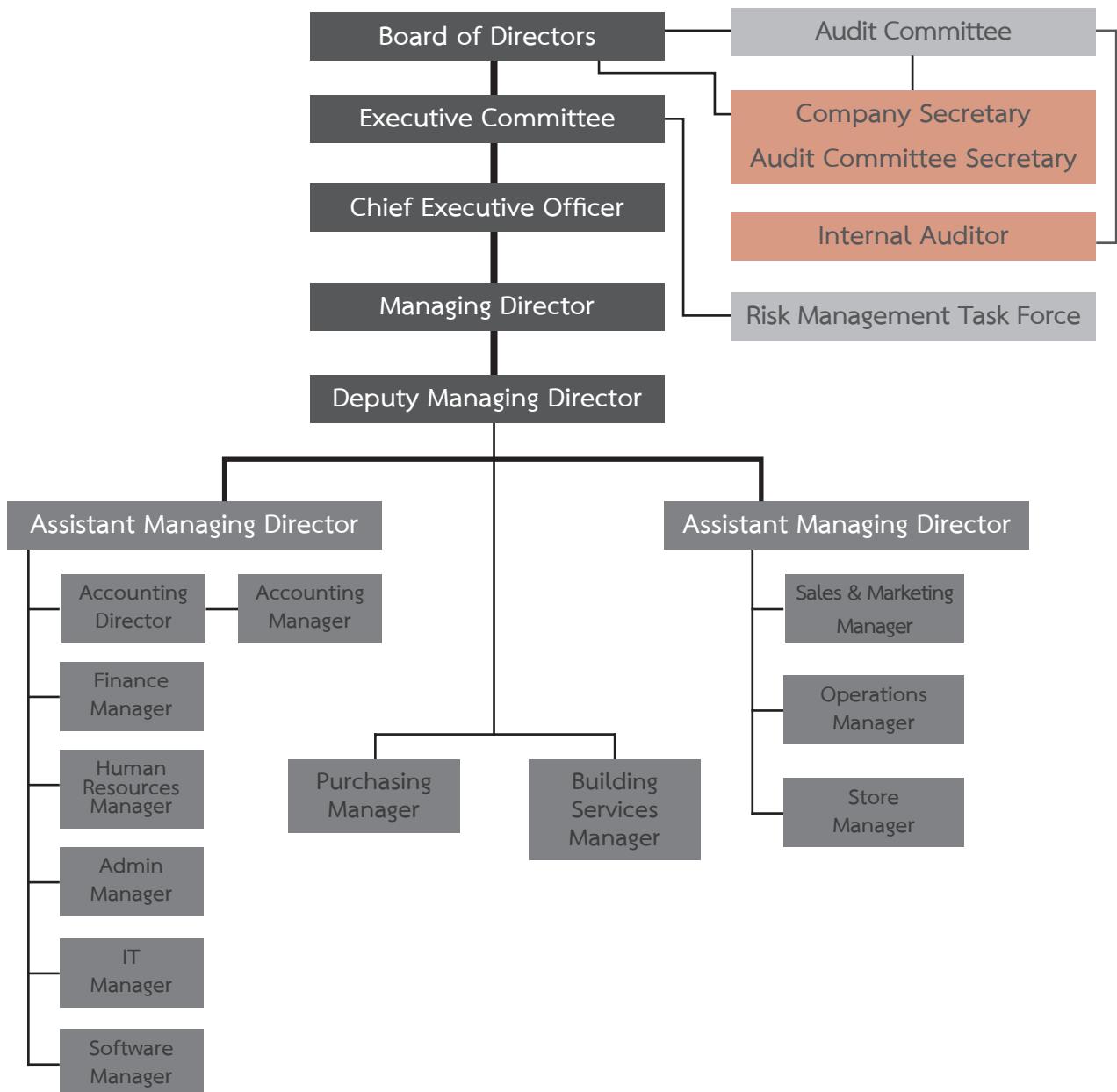
6.3 Dividend Policy

The Company's dividend policy is to pay out at least 40 percent of its net profit, after deducting income tax and legal reserve. Each year's payout depends on the Company's investment plan, necessity, and future considerations. Upon approval by the Board of Directors, the annual dividend payout shall be presented to the shareholders' meeting for approval. However, for an interim dividend, the Board has the authority to pay the dividend and report the payout at the next shareholders' meeting.

Organizational Structure

7.1 Organization Chart

As of February 25, 2015, The Company's Organization is as followed:



7.2 Board of Directors

As of December 31, 2014, The Company's Board of Directors composed of 11 Directors as followed:

| Name | Position |
|---------------------------------|--|
| 1. Mrs. Pranee Suphawatanakiat | Chairman of the Board of Directors |
| 2. Mr. Wiboon Utsahajit | Director / President / Chief Executive Officer |
| 3. Mr. Prasert Jiravanstit | Director / Member of the Executive Committee / Managing Director |
| 4. Mrs. Thanit Amornthirasarn | Director / Member of the Executive Committee / Deputy Managing Director |
| 5. Mr. Narun Wiwattanakrai | Director / Member of the Executive Committee / Assistant Managing Director |
| 6. Mr. Juckpat Jiravanstit | Director / Member of the Executive Committee |
| 7. Ms. Ratpalee Suphawatanakiat | Director |
| 8. Mr. Polchet Likittanasombat | Director / Chairman of the Audit Committee / Independent Director (Audit Committee with Accounting knowledge) |
| 9. Mr. Chaiyut Thienvutichai | Director / Member of the Audit Committee / Independent Director |
| 10. M.R. Pensiri Chakrabandhu | Director / Member of the Audit Committee / Independent Director |
| 11. Mrs. Supee Pongpanich | Director / Independent Director |

Remark:

1. In the EGM 1/2014 of Siam Wellness Group Public Co.,Ltd. on August 22, 2014, the Shareholders appointed Ms. Ratpalee Suphawatanakiat as Director and Mrs. Supee Pongpanich as Director and Independent Director.
2. On February 12, 2015, Mr. Juckpat Jiravanstit and Ms. Ratpalee Suphawatanakiat submitted letter of resignation from Directorship effective February 28, 2015

Authorized Persons

Following Mr. Juckpat Jiravanstit and Ms. Ratpalee Suphawatanakiat's resignation from directorship, On February 25, 2015 at the Board of Directors Meeting 1/2015 has approved Delegation of Authority of the Company as "Mr. Wiboon Utsahajit or Mr. Prasert Jiravanstit or Mrs. Thanit Amornthirasarn, two out of the three directors sign together accompanied by the Company seal".

Board of Directors' Meeting Attendance as of December 31, 2014

| No. | Director's Name | 2014 (Meeting Attended / Total Meeting) |
|-----|------------------------------|--|
| 1 | Mrs. Pranee Suphawatanakiat | 10/10 |
| 2 | Mr. Wiboon Utsahajit | 10/10 |
| 3 | Mr. Prasert Jiravanstit | 10/10 |
| 4 | Mrs. Thanit Amornthirasarn | 10/10 |
| 5 | Mr. Narun Wiwattanakrai | 9/10 |
| 6 | Mr. Juckpat Jiravanstit | 8/10 |
| 7 | Ms. Ratpalee Suphawatanakiat | 3/10 |
| 8 | Mr. Polchet Likittanasombat | 8/10 |
| 9 | Mr. Chaiyut Thienvutichai | 9/10 |
| 10 | M.R. Pensiri Chakrabandhu | 9/10 |
| 11 | Mrs. Supee Pongpanich | 4/10 |

Remark : In the EGM 1/2014 of Siam Wellness Group Public Co.,Ltd. on August 22, 2014, the Shareholders appointed Ms. Ratpalee Suphawatanakiat as Director and Mrs. Supee Pongpanich as Director and Independent Director. There were 4 meetings after the appointment.

7.3 Audit Committee

Audit Committee composed of 3 Directors as followed:

| Director's Name | Position |
|--------------------------------|---|
| 1. Mr. Polchet Likittanasombat | Chairman of the Audit Committee / Independent Director (Audit Committee with Accounting knowledge) |
| 2. Mr. Chaiyut Thienvutichai | Member of the Audit Committee / Independent Director |
| 3. M.R. Pensiri Chakrabandhu | Member of the Audit Committee / Independent Director |

Audit Committee's Meeting Attendance as of December 31, 2014

| Director's Name | 2014 (Meeting Attended/Total Meeting) |
|--------------------------------|--|
| 1. Mr. Polchet Likittanasombat | 8/8 |
| 2. Mr. Chaiyut Thienvutichai | 8/8 |
| 3. M.R. Pensiri Chakrabandhu | 8/8 |

7.4 Executive Committee

As of December 31, 2014, The Company's Executive Committee composed of 5 Directors as follows:

| Director's Name | Position |
|------------------------------|--|
| 1. Mr. Wiboon Utsahajit | Director / President / Chief Executive Officer |
| 2. Mr. Prasert Jiravanstit | Director / Member of the Executive Committee / Managing Director |
| 3. Mrs. Thanit Amornthirasan | Director / Member of the Executive Committee / Deputy Managing Director |
| 4. Mr. Narun Wiwattanakrai | Director / Member of the Executive Committee / Assistant Managing Director |
| 5. Mr. Juckpat Jiravanstit | Director / Member of the Executive Committee |

Executive Committee's Meeting Attendance as of December 31, 2014

| Director's Name | 2014 (Meeting Attended/Total Meeting) |
|------------------------------|--|
| 1. Mr. Wiboon Utsahajit | 22/22 |
| 2. Mr. Prasert Jiravanstit | 22/22 |
| 3. Mrs. Thanit Amornthirasan | 22/22 |
| 4. Mr. Narun Wiwattanakrai | 17/22 |
| 5. Mr. Juckpat Jiravanstit | 16/22 |

7.5 Management Team

As of December 31, 2014, The Company's Management Team composed of 5 Members as followed:

| Director's Name | Position |
|-------------------------------|-----------------------------|
| 1. Mr. Wiboon Utsahajit | Chief Executive Officer |
| 2. Mr. Prasert Jiravanstit | Managing Director |
| 3. Mrs. Thanit Amornthirasarn | Deputy Managing Director |
| 4. Mr. Narun Wiwattanakrai | Assistant Managing Director |
| 5. Ms. Ladaporn Limpakarn | Assistant Managing Director |

7.6 Company Secretary

On May 7, 2014 at the EGM 1/2014, the shareholders approved the appointment of Mrs. Dissaya Wiwattanakrai as Company Secretary to comply with the Securities and Stock Exchange Act B.E. 2535 with responsibilities as followed:

1. Documenting and Recording important documents
 - 1.1 Director's Record.
 - 1.2 Invitation Letter for Board of Director's Meeting, Minutes of Board of Director's Meeting and Annual Report.
 - 1.3 Invitation Letter for Shareholder's Meeting and Minutes of Shareholder's Meeting.
2. Keep in record all documents that may have conflict of interest with directors or management and send to Chairman or Chairman of Audit Committee within 7 days after receive of such report.
3. Administering other matters according to Securities Commission announcement.

7.7 Director's and Management Remuneration

7.7.1 Monetary Remuneration

Director's Remuneration

On May 7, 2014 at the EGM 1/2014, the shareholders approved the remuneration for Directors and Audit Committee as followed :

| Position | Monthly Allowance | Meeting Allowance | Annual Bonus | (Bahts) |
|-----------------------------|-------------------|-------------------|--------------|---------|
| Chairman | 20,000 | 10,000 | 300,000 | |
| Director | 10,000 | 10,000 | 200,000 | |
| Chairman of Audit Committee | 20,000 | 10,000 | 300,000 | |
| Audit Committee | 15,000 | 10,000 | 200,000 | |

Remark :

- If Director has appointed to more than 1 position, the Director will receive the highest rate of monthly allowance only
- Directors that are Management will not receive monthly allowance
- If Director has appointed to more than 1 position, the Director will receive the highest rate of annual bonus only
- Audit Committee will receive the monthly allowance as Audit Committee only and will not receive the monthly allowance as Director

In 2014, Company has paid total remuneration to Director and Audit Committee as followed:

Director's Remuneration as of December 31, 2014

| Director's Name | Position | 2014 Remuneration | |
|---------------------------------|------------------------------------|-----------------------------|-----------------------------|
| | | Monthly Allowance (Baht) | Meeting Allowance (Baht) |
| 1. Mrs. Pranee Suphawatanakiat | Chairman of the Board of Directors | 152,000 | 72,000 |
| 2. Mr. Wiboon Utsahajit | Director | 64,000 | 76,000 |
| | President | | |
| | Chief Executive Officer | | |
| 3. Mr. Prasert Jiravanstit | Director | 32,000 | 72,000 |
| | Member of the Executive Committee | | |
| | Managing Director | | |
| 4. Mrs. Thanit Amorntrisan | Director | 32,000 | 72,000 |
| | Member of the Executive Committee | | |
| | Deputy Managing Director | | |
| 5. Mr. Narun Wiwattanakrai | Director | 32,000 | 62,000 |
| | Member of the Executive Committee | | |
| | Assistant Managing Director | | |
| 6. Mr. Juckpat Jiravanstit | Director | 112,000 | 68,000 |
| | Member of the Executive Committee | | |
| 7. Ms. Ratpalee Suphawatanakiat | Director | 40,000 | 30,000 |
| 8. Mr. Polchet Likittanasombat | Director | 224,000 | 124,000 |
| | Chairman of the Audit Committee | | |
| | Independent Director | | |
| 9. Mr. Chaiyut Thienvutichai | Director | 152,000 | 134,000 |
| | Member of the Audit Committee | | |
| | Independent Director | | |
| 10. M.R. Pensiri Chakrabandhu | Director | 152,000 | 134,000 |
| | Member of the Audit Committee | | |
| | Independent Director | | |
| 11. Mrs. Supee Pongpanich | Independent Director | 40,000 | 40,000 |
| | Total | 1,032,000 | 884,000 |

Management Remuneration

In 2014, one Management resigned on September 4, 2014 and the replacement started on September 3, 2014. Thus, as of December 31, 2014, Company has total of 5 members in the Management. The Company paid total of 13,812,700 bahts as salary and annual bonus

7.7.2 Other Remuneration

In 2014, Company has paid total of 331,760 bahts as provident fund, social securities and health insurance (excludes salary and annual bonus)

Personnels

As of December 31, 2014, There were total of staff (excludes Management) as followed

SPA

| No. | Department | Total Staff |
|-----|-------------------|-------------|
| 1 | Accounting | 13 |
| 2 | Finance | 2 |
| 3 | Human Resource | 3 |
| 4 | Admin | 3 |
| 5 | IT | 1 |
| 6 | Software | 1 |
| 7 | Purchasing | 3 |
| 8 | Building Services | 3 |
| 9 | Marketing | 5 |
| 10 | Operations | 119 |
| 11 | Store | 5 |
| รวม | | 158 |

SWR

| No. | Department | Total Staff |
|-------|-------------------|-------------|
| 1 | Management Office | 2 |
| 2 | Accounting | 6 |
| 3 | Human Resource | 1 |
| 4 | Marketing | 1 |
| 5 | Operations | 1 |
| 6 | Front Office | 11 |
| 7 | Kitchen | 21 |
| 8 | Housekeeping | 18 |
| 9 | Engineering | 5 |
| 10 | Food & Beverage | 17 |
| Total | | 83 |

SWL

| No. | Department | Total Staff |
|-----|-------------------|-------------|
| 1 | Management Office | 1 |
| 2 | Product | 2 |
| 3 | Store | 3 |
| | Total | 6 |

SWE

| No. | Department | Total Staff |
|-----|------------|-------------|
| 1 | Management | 1 |
| 2 | Trainers | 3 |
| | Total | 4 |

As of December 31, 2014, Company has total of 158 staffs (excludes Management). In 2014, total monthly remuneration for staff (excludes Management) such as salary, commission, bonus, provident fund, social securities and OT is 33,195,576.96 bahts

On June 1, 2013, the Company set up AIA Masterpool Provident Fund with objectives of creating motivations for staff and to encourage to work with Company in a long term.

Labour Objections in the past 3 years

None

Human Development Policy

Company has human development policy in which the training is conducted through Department Managers, then Department Managers will be the one who trained to their sub-ordinates.

English Language Training 1 times per year

Administration Process (Stock, Sales) Training 1 times per year

POS Training 1 times per year

Service Manners Training 1 times per year

Trainings were conducted on June 25-26, 2014 at Head Office of Siam Wellness Group Public Company Limited

Business Administration

8.1 Policies on Business Administration

Having realized that good corporate affairs can lead to enhancement of the operation and powerful and sustainable growth of the Company which will benefit all parties concerned, namely employees, investors, shareholders and other stakeholders, the Board of Directors have therefore adopted policies to better corporate governance. Such policies cover the structure, the roles and responsibilities of director and the principles of transparent management of the organization that can be audited that can be used as guidelines for management of the organization to ensure fairness and carefully consideration of the best interests of shareholders and all interested parties under the rules of SET which cover:

- 1 The Rights of Shareholders
- 2 Equitable Treatment
- 3 Stakeholders
- 4 Transparency
- 5 Responsibilities

Section 1: The Rights of Shareholders

Having recognized the shareholders' right to receive correct and complete information on the Company within good time on an equitable treatment basis and to make decisions on major changes that affect the Company, the following policies have been adopted:

1. We will send an invitation to attend a meeting with the items on the agenda and views of the Board of Directors thereon to shareholders at least 7 or 14 days before the meeting of shareholders, whichever the case may be. Any shareholder who cannot personally attend the meeting can appoint an independent director or any person as a proxy to attend the meeting for and on his behalf, using the proxy appointment form attached to the invitation to attend the meeting.
2. We will hold the meeting at the most suitable venue and time to ensure that the shareholders find it convenient to travel. There will be enough time for the meeting to deal with all the items on the agenda. A map will also be provided.
3. Before commencing the meeting, the shareholders will be informed of their rights to vote, express views and raise any questions at the meeting in respect of the items on the agenda. During meeting, the shareholders will be given equal rights and opportunities to express their views within the time well allocated by the Board Chairman. The directors and executives concerned will also attend the meeting to answer such questions.
4. We will use our website as another communication channel. The news and information will be published on our website. Shareholders can download the invitation to meeting with the items on the agenda well in advance before the day of the meeting so that they will have plenty of time to examine the Company's documents. Shareholders can even raise any questions online before the day of the meeting. Our website contains information on how to download meeting invitation and raise questions online.
5. To ensure accuracy and speediness, vote counting and decision may be done on line.
6. An independent person will be appointed to count and examine the votes at the meeting of shareholders, reveal the outcome to the meeting and record it in the minutes of the meeting.

7. The minutes of the meeting will be correctly and completely taken to cover all the important questions and views raised at the meeting for perusal by the shareholders. After being listed on SET, the meeting will be video recorded for future reference. The minutes of meetings will be published on our website for shareholders' consideration. Such minutes of meeting will be submitted to SET within 14 days of the meeting.

8. The decision made by the meeting of shareholders will be published on our website on the next working day.

9. Shareholders will have their dividends transferred into their bank accounts (if any dividend is paid). This method of payment will eliminate the problems of checks being damaged, lost or sent to payees in delay.

10. Shareholders will have equal voting rights: one share per one vote.

11. Shareholders have the right to be informed of the results of operations of the Company. In particular, the results of operations for the year. We will prepare the documents which clearly and completely explain the operations for fiscal year which cover the activities related to the operations of the company.

12. Shareholders will be entitled to consider and approve the financial statements of the Company. We will prepare financial statements that are accurate and reliable and cover all the essential facts and figures according to the generally accepted accounting standards and have been audited by an independent and well-known auditor who also expresses his views thereon.

13. Shareholders will be entitled to consider and approve the Company's dividend payment. We will present detailed calculation of dividends which clearly cover all the essential facts for the consideration of the shareholders, e.g. dividend payment policy, comparison of dividend paid in the previous year. Good explanation will be given for non-dividend payment. The dividend payment proposed to shareholders will be reviewed carefully for thoughtful consideration and approval by the Board of Directors before presentation to the Meeting of Shareholders for consideration and approval.

14. Shareholders have the right to determine and appoint each director. We will provide the clear and correct records and details of the persons nominated for directors such as work records and the number of years in office (if a retiring director is nominated), type of director required, rules and procedures for recruitment, shares in the company, the positions in other companies, both related and unrelated to the business of the Company, etc. and definition of independent directors. In the case of independent directors, the person nominated for shareholders to approve the appointment shall be reviewed carefully for approval by the Board before proposal to the Meeting of Shareholders for approval.

15. Shareholders are entitled to consider and approve the remuneration of Directors. We will provide clear and comprehensive details of remuneration of directors required for consideration by shareholders, such as policy on payment of remuneration, payment based on position, duties, responsibilities and comparison with previous year's payments for careful consideration by the Remuneration Committee and approval by the Board prior to submission to the Meeting of Shareholders for approval.

16. Shareholders shall have the right to consider and appoint the auditor and approve the audit fees. We will prepare complete and correct details for consideration by shareholders, such as name of auditor, the office that he comes under, his independence, the number of years he works for the Company, his audit fees with complete breakdown and other service charges (if any) and comparison with the audit fees of the previous year for careful consideration by shareholders and review by the Audit Committee based on past performance of the auditor before proposal to the Meeting of Shareholders for approval.

17. In the interest of the shareholders and the Company, the shareholders shall be entitled to consider and approve the significant related transactions and the same shall also be considered and approved by the Audit Committee comprising independent members.

18. We will provide the correct and complete information on capital increase which cover all essential details such as objectives, necessity, methods, conditions, effects on the Company and shareholders for consideration and approval of the Board before proposal to the Meeting of Shareholders for approval.

Section 2: Equitable Treatment

It is our policy to ensure that all shareholders will have equal rights to conduct examination and express their views, as follows:

1. Minor shareholders will be allowed to nominate persons for directorship or propose the items on the agenda to be deal with by the Meeting of Shareholders.

2. The rules on the nomination of person for directorship and proposal of the items on the agenda by minor shareholders will be clearly set forth.

3. The Meeting of Shareholders will only deal with the items on the agenda without changing any important details or adding any items on the agenda without notice, unless otherwise approved by the Meeting in compliance with the law.

4. The shareholder who cannot attend the meeting by himself may nominate an independent director or appoint a person as a proxy who will attend and vote at the meeting on his behalf. The name of such proxy shall be indicated in the meeting invitation.

5. All shareholders, whether they are major or minor shareholders of any nationalities will be treated equally.

6. To ensure transparency and traceability and avoid conflict, voting on any matter shall be done by ballot and each shareholder will be allowed to nominate the persons for directorship.

7. There shall be written guidelines on maintenance and protection of data for compliance by all people in the Company. All directors and executives are required to report the securities in their holding to the Board of Directors.

8. The director or executive who has vested interest or conflict of interest in any transaction under consideration shall disclose such vested interest or conflict of interest to ensure that the Board of Directors can equitably consider such transaction for the benefit of the Company. Such vested interest or conflict of interest shall be recorded in the minutes of the meeting.

9. The Board of Directors shall recognize the rights of shareholders and the Company shall treat all shareholders fairly and equally, whether they are executive or non-executives and irrespective of the number of shares they hold and their nationalities. It is our policy to treat shareholders equally ad protect their basic rights. Therefore, all shareholders shall have equal rights to buy or sell shares, get fair share in the Company's profit, receive sufficient information on the operations, attend the meeting to vote for appointment or removal of director, appointment of auditor and the matters affecting the Company such as dividend payment, revision of memorandum or articles of association, capital increase or decrease and approval of special transactions.

10. All shareholders shall have equal rights to vote: each share is eligible to one vote.

12. Shareholders shall be allowed to propose the items on the agenda or nominate the person for directorship to be included in the items on the agenda at least 1 month before the day of the annual meeting of shareholders as set forth by the Company.

13. We will sent to meeting invitation along with the documents on the items on the agenda and the views of the Board of Directors on all the items on the agenda, to all shareholders at least 7 days before the day of the meeting, unless otherwise set forth by SET or SEC. Such meeting invitation and related documents which are the same as the ones to be sent to the shareholders shall also be published on our website at least one month before the day of the meeting so that the shareholders will have enough time to examine all the details and can make the right decisions.

14. The rules and procedures for meeting attendance, questions, answers, voting and decision making shall be clearly set forth in the meeting invitation. Shareholders will be allowed to raise any questions before the day of the meeting. Shareholders can register for the meeting at least one hour before the time of the meeting and continue to do so until the meeting concludes.

15. We shall not prejudice the shareholders' rights to examine the information which must be disclosed or attend the meeting. We shall not suddenly distribute additional documents for the meeting, change the items on the agenda or amend essential data without notifying the shareholders, nor shall we put restrictions on late attendance of any shareholders.

16. All shareholders are encouraged to attend and vote at the Meeting of Shareholders. All the proper procedures are set forth in the meeting invitation. At the meeting for director appointment, each shareholder may vote for any person. At any meeting, shareholders will be allowed to raise any questions or express any views. The directors concerned will answer all such questions to the satisfaction of the shareholders.

17. The shareholder who cannot personally attend the meeting may appoint an independent director as proxy to attend and vote at the meeting for and on his behalf. For this purpose, Proxy Form A and B shall be used. Form B can be used to grant the proxy the right to vote at the meeting for and on behalf of the shareholder. Both forms can be downloaded from the Company's website.

18. Minutes of meeting shall be taken clearly, correctly and completely for examination by shareholders. After submission to SET, such minutes of meeting will be published on our website.

Section 3: Roles of Stakeholders

We recognize the rights of all stakeholders, whether they are internal ones such as shareholders and employees or external ones such as customers, trading partners, creditors, competitors, government agencies, organizations and nearby communities. The reasons are they support us and help us to become more competitive and make more profit which is worthwhile in the long run. We treat all stakeholders as required by law or as agreed with them. Therefore, we have adopted the following policies:

Treatment of and responsibilities for shareholders

Having realized that shareholders are the owners of the business and the Company, we create added value in the long run for them by setting the following guidelines for our employees, directors and executives:

1. To perform duties on a bona fide basis and make decisions carefully and fairly in the interest of all shareholders.
2. To oversee the operations to ensure that the Company has stable financial status and good performance; to preset correct and complete reports on the Company's standing, returns on operations, financial status, accounting and others on a regular basis.
3. Present to all shareholders the reports on the Company's future aspects, whether positive or negative, which are reliable and have sufficient proofs.
4. Not to seek interest for oneself other from the information not disclosed by the Company to the public, nor to perform any acts which may cause conflict of interest with the organization.
5. To treat all shareholders equally at the Meeting of Shareholders.

Practices and responsibilities in respect of government sector

We operate our business in compliance with the laws, rules and regulations on government agencies. In particular, we avoid the acts that influence government employees to act improperly. In stead, we try to build good relations whenever possible, e.g. talking in public places, greeting at certain time of season within the following guidelines:

1. To follow proper procedures at the time of making contact with government agencies or their employees.
2. To become aware that the laws, rules and regulations on government agencies may vary and require strict compliance.

Practices and Responsibilities in Respect of Employees

We realize that all employees are our most valuable assets that will help us attain our objectives. To ensure fairness in opportunity, remuneration, transfer and enhancement of potential, we shall adopt the following practices:

1. To respect employees' rights and honor.
2. To maintain workplace in good conditions – safe for them and their properties.
3. To appoint, transfer, reward and punish employees on a bona fide basis, taking into account their knowledge, abilities and suitability.
4. To attach importance to employees' constant knowledge and skill acquisition: offer training, hold seminars for all employees.
5. To offer fair remuneration based on the market condition, competition, job description, the employee's ability and performance.
6. Not to perform any unfair acts which affect the career of the employee.
7. To allow employees to air their grievances about working conditions and suggest solutions for the benefit of all parties and create good relations at work.
8. To strictly observe all the laws and regulations on employment.

Practices and Responsibilities in Respect of Customers

We provide the service of health massage. We intend to create, present and manage our products and services for our customers with the following the standards, ethics and practices:

1. To strive to provide service with politeness, earnestness, readiness, sincerity, good intention and attention as if the customers are close relative, taking into account safety and satisfaction of customers.
2. To inform customers of your service methods to ensure maximum efficiency and satisfaction.
3. To provide correct and complete information on our products and services so that customers can make the right decisions. Not to over advertise, exaggerate or cause misunderstanding about the quality, quantity, terms or conditions of the products or services.
4. Provide communication channels for customers to make complaints about our products or services so that we can find solutions and improve our products and services.
5. Treat our customers' information as confidential; not to disclose it or use it for personal gain.

Practices and Responsibilities in Respect of Trading Partners and the other Parties to the Agreements

Trading partners and other parties to the agreements help us to achieve success in our operations. We therefore treat them equally to ensure joint interests as follows:

1. To supply products and provide services according to the following principles:
 - To allow fair competition.
 - To adopt criteria for assessment and recruitment of trading partners and parties to the agreements.
 - To draw up suitable agreements which are fair to all parties.
 - To have a management and follow-up system to ensure full compliance with the agreement and avoid fraud and dishonesty in procurement process.
 - To pay trading partners and parties to the agreements within the deadline according to the terms of payment.

2. We intend to maintain and improve relations with trading partners and parties to the agreements whose objectives are clear in respect of product quality and worthwhile services on a bona fide basis.

3. All of our employees and executives are forbidden from receiving direct or indirect interests from trading partners or parties to the agreements.

4. Not to use the information obtained from purchase or supply for personal gain or for the benefit of any other persons.

Practices and Responsibilities in Respect of Creditors

We uphold principles and discipline in our operations to earn trust from creditors. We adopt the following practices:

1. Not to dishonestly demand, accept or offer any benefits in dealing with creditors.

2. If any dishonest demand, acceptance or offer of any benefits is known, the information must be disclosed to the creditors, and joint efforts should be made to resolve the issues.

3. To strictly observe all the terms and conditions of the contracts or agreements.

4. If it is not possible to observe the terms and conditions of the contracts or agreement, the Company will inform its creditors of the facts so that the parties will try to find solutions.

Practices and Responsibilities in Respect of Competitors

We want to achieve long term sustainable success and become a leading company in fair and ethical competition in the industries. We have adopted the following practices:

1. To compete under good rules.

2. Not to obtain competitors' secret information by dishonest or improper means for our own benefit.

3. Not to commit libel against competitors.

4. Not to infringe the intellectual properties of competitors or any persons.

Practices and Responsibilities in Respect of Society

We attach importance to surrounding communities and society, thinking that we are a part of them and intend to achieve sustainable development of the society and surroundings. We constantly hold social and community activities while operating the business while being responsible for the society and communities, as follows:

1. To operate business, taking into account the environment and in strict compliance with the laws and regulations on the environment.

2. To clearly adopt the CSR policies and uphold such policies.

3. To ensure that our employees become aware of their responsibilities towards the environment and society.

4. To respect the customs, traditions and cultures of the areas where we operate our business.

5. To constantly engage in the activities for creation of society, communities and the environment for the betterment of life quality in cooperation with government agencies, private organizations and communities.

6. To take part in activities in nearby communities.

7. To quickly and efficiently respond to the events that affect the community surrounding, lives and properties in connection with our operations. To fully cooperate with the government officials and the agencies concerned.

Practices and Responsibilities in Respect of Anticorruption

We have adopted the following anticorruption policies:

1. Our employees shall not demand or accept any interests or property in exchange for performance or omission of any acts which may cause the Company to lose interest.
2. Our employees shall not use their own capacity to offer any interest or property to third parties to influence them to perform or omit any acts.

Interested parties will be allowed to make inquiries, make complaints or report any illegal acts, incorrectness of financial statements, impaired internal control or unethical acts on the website of the Company, independent director or audit committee. Such complaints shall be treated as confidential. The independent directors or audit committee will issue order to examine the reports and try to find solutions (if any), and submit a report to the Board of Directors.

Section 4: Disclosure of Information and Transparency

The Company recognizes the importance of disclosure of accurate and complete information in a timely and transparent manner. We will also report financial and other information according to the regulations of SET and SEC on the disclosure of data and information. We will adopt the following practices:

1. Board of Directors will in a timely fashion disclose complete and accurate financial information and other information related to the Company's business, performance and potentials.
2. The Board of Directors will strive to ensure compliance with relevant laws and regulations regarding the release and disclosure of information on a transparent basis. To provide the information both in Thai and English language on the website of the company and other channels such as mass media and communication channel of SET and SEC to the shareholders and the persons concerned. Such information will be updated in line with the guidelines set forth by SET and SEC.
3. To employ Investor Relations in order to communicate with investors, shareholders, institutional investors and minority shareholders or government agencies in an equal and fair manner. We will arrange a meeting to analyze the results of operations on a regular basis. And to publish the information, both financial and other information, in Thai and English, to our shareholders, securities analysts, credit rating and other government agencies involved through various channels such as report to SEC, SEC and publication on our website so that shareholders will receive up-to-date information. The information such as our visions, missions, balance sheet, newsletters, annual report, structure of the Company and executives, structure of shareholding and major shareholders.
4. We attach importance to financial reports which truly and completely reflect our financial status and performance according to the generally recognized accounting standards which have been audited by independent auditor.
5. The Company will disclose information about individual directors, the roles and functions of the Board of Directors and Committees in our annual report (Form 56-2) and annual information (Form 56-1), number of meetings, attendance of directors in the previous year, remuneration of directors and high level executives.
6. To publish on our website the essential information both in Thailand and English such as our visions, missions, nature of business, balance sheet, performance on Form 56-1, annual report, shareholding structure, invitation to meeting of shareholders, articles of association, memorandum of association, policies, charter and ethics of the Board of Directors, Audit Committee and all employees.

Section 5: Responsibilities of the Board of Directors

The Board of Director shall be responsible to the shareholders for the Company's operations, compliance with the laws, objectives, articles of associations, resolutions of Meeting of Shareholders, as follows:

Responsibilities of the Board of Directors – Structure and Committees

Board of Directors

Directors on the Board

The Board of Directors comprises the directors who have knowledge, ability and experience in business operation; adopt policies, visions, missions and strategies; set goals; make business plans and allocate budgets and oversee the Executive Committee; administer in accordance with the policies set forth to ensure efficiency and effectiveness within the framework of the laws, objectives, articles of association, resolutions of the Board Meeting and Shareholders Meeting with responsibility, honesty and care according to good practices to add economic value to the business and highest security to our shareholders.

The Board of Directors Consist of at least 9 people; the number of independent directors shall be at least 1 in 3 of all the directors. The independent directors shall have the qualifications as set forth in the notifications of SET and SEC. At least half of the directors must live in Thailand.

Without being under the influence of any persons, each director can act independently and use his discretion in determining decisions; can raise questions, express his views or raise objection against any issues that may affect the interests of shareholders or interested persons.

Responsibilities of the Board of Directors – Roles, Duties and Responsibilities

In accordance with good corporate governance, in addition to operation in accordance with the laws, objectives, articles of association and resolutions of the Meeting of Shareholders, the Board of Directors shall also set forth their roles and responsibilities, the details as shown in terms of scope of authority and responsibility of the Board of Directors.

Responsibilities of the Board of Directors – Board Meeting

Regulations on Board Meeting:

1. Board Meeting will be held at least once every three months. A Special Meeting can be held as necessary. A call for a meeting shall be made at least 7 days in advance. At each meeting, a quorum is formed only when at least half of the directors attend.

2. The items on the agenda should be fixed. The Board Chairman and the Managing Director shall jointly choose the items on the agenda. The Secretary shall ensure that all the directors shall have all the documents before the meeting so that they can carefully examine them, express their views and know how to vote.

3. The Board of Directors should receive sufficient information on a continuous and timely basis. They may freely contact the Secretary. The Secretary is responsible to provide guidance to the Board of Directors on the matters related to compliance with the laws and regulations.

4. The Board Chairman shall allocate sufficient time for the management to present documents and information for discussion by the Board of Directors the important issues. Each director will have the opportunity to express his views before the ruling by the meeting.

5. The Board of Directors shall allow non-executive directors to meet and discuss the management issues without the management being present. The outcome of the meeting shall be reported to the CEO.

6. The Board of Directors shall encourage the CEO and the Managing Director to invite high level executives to attend the Board Meeting to offer additional information as the persons directly deal with the matters. This will be the opportunity to get to know the high level executives and consider the plan for work assignment.

7. The director who has vested interest in the transaction being voted shall not be entitled to vote and he must be outside the meeting at the time of voting.

8. The minutes should be taken for every meeting, and such minutes shall be endorsed by the Board of Directors and kept for future examination.

Responsibilities of the Board of Directors – Self Assessment

After turning public and being listed on SET, the Board of Directors shall conduct a self assessment every year to find ways of improving efficiency of their work in the next year.

Responsibilities of the Board of Directors – Remuneration of Director

The Company shall offer suitable remuneration to the directors and executives with regard to the Company's performance in consistent with the industries and appropriate to the duties and responsibilities of directors executives. Such remuneration shall be clearly and transparently fixed and approved by the Meeting of Shareholder and it must be disclosed on the form provided by the SET and SEC.

Responsibilities of the Board of Directors – Development of the Board

The Board of Directors is dedicated to promoting and facilitating the training and education of directors involved in the corporate governance such as company's directors, Audit Committee, management, etc., to provide improved performance; and in the event of a change of directors or the appointment of new directors, the management will provide documentation and information beneficial to the performance of the new directors as well as provide advice.

All directors shall undergo training programs held by the Thai Institute of Directors, Certification Director Accreditation Program (DAP), and some are trained in the course Director Certification Program (DCP) from the same institution.

Responsibilities of the Board of Directors – Internal Control

The Board of Directors have adopted the internal control system covering all aspects such as finance and operation in compliance with the laws, rules and regulations. And provide a mechanism of checks and balances that are powerful enough to safeguard the assets of the company at all times. Set forth the authority and responsibilities of the management. And the employees shall conduct the check and balance. The work regulations shall be set forth in writing. There shall be an internal audit unit which is independent. This unit shall monitor the performance of all the units in accordance with the rules laid down, and evaluate the effectiveness and the adequacy of internal controls in the various departments in the company.

Responsibilities of the Board of Directors – Use of internal information

The Board of Directors recognize the importance of corporate governance, transparency and prevention of employees from seeking personal gain from the use the Company's information which has not been disclosed to the public. Guidelines on the use of such information appear in the internal information use policy.

Responsibilities of the Board of Directors – Annual Report

The Board of Directors is responsible for the preparation of financial reports, the information contained in the annual report. The financial report shall be prepared in accordance with the generally accepted accounting standards, choosing the accounting policies which are appropriate and consistent. Attention and careful judgment in the preparation of preparation are required. Essential information should be disclosed in the Notes to Financial Statements. The Board of Directors assign the Audit Committee to oversee the quality of the financial reports and express their views to the Board of Directors.

Remuneration of Directors and Executives

Remuneration of Directors

The Extraordinary General Meeting of Shareholders No. 1/2014 held on May 7, 2014 has clearly and transparently set the remuneration of directors. Such remuneration is in line with the industry and it is sufficient to attract and maintain the directors who have desirable qualifications and assume the duties and responsibilities commensurate with such payment.

Remuneration of Executives

Remuneration of the executive complies with the principles and policies set by the Board of Directors, which is based on the Company's operations and each executive's performance, taking into account the remuneration offered by companies of the same size in the same industry.

Business Ethics And best practices in work.

The Company has set forth the business ethics and practices in work which are notified to the directors, management and employees so that they comply with them in the performance of their duties to ensure honesty, ethics and integrity in order to attain the objectives.

Conflict of interest

The Board of Directors have set forth the policies on transactions among related persons in the best interests of the Company. The Company has a set forth the procedures for consideration of such transaction to ensure transparency and avoid conflict of interest for the maximum benefit of the Company and all shareholders.

1. The Company shall consider if the transactions are related or not. If they are normal transactions, we will consider whether or not they are typical commercial terms and condition based on our price, terms and conditions offered to our customers in the market, and in the absence of market prices that can be applied. If the products or services are unique, the Company will have the Audit Committee, auditor or independent experts review and comment on the appropriateness of the price and value and good reasons for making such transactions.

2. If related transactions support normal business which have general commercial terms and the values cannot be determined from the assets or reference to the property or the transactions are for normal business support without typical commercial conditions, or they are rental charges or lease of property for not more than 3 years but not indicate typical commercial conditions or they are other types of transactions, the Company will determine the size of the transactions to see whether they are small, medium or large to be able to make decisions such as seeking approval from the Board of Directors or the Meeting of Shareholders.

3. The Company will present the related transactions of the Company or its affiliates to the Audit Committee for consideration. If they have to be approved by the Board of Directors or the Meeting of Shareholders, the Company shall submit the views of the Audit Committee to the Board of Directors or the Meeting of Shareholders for consideration.

4. The Company shall report on the agreement to make related transactions to SEC, giving all the details as set forth in the Notification of SEC, and shall disclose the related transactions in the annual report and financial statement, using the annual report form or other report form as set forth by SEC.

5. As for the related transactions that may be made in the future, the Board of Directors must comply with the laws of securities and exchange, SET's regulations, notifications, orders or regulations, and comply with the regulations on the disclosure of related transactions, acquisition or disposal of essential assets of the Company or affiliate according to the accounting standards set by the Association of Accountants and Auditors of Thailand.

6. In case where there are related transactions beyond typical commercial business between the persons who may have conflict of interest or joint interest now or hereafter, the Company shall have the Audit Committee express their views on the need and appropriateness of such transactions. If the Audit Committee do not have expertise in such related transactions, the Company may request an independent expert or auditor express his views on such related transactions to assist the Board of Directors or the Meeting of Shareholder, whichever the case may be, in decision making. The Company shall disclose the related transactions in the notes for the balance sheet which will be audited by the Company's auditor.

7. The person having interest in any transaction shall not be eligible to vote on the approval of such transaction.

Internal Control and Audit

The Board of Directors and the Audit Committee and the management have tested the internal control system and are of the opinion that the such internal control system is adequate for the protection of the assets from being used improperly by executives. The powers of approval are set forth in the work regulations. The Company attaches importance to the internal control system that it hires experts on internal audit to do the work. It is also possible to follow up and assess the internal control. Essential documents are systematically stored to allow timely inspection by directors, auditor and legally authorized persons.

8.2 Committees

There are the Board of Directors, Audit Committee and Executive Committee. Their scope of powers, duties and responsibilities are set forth as follows:

8.2.1 Scope of Powers, Duties and Responsibilities of the Board of Directors

On 7 May 2014, the Extraordinary Meeting of Shareholders No. 1/2014 resolved in favor of setting forth the scope of powers, duties and responsibilities of the Board of Directors in the articles of association, as follows:

The Board of Directors shall have the following powers, duties and responsibilities:

1. To perform duties with good care, great responsibility and honesty in compliance with the laws, objectives set forth in the articles of association, resolutions of the Board Meeting and the Meeting of Shareholders.

2. To consider and approve the visions, missions, business strategies, orientations, policies, targets, guidelines, operation plan, capital management plan, risk management plan and the budgets of the company and its affiliates which are proposed by the Executive Committee and Management.

3. To monitor work of the Executive Committee, CEO, Managing Director, Management or any persons to ensure attainment of the objectives and compliance with the business plans and policies adopted by the Board of Directors.
4. To follow up the Company's operations to ensure compliance with the operation plan, capital management plan, risk management plan and the budgets of the Company and its affiliates.
5. To ensure that the Company and its affiliates adopt appropriate and efficient accounting procedures, internal control and audit.
6. To prepare balance sheet and profit and loss statement at the end of the fiscal year and certify them; to disclose in the financial statement the financial status and performance in the previous year; to prepare an annual report for presentation to the Ordinary Meeting of Shareholders for endorsement.
7. To consider and approve the recruitment and appointment of an auditor and appropriately fix his remuneration, taking into account the proposal of the Audit Committee, before presentation to the Ordinary Meeting of Shareholders for endorsement.
8. To adopt written policies on corporate governance and efficiently review them to ensure responsibilities of the Company for all the shareholders; to consider the policies and compliance therewith at least once a year.
9. To consider and approve the appointment of directors when existing directors vacate their office due to retirement or other reasons in compliance with the Public Company Limited Act of 1992 (and its revisions), Securities and Stock Exchange Act of 1992 (and its revisions), notifications, rules and/or regulations applicable thereto, taking into account the desirable and undesirable qualifications of such persons as set forth in such acts.
10. To form the Audit Committee, Executive Committee and other committees and subcommittees for the assistance and support of the Board of Directors, and fix their scope of powers and duties.
11. To consider, set forth and review the directors who are authorized to sign their names to bind the Company.
12. To consider and appoint the executives as defined by the SET, SEC, Capital Market Supervisory Board or the Company's secretary, and fix the remuneration thereof.
13. To seek at the Company's expense the professional opinions from any organizations to assist the Company's decision making.
14. To encourage the directors and executives to take the training courses of Thai Institute of Directors Association that are suitable for their duties and responsibilities.
15. To adopt the mechanism for monitoring the Company's affiliates for the protection of the Company's interest and investments, taking into account the qualities of the persons to take the office of director in the affiliates, to ensure management in compliance with the Company's policies and transactions in compliance with the securities laws, other laws and the regulations and notifications of SET and SEC.

The powers, duties and responsibilities granted and assigned to the director shall not enable them or their attorneys to approve the transactions that they or the persons with conflict of interest (as defined by the SEC's Notifications or Capital Market Supervisory Board's Notifications) or the interested persons or the persons who may benefit from or have conflict of interest with the Company or its affiliates, unless otherwise such approval is granted on individual basis subject to the policies or the criteria adopted or set forth by the Meeting of Shareholders or the Board of Directors.

However, the following transactions require prior approval of the Meeting of Shareholders:

- (a) The matters legally require prior approval of the Meeting of Shareholders.
- (b) The transaction in the interest of the director which requires prior approval of the Meeting of Shareholders according to the laws or SEC's Regulations.

The director who has interest in or conflict with the transactions or the Company shall not be eligible to vote.

8.2.2 Scope of Powers, Duties and Responsibilities of the Audit Committee

On 7 May 2014, the Extraordinary Meeting of Shareholders No. 1/2014 resolved in favor of setting forth the powers, duties and responsibilities of the Audit Committee, as follows:

1. To verify that the Company's financial reports are correct and complete.
2. To ensure that the Company has appropriate and efficient internal control and audit system and that the internal audit unit is truly independent; to consider and approve the appointment, transfer and disengagement of the Chief of the Internal Audit Unit or any other unit in charge of internal audit.
3. To ensure that the Company complies with the Securities and Stock Exchange Act, SET's Regulations and Capital Market Supervisory Board's Notifications and other laws applicable to the Company's business.
4. To consider, screen and nominate an independent person for the appointment as the Auditor and propose his remuneration; to hold a meeting with the Auditor without the management being present at least once a year.
5. To consider related or intercompany transactions or the transactions that may create conflict of interest in compliance the laws, Capital Market Advisory Board and SET's Regulations to ensure that such transactions are appropriate and are in the interest of the company.
6. To ensure that the Company has an appropriate and efficient risk management system.
7. To prepare a report signed by its Committee Chairman to be disclosed in the Company's annual report containing at least the following details:
 - 1) views on the correctness, completeness and reliability of the Company's financial report;
 - 2) views on the adequacy of the company's internal control system;
 - 3) views on compliance with the Securities and Stock Exchange Act, SET's Regulations and the laws applicable to the Company's business;
 - 4) views on the suitability of the Auditor;
 - 5) views on the transactions which may create a conflict of interest;
 - 6) views on the management of risks;
 - 7) the number of meetings held by the Audit Committee and the record of attendance of each member;
 - 8) views or remarks on compliance with the Charter;
 - 9) other information that the shareholders and investors should know which can be disclosed within the scope of powers, duties and responsibilities granted and assigned by the Board of Directors.
8. Monitor the work of the Internal Audit Unit as follows:
 - 1) To ensure that the scope of work, audit plan, budget and staff are adequate and sufficient for the support and assistance of the Audit Committee.
 - 2) To consider the appointment, transfer or disengagement of the Department Directors or Internal Auditor.
 - 3) To present report on the operation.

- 4) To ensure the independence of the Internal Audit Unit or the Internal Auditor.
- 9. To constantly consider and review the criteria and method of inspection and ensure that it is suitable to the business environment.
- 10. To present report on its work to the Board of Directors at least 4 times a year.
- 11. To report to the Board of Directors any of the following acts that may significantly affect the Company's financial status and operation so that improvement can be made within the deadline set by the Audit Committee:
 - 1) any transaction that may create a conflict of interest;
 - 2) fraud, irregularities or flaws in the internal control;
 - 3) violation of the Securities and Stock Exchange Act, Capital Market Supervisory Board, SET's Regulations or any laws applicable to the Company's business. If the Board of Directors or executives fails to make improvement within the deadline under the foregoing paragraph, any Audit Committee Member may report such incident to SEC or SET.
- 12. If the Auditor finds any circumstances that lead to suspicion that a director, manager or the person responsible for the operation of the Company perform any acts in violation of the Securities and Stock Exchange Act and reports such incident to the Audit Committee for investigation, the Audit Committee shall conduct investigation and inform SEC and the Auditor within 30 days of notification by the Auditor.
- 13. To ensure independence of the Auditor and consider receiving other non-audit services from such Auditor.
- 14. To act according to 1-13 in respect of the operations of the affiliates as assigned or requested by the affiliates within the scope of the Audit Committee.
- 15. To perform any other acts as directed by the Board of Directors subject to the approval of the Audit Committee.

The Audit Committee have the authority to invite director, officer or employee of the Company to attend a meeting to clarify or answer questions on matters relating duties and responsibilities of the Audit Committee; to consult the expert or consultant of the Company at (if any) or hire a consultant or an expert from time to time at the Company's expense; to request any employees to submit documents related to the company's operations for examination; to conduct investigation or examination in any matters to ensure successful performance of duties; to request one or many employees to perform any acts within the scope of powers of theirs; to perform and acts related to and in connection with the affiliates or as assigned or requested by the affiliates, within the scope other power and duties.

Mr. Polchet Likittanasombat is the director who has knowledge and experience in the audit of financial statements. He used to be the Managing Director of Magnet Management and Consultant Co., Ltd.

8.2.3 Scope of Power, Duties and Responsibilities of the Executive Committee

On 7 May 2014, the Extraordinary Meeting of Shareholders No. 1/2014 resolved in favor of setting forth the scope of powers, duties and responsibilities of the Board of Directors in the articles of association, as follows:

The Executive Committee shall have the following powers, duties and responsibilities:

- 1. To manage the operations of the Company in compliance with the objectives, articles of association, policies, rules, regulations, instructions or resolution of the Board Meeting or the Meeting of Shareholders; to review the matters before presentation to the Board of Director for approval.

2. To adopt visions, missions, business strategies, orientations, business policies, set targets, guidelines, make operation plan ad personnel development plan and allocation of budgets for the Company and its affiliates, and present them to the Board of Directors for approval.
3. To efficiently examine, follow up and implement polies and guidelines on the management as assigned by the Board of Directors.
4. To consider and approve any normal transactions of the Company within the annual budget approved by the Board of Directors and in compliance with the Operation Manual provision on the powers to act as granted.
5. To submit to the Board of Directors the following reports:
 - 5.1 quarterly report on the Company's operation;
 - 5.2 auditor's reports on the Company's financial status: annual balance sheet and quarterly financial statement which should be submitted within the deadline set by SET.
 - 5.3 Other reports as it deems appropriate.
6. To conduct feasibility studies of various projects.
7. To set forth the criteria and allocate budgets for pay raise, rewards and other benefits; to set forth and revise the welfare and benefits of the employees.
8. To offer advice and suggestions to the Managing Director to assist his decision making.

Appointment of working teams or persons

1. To appoint working teams or persons who review the work for presentation to the Audit Committee; to perform any acts for the benefit of its own work; to perform any acts as assigned by itself within its own scope of powers and duties.
2. To have the power to appoint attorneys who will perform any acts for an on its behalf within the scope of powers granted in the Power of Attorney and/or as set forth in the rules, regulations or instructions issued by the Board of Directors, subject to the condition that the powers so granted to the attorneys shall not exceed the powers granted to itself; the powers so granted shall not enable the Audit Committee or its attorneys to make any transactions which may create a conflict of interest (as defined in the Notifications of Capital Market Supervisory Board or SEC) or enable them to reap benefits which may create a conflict of interest with the Company or its affiliates.

8.2.4 Scope of Powers, Duties and Responsibilities of Managing Director

On 7 May 2014, the Extraordinary Meeting of Shareholders No. 1/2014 resolved in favor of setting forth the scope of powers, duties and responsibilities of the Managing Director, as follows:

The Managing Director shall have the following powers, duties and responsibilities:

1. To manage and control the Company's day to day operations.
2. To act as assigned by the Board of Directors and/or the Executive Committee; to appoint attorneys to perform any acts for and on his behalf without creating a conflict of interest.
3. To issue orders, regulations, notifications and memorandums for operation in compliance with the Company's policies, in the Company's interest and for enforcement of discipline within the organization.
4. To perform the acts or and on behalf of the Company in favor of third parties related to Company's business and in the Company's interest.
5. To consider and review investments for proposal to the Board of Directors and/or Executive Committee.

6. To consider and appoint consultants necessary to the Company's operations for proposal to the Board of Directors and/or Executive Committee.

7. To consider and revise working positions, salaries, bonuses and other benefits, employ or engage staff within the allocated budget, offer pay and promotion to employees, transfer employees, hire consultants, renew contracts, impose disciplinary actions or penalties against employees who have committed offenses, appoint Investigation Committee.

8. To perform other acts as assigned from time to time by the Board of Directors and/or Executive Committee; not to consider and approve the transactions which create a conflict of interest between a director and the Company or its affiliate, unless otherwise such transactions are approved in compliance with the policies or criteria approved by the Board Meeting or the Meeting of Shareholders in compliance with the laws.

8.3 Recruitment and Engagement of Directors and Executives

The directors and executives shall be recruited and engaged as follows:

Directors:

A director shall have knowledge of the Company's business or other knowledge that can be used in the Company's operations, and have reasonable experiences; a shareholder or a director may nominate a person for the office of director, as follows:

1. Each shareholder may cast one vote for each share he holds.
2. Each shareholder may vote for the appointment of one or may directors. In case of appointment of many directors, a shareholder may not cast unequal votes for candidates.

If an office of director is vacant for any reasons other than retirement, the Board of Directors may appoint a person without undesirable qualifications under the Public Company Limited Act as the new director at the next Board Meeting, unless otherwise the office term of director is shorter than 2 (two) months.

The newly appointed director shall remain in office only for the remaining term or the director so replaced. The ruling vote of the directors must come from at least three quarters (3/4) of the remaining directors.

High Level Executives

High level executives such as CEO or Managing Director must be appointed by the Meeting of Shareholders, Board of Directors or the persons assigned by shareholders or Board of Director, taking into account the candidates' knowledge, abilities, skills and experiences that will benefit the Company's operations and their understanding of the Company's business and ability to manage work to attain the objectives and targets set by the Board of Directors.

Audit Directors/Independent Directors

The Board of Directors or the Meeting of Shareholders shall be empowered to form an Audit Committee comprising of at least 3 independent directors, each of which shall be in office for 3 years at a time. The audit director whose office term comes to an end may be reappointed for up to 3 times, unless otherwise the Board of Directors approve renewal of office term. An Audit Director must be and Independent Director with the following qualifications:

1. Hold shares not more than 1 % of the shares that are eligible to vote of the Company, parent company, affiliates and joint venture company, major shareholders or the persons having the powers to control the Company. The shares of the persons related to the independent director should also be counted.

2. Not being or having been a director who took part in the management, employee, worker, consultant receiving regular salary, the person who have the powers to control the Company, unless otherwise not having such status for at least 2 years before appointment. Such undesirable qualifications shall not include the independent director who has been a government employee or a consultant of a government agency who is a major shareholder or the person who has the powers to control the Company.

3. Not having relation by consanguinity or registration as father, mother, spouse, sibling, child or spouse of child of another director, executive, major shareholder, the person who has the power to control the Company or the person about to be nominated for director, executive or the person who has the power to control the Company or its affiliate.

4. Not having or having had business relationship with the company, parent company, affiliate, joint venture, major shareholder or the person who has the power to control the Company in the manner that may prevent him from using his discretion freely; not being or having been a significant shareholder or the person who has the power to control the person who has business relationship with the company, parent company, affiliate, joint venture, major shareholder or the person who has the power to control the company, unless otherwise having ended such status for at least 2 years before appointment. Business relationship shall include the ones under Capital Market Supervisory Board's Notification No. ThorJor. 28/25581: Application for and Approval of Offering Newly Issued Shares, the normal business transactions, leasing or renting real properties, transactions related to assets or services, offer or acceptance of financial assistance, offer or take out loan, guarantee, putting up assets as collaterals for loan or other similar circumstances which result in the company or the other party to the agreement is under obligation to may payment to the other party at the rate of 3% of the net and tangible assets of the company or more or from 20 million baht, whichever is larger.

The calculation of loan obligations shall take into account the related transactions set forth in the Capital Market Supervisory Board's Notification on Intercompany Transactions and the loan obligations arising during the period of one year before having business relationship with the same person.

5. Not being or having been an auditor of the Company, parent company, affiliate, joint venture, major shareholder or the person who has the power to control the Company; not being a significant shareholder, the person with control power, a partner of an accounting Company which provides an audit service to the Company, parent Company, affiliate, joint venture, major shareholder or the person who has the power to control the Company, unless otherwise such status has ceased for at least 2 years before appointment.

6. Not being or having been the provider of professional service such as legal counsel or financial consultant receiving more than two million baht per year from the Company, parent Company, affiliate, joint venture, major shareholder or the person who has the power to control the company, unless otherwise such status has ceased for at least 2 years before appointment.

7. Not being the director who is appointed to represent a director, major shareholder or the shareholder related to the major shareholder of the Company.

8. Not operating the business of the same type or in competition with the Company or its affiliate; not being a significant partner or director who manage work, employee or consultant with regular salary, nor hold more than 1 % of all the shares that are eligible to vote of another company which operate the same business and in competition with the Company or its affiliate.

9. Not having other qualities that prevent him from freely expressing views on the Company's operation.
10. Not being a director assigned by the Board of Directors to make decisions on the operations of the company, parent company, affiliate, joint venture, company in the same order, major shareholder or the person who has the power to control the company.
11. Not being a director of the parent company, affiliate or affiliate of the same order – only registered companies.

Audit Committee must also have the following qualifications:

1. Being appointed by the Board of Directors or the Meeting of Shareholders as an Audit Director.
2. Being an independent director of the Company.
3. Not being a director assigned by the Board of Directors to make decisions on the operations of the company, parent company, affiliate, joint venture, company in the same order, major shareholder or the person who has the power to control the Company.
4. Not being a director of the parent company, affiliate or affiliate of the same order – only registered companies.
5. Having the duties set forth in SET's Notification on Qualifications and Scope of Work of Audit Committee.
6. Having sufficient knowledge and experience to work as an Audit Director. At least one Audit Director must have sufficient knowledge and experience to conduct audit of the company's balance sheet to verify its reliability.
7. The Chairman of the Audit Committee must be appointed by the Meeting of Shareholders, Audit Committee or the Board of Directors.
8. The Audit Committee Secretary shall be the Company Secretary, Director of Internal Audit Department, internal auditor or Director of Finance and Accounts Department.

* In our Company, the Company secretary is the Secretary of the Audit Committee.

Office Term

An Audit Director shall be in office for 3 years. A retiring Audit Director may be reappointed up to 3 times, unless otherwise the Board of Directors approve renewal of office term.

Directors

The Board of Directors shall be made up of at least 9 directors, and at least one third of them should be independent directors. At least half of the directors must live in Thailand.

Directors shall have knowledge, ability and experience in business operation; they shall adopt policies, visions and strategies, set targets and missions, make business plans, allocate budgets and monitor the management's performance to ensure compliance with the policies, the laws, objectives, articles of association, resolutions of the Board Meeting and solutions of the Meeting of Shareholders; work with care, responsibility and honesty according to good practices to maximize the economic value of the business and ensure security of shareholders.

Each Director shall freely perform his duties and use his discretion in the making decisions on any matters; without being under the influence of any persons he may express views, raise questions or objections against any issues which may affect the interest of the shareholders or interested parties.

Office Term

At each annual Ordinary Meeting of Shareholders, one third of the directors shall vacate their office. If the number is not divisible by 3, the nearest number shall apply. In the first and second year after going public, the decision which directors shall vacate their office shall be made by a draw. Subsequently, the directors who have been in office for the longest period shall vacate their office. A retiring director may be reappointed by the Meeting of Shareholders.

Apart from ending his office term, a Director shall vacate his office on any of the following grounds:

1. death
2. resignation
3. lacking qualifications or having undesirable qualifications under the law
4. being removed from office by resolution of the Meeting of Shareholders with at least three quarters of the votes of the shareholders present at the meeting and eligible to vote and representing at least half of the shares held by the shareholders at the meeting that are eligible to vote
5. being removed from office by the Court's order

Executives

The Board of Directors or the persons assigned by the Meeting of Shareholders shall appoint executives from the person who have knowledge, experience and expertise in relevant fields.

8.4 Monitoring and Operation of Affiliated and Associated Companies

It is our policy to invest in the business which benefit us to enhance our competitive edge, taking into account the values for such investments. WE shall monitor our affiliated and associated companies as follows:

1. To appoint our representatives as directors in an affiliated company or an associated Company; the number of our representatives shall be in proportion of the number of shares we hold—they are our directors or assigns.
2. The directors authorized to sign and legally bind the affiliated Company or associated Company shall include our representatives – our representatives shall always sign their names.
3. Our representatives shall be entitled to take part in the appointment of high level executives or the persons responsible for the finance and accounting of the affiliated Company or associated Company.
4. Any related transaction, acquisition or disposal of any major assets by an affiliated Company must comply with applicable laws. Such related transactions shall comply with the policies on related transactions.

8.5 Control of Access of Internal Information

It is our policy to monitor the access by directors and executives of the Company's information which has not been disclosed to the public to prevent them from using such information for personal gain which includes securities trading, as follows:

1. To inform the directors, executives and the persons managing the finance and accounts at the level of director, equivalent or higher that they have to submit reports on securities held by them, their spouses and non-sui juris children to SEC pursuant to Section 59 and the penalties for noncompliance under Section 275 of the Securities and Stock Exchange Act of 1992.

2. The Company requires that the directors, executives and the persons managing the finance and accounts at the level of director, equivalent or higher submit reports on securities held by them, their spouses and non-sui juris children to SEC and SEC within 30 days from the day of commencing their office term or within 3 (three) days of trading or transferring such securities.

3. The Company requires that the directors, executives and the persons managing the finance and accounts at the level of director, equivalent or higher and the persons in the position to receive essential information which may affect the securities prices must suspend securities trading until the Company discloses such information to the public. The Company shall request the directors, executives and the persons managing the finance and accounts at the level of director, equivalent or higher to suspend securities trading for at least 30 days prior to disclosure of such information to the public and at least 24 hours after disclosure of such information to the public – they shall not disclose such information to other persons either.

Penalties for disclosure of information for personal gain:

1. Verbal warning
2. Suspension from work without pay
3. Dismissal.

The penalties depend on the seriousness of the offenses.

8.6 Remuneration of Auditor

The Company and its subsidiaries paid 1,391,500 baht for audit fee (the Company's audit fee is 966,000 baht) and 557,245 baht for other charges in 2014.

8.7 Good Corporate Governance

Risk Management Task Force

To ensure compliance with good corporate governance, business stability and attainment of targets, the management and staff should realize all types of risks and be prepared to manage or reduce them to acceptable level. On 7 May 2014, the Extraordinary Meeting of Shareholders No. 1/2014 resolved in favor of managing the risks as follows:

Duties of Risk Management Task Force:

1. To determine the risks which the Company faces or is likely to face.
2. To determine the impact of such risks on the Company and the likelihood of such impact.
3. To adopt the measures for minimizing risks to acceptable level.
4. To compile manuals and make plans for minimization of risks.
5. To propose the measures/plans for risk management to the Executive Committee for approval.
6. To hold activities according to the risk management plan and notify or advise all sections and departments to comply with the measures for the management of risks.
7. To follow up the causes of risks and constantly implement the measures for the management of risks.
8. To determine all the risks and prepare the reports for the Board of Directors.

9. To report risks to the Internal Auditor and the Audit Committee every quarter.
10. To make continuous and effective communication of risks.

In 2014, the Risk Management Task Force held 4 meetings to assess strategic, compliance, financial, operational and assets risks which may arise and to try to prevent and manage such risks in a timely manner.



Corporate Social Responsibility (CSR)

9.1 Overview

It is our policy to operate business of the company and its affiliates with responsibility for society, the environment and interested parties. Our visions: To be a part of the society and will jointly walk to sustainable development of society and the environment. Our missions: To engage in activities for communities and society on a continuous basis; to operate business with responsibility for community and society as a whole for our sustainable growth. It is our policy to clearly adopt CSR practices throughout our organization.

On 21 May 2014, the Board Meeting No. 1/2014 resolved in favor of CSR under the following principles:

1. To operate business fairly.
2. To counter corruption.
3. To respect human rights.
4. To treat workers fairly.
5. To be responsible for consumers.
6. To protect the environment.
7. To develop communities or society.

8. To have culture and disseminate innovations obtained from operation with responsibility for society, the environment and interested parties.

It is our policy to engage in such activities according to the written guidelines on CSR. We shall accomplish the following missions:

1. Fair business operation

We uphold operation of business according to the laws; put emphasis on operation of business honestly, straightforwardly and ethically; strive to operate business fairly; not to take advantage of clients, trading partners, other parties in contracts, creditors, competitors and shareholders, as follows:

Practices and Responsibilities in Trading Partners and other Parties in the Contracts

It is our policy to equally treat trading partners and the other parties to the contracts, which are regarded as partners and the factors toward business success, taking into account joint interests, as follows:

- 1) We intend to supply goods and provide services efficiently under the following principles:
 - to compete on the basis of equal information;
 - to adopt criteria for assessment and choosing trading partners and the other parties to the contracts;
 - to draw up contracts in suitable formats and be fair to all parties;
 - to monitor and follow up to ensure full compliance with the terms and conditions of the contracts; to prevent frauds and corruption in all stages of procurement;
 - to pay trading partners and the other parties to the contacts in a timely fashion in compliance with the terms of payment.

2) To strive for sustainable development and maintenance of good relations with trading partners and the other parties to the contracts; to clearly specify the objectives of product quality, value for money services and mutual trust.

3) Not to allow the management and staff to accept any favors directly or indirectly from trading partners or the other parties to the contracts.

4) Not to use the information obtained from purchase or supply for personal gain or for the benefit of others.

Practices and Responsibilities in Respect of Creditors

We uphold principles and discipline in our operations to earn trust from creditors. We adopt the following practices:

1. Not to dishonestly demand, accept or offer any benefits in dealing with creditors.
2. If any dishonest demand, acceptance or offer of any benefits is known, the information must be disclosed to the creditors, and joint efforts should be made to resolve the issues.
3. To strictly observe all the terms and conditions of the contracts or agreements.
4. If it is not possible to observe the terms and conditions of the contracts or agreement, the Company will inform its creditors of the facts so that the parties will try to find solutions.

Practices and Responsibilities in Respect of Competitors

We want to achieve long term sustainable success and become a leading company in fair and ethical competition in the industries. We have adopted the following practices:

1. To compete under good rules.
2. Not to obtain competitors' secret information by dishonest or improper means for our own benefit.
3. Not to commit libel against competitors.
4. Not to infringe the intellectual properties of competitors or any persons.

Practices and Responsibilities in Respect of Shareholders

Having realized that shareholders are the owners of the business and the Company, we create added value in the long run for them by setting the following guidelines for our employees, directors and executives:

1. To perform duties on a bona fide basis and make decisions carefully and fairly in the interest of all shareholders.
2. To oversee the operations to ensure that the Company has stable financial status and good performance; to preset correct and complete reports on the Company's standing, returns on operations, financial status, accounting and others on a regular basis.
3. Present to all shareholders the reports on the Company's future aspects, whether positive or negative, which are reliable and have sufficient proofs.
4. Not to seek interest for oneself other from the information not disclosed by the Company to the public, nor to perform any acts which may cause conflict of interest with the organization.
5. To treat all shareholders equally at the Meeting of Shareholders.

2. Anticorruption

We have adopted the following anticorruption policies:

1. Our employees shall not demand or accept any interests or property in exchange for performance or omission of any acts which may cause the Company to lose interest.

2. Our employees shall not use their own capacity to offer any interest or property to third parties to influence them to perform or omit any acts.

We also take the following anticorruption measures:

1. To communicate with directors, executives and employees about operation of business in strict compliance with the laws; those who commit offenses due to carelessness or ignorance shall receive punishments by government agencies without any help from the Company.

2. Guidelines on anticorruption are set forth in our good corporate governance practices which will be reviewed by the Board of Directors annually.

3. The Risk Management Team holds a meeting every quarter to assess risks and determine if the operations of the Company and its affiliate may create risks from corruption, and try to find solutions (if any).

4. Interested persons can make inquiries, lodge complaints, report illegal acts, raise doubts on the correctness of any financial statements, deficient internal control or unethical acts of the Company on our website Good Corporate Governance page or by contacting our independent directors or Audit Committee. Such communications shall be treated as confidential, and investigation shall be conducted to find solutions; and a report shall be submitted to the Board of Directors.

3. Respect of Human Rights

Having realized that all of our employees are valuable assets which are the factors for attainment of our business objectives, we respect the honor and personal rights of our employee and maintain workplace in good working conditions which is safe for their lives and properties.

4. Fair treatment of employees

- To appoint, transfer, reward and punish employees on a bona fide basis, taking into account their knowledge, abilities and suitability.
- To attach importance to employees' constant knowledge and skill acquisition: offer training, hold seminars for all employees.
- To offer fair remuneration based on the market condition, competition, job description, the employee's ability and performance.
- Not to perform any unfair acts which affect the career of the employee.
- To allow employees to air their grievances about working conditions and suggest solutions for the benefit of all parties and create good relations at work.
- To strictly observe all the laws and regulations on employment.

5. Responsibilities in for Customers

We provide the service of health massage. We intend to create, present and manage our products and services for our customers with the following the standards, ethics and practices:

1. To strive to provide service with politeness, earnestness, readiness, sincerity, good intention and attention as if the customers are close relative, taking into account safety and satisfaction of customers.

2. To inform customers of our service methods to ensure maximum efficiency and satisfaction.
3. To provide correct and complete information on our products and services so that customers can make the right decisions. Not to over advertise, exaggerate or cause misunderstanding about the quality, quantity, terms or conditions of the products or services.
4. To provide communication channels for customers to make complaints about our products or services so that we can find solutions and improve our products and services.
5. To treat our customers' information as confidential; not to disclose it or use it for personal gain.

We strictly comply with the laws, rules, regulations of Public Health Ministry and Interior Ministry; we have the license to operate spa business; we ensure customer's safety; we have 24-hour security system: security guard, CCT, firefighting system and fire exits which meet the standards set by the government.

We provide after sale service to find out our customer's level of satisfaction. We have guidelines for dealing with customers' dissatisfaction according to our visions.

6. Protection of the Environment

We attach importance to surrounding communities and society, thinking that we are a part of them and intend to achieve sustainable development of the society and surroundings. We constantly hold social and community activities while operating the business while being responsible for the society and communities, as follows:

1. To operate business, taking into account the environment and in strict compliance with the laws and regulations on the environment.
2. To ensure that our employees become aware of their responsibilities towards the environment and society.
3. To quickly and efficiently respond to the events that affect the community surrounding, lives and properties in connection with our operations. To fully cooperate with the government officials and the agencies concerned.

Our branches put emphasis ecosystem conservation; they carefully maintain garden and trees in good conditions; they pay attention to:

- Ecosystem

We attach importance to the site and its surroundings; our branches maintain and conserve the ecosystem in natural conditions; in the design, the maintenance of site, the surroundings, gardens and trees is taken into account

- Conservation of the Environment

We constantly maintain the surroundings of all of our branches in good conditions all the time. To avoid pollution, we properly manage and dispose of waste and waste water -- waste of different types are separated.

- Minimization of Chemicals

We minimize the use of chemicals. We produce compresses from herbs. We scatter herbs from used compressed around our branches to drive mosquitoes away and keep the place beautifully scented. We also use essential oil to drive mosquitoes away instead of using chemicals.

7. Development of Communities or Society

We attach importance to the development of the surrounding communities or society; strive to constantly operate business to create society, communities and the environment for better lives; we engage in those activities by ourselves or in cooperation with government agencies, private firms and communities with the aims to make the residents in the communities earn more incomes and lead better life, as follows:

1. We attach importance to surrounding communities and society, thinking that we are a part of them and intend to achieve sustainable development of the society and surroundings. We constantly hold social and community activities while operating the business while being responsible for the society and communities, as follows:

1. To respect the customs, traditions and cultures of the areas where we operate our business.
2. To constantly engage in the activities for creation of society, communities and the environment for the betterment of life quality in cooperation with government agencies, private organizations and communities.
3. To take part in activities organized by nearby communities.
4. To recruit staff from the residents within the area where our branches are located.
5. To use local raw materials for branch decoration; buy from local producers or domestic suppliers.

8. Innovations from Operation with CSR

We intend to disseminate the innovations obtained from spa business for sustainable support and development of Thai spa business. We will disseminate the knowledge of Thai spa by accepting students for apprenticeship in our branches.

9.2 Operation and Reporting

We operate according to the overview of operation of business with CSR as follows:

9.2.1 Staff Training

We have an annual personnel development plan; encourage staff to undergo training constantly; hold orientation for all new staff to help them understand working as organization so that they can work in compliance with our policies.

We also offer other trainings to enhance staff potential, e.g. training in service.

9.2.2 Reporting

We have a plan for the report of compliance with CSR policies, positive and negative impact of our operation on the social economy and the environment; the information will be disclosed in our annual report after being listed on SET.

9.3 Operation Affecting CSR

None.

9.4 Activities for the Benefit of Society and the Environment

1. In 2014, we allow students from Department of Housing, faculty of Architecture of Chulalongkorn University, faculty of Architecture, of Chiangmai University, faculty of Architecture of King Mongut's Institute of Technology Lad Krabung, Research and Consultation Institute of Thammasat University, RE-CU, the Real Estate Executive Association of Chulalongkorn University visit our business.
2. In 2014, we allowed students from faculty of Architecture of Chulalongkorn University to study the company's prototype project.
3. From the year 2006 to present, we offer apprenticeship to students; they undergo training for at least 90 days with pay at the minimum rate required by law; they learn in real work situation.
4. From 2006 to present, we offer training in Thai spa business to students from faculty of Alternative Medicine of Chiangmai University and faculty of Architecture of Chulalongkorn University.

10

Internal Control and Risk Management

10.1 Internal Auditor's comment about internal control system

The Company realised about the importance of a good internal control system which will support the running of the business efficiently and effectively. The Siam Wellness Group's Board of Director Meeting no. 2/2014 on April 3, 2014 agree to assign the Audit Committee and Extraordinary General Shareholders' Meeting no. 1/2014 on May 7, 2014 had approved the Audit Committee which consist of 3 members to review the efficiency and sufficiency of the internal control system and to make sure that the Company and its subsidiaries have been running business according to the law and regulation of the Stock Exchange of Thailand and also related law and regulation.

The Company had assigned Acc-Plus Consultant Company Limited ("Internal Auditor") to be our internal auditor because the company doesn't have an internal audit department. Internal Auditor will audit and evaluate the sufficiency of the internal control system including suggest and follow up the improvement of the internal control system according to the policy and regulation specified in the internal audit plan. Including the evaluating of The Committee of Sponsoring Organization of the Treadway Commission : COSO 5 ways which are

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Measurement
- 4) Information and Communication System
- 5) Tracking System

The Internal auditor has reported the result of the audit and the improvement to the Audit Committee to make sure that the running of the Company and its subsidiaries including related transactions between the Company and its subsidiaries and related person are efficient and accord to the law.

The Company realised about the importance of a good internal control system which can improve the efficiency of the business. Therefore, the Audit Committee and the Board of Director have assigned the Internal Auditor to follow up and report to the Audit Committee for consideration and to the Board of Director for acknowledgement. The internal auditor has presented the quarterly 2014 plan for internal audit and will do the internal audit and report to the Audit Committee and the Board of Director quarterly.

In the Board of Director Meeting no. 1/2015 on February 25, 2015, all 3 member of the Audit Committee attended that meeting. The Board of Director evaluate the sufficiency of the internal control system by asking information from the managements and according to the result of evaluating internal control system which evaluate by the Executive Committee no. 4/2015 on February 13, 2015. The Board of Director decided that the internal control system of the Company is adequate and appropriate for the current size of the Company and present situation.

Internal Auditor's notices on the internal control system

In 2014, the Internal Auditors had audited the Company 4 times. The results are as follow:

1. The internal audit report no. 1/2014 on March 31, 2014 to follow up on the internal audit report no. 1/2013 on October 28, 2013 and no. 2/2013 on November 21, 2013 which audit the Company base on organization and activity which separate into Sale and money collecting system, purchasing and money paying system, inventory system, fixed asset management system, payroll and human resource system and information and technology system.

2. The second internal audit report no. 2/2014 on July 21, 2014 to follow up on the internal audit report no. 3/2013 on January 17, 2014 and no. 1/2014 on March 31, 2014 which audit the Company base on fixed asset management system, sale and money collecting system, purchasing and money paying system, inventory system and accounting of the subsidiaries.

3. The third internal audit report no. 3/2014 on November 5, 2014 which audit the Company base on the activity of assessing control system : sale and money collecting system.

4. The fourth internal audit report no. 4/2014 on February 9, 2015 which audit the Company base on the activity of assessing internal control system : inventory and costing system, purchasing and money paying system, review related transactions between the Company and related person. Follow up on the risk assessment, work plan / risk management for 2015 and follow up on the running of the business base on internal audit report no. 3/2014.

From the assessment of sufficiency and efficiency of the internal control system base on plan of actions and management, overall the company has appropriate internal control system and some improvement need. However, the overall efficiency of the internal control can give confident that the company can reach the goal and policies as expected. The suggestions to the company can be separated into 2 categories. The suggestions that the Company should act on immediately and suggestions that the company should consider to act on.

According to the internal audit report no. 4/2014 on February 9, 2015, summary are as follows:

| Order | System | Number of Defected | Level of Risk |
|-------|------------------------------------|---|--|
| 1. | Inventory and costing system | 3 defected found <ul style="list-style-type: none">• completeness of signing on the document• difference in inventory and stock counting• Inventory of scrap | medium high medium |
| 2. | Purchasing and money paying system | 1 defected found <ul style="list-style-type: none">• overseas purchasing form in the program is not up to date | low |
| | total | 4 defected found | 1 high risk 2 medium risk 1 low risk |

**Result of the audit : Activity according to internal control system
Inventory and costing system / Purchasing and money paying system**

The audit of the activity according to internal control system for inventory and costing system, the results are as follows:

| Order | Defected/ Impact / Risk | Suggestions / Company Action |
|-------|---|---|
| 1. | <p>Inventory and costing system</p> <p>According to working procedure : Inventory system SWG_INV_4.0 Accounting system SWG_ACC_7.0</p> | |
| 1.1 | <p>Signing of the document :</p> <p>From the auditing, the internal goods issue document found that some items have incomplete signing of the operator / examiner</p> <p>1. Incomplete signing of deliverer and receiver of the product such as</p> <ul style="list-style-type: none"> - Internal goods issue form(OU) 3 items are OUH05710009 to 11 - Goods issue for production form (PD) 2 items are PDH05710004 to 5 - Finished goods transfer form (RL) 3 items are RLH05710002-3 RLRD571002 <p>2. The signing of examiner is incomplete - stock withdraw form 1 transaction RLPT5711001</p> <p>Risk : Stock control might be inefficient / Stock might be loss</p> <p>Level of risk : medium</p> <p>Chance of happening : medium</p> <p>Impact : medium</p> | <p>Suggestions :</p> <ul style="list-style-type: none"> • Emphasis on the importance of signing the document for both operators and examiner in order to follow the procedure effectively. • Should explain involved employee in all department and all level to understand the procedure / signing of document for both receiver - deliverer and examiner of product. • To avoid stock missing, person take out the stock and examiner of the inventory should be different person <p>Company Action :</p> <p>Insist all involved people both the head office and the branches to fully signed in all documents according to the procedure.</p> |
| 1.2 | <p>Stock counting :</p> <p>According to the random stock counting of Let's Relax Mandarin branch on December 29, 2014, the following defected are found</p> <p>1. 50 random items from total 141 items, compare the stock counting to the balance left in the EXPRESS program and POS program, 2 parts of differences are founded.</p> <p>1. Number of items count compare to items left in Express system found 11 items are difference (22% of randomly count item) such as</p> <ul style="list-style-type: none"> - pillow cover for oil massage - mulberry paper count 100 sheet / Express 200 sheet difference 100 sheet - white towel 30x60" (Let 's Relax) do not have balance left / Express 24 pieces difference 24 sheet - MANGO CRANBERRY CHIPS count 31 packs / Express 43 packs difference 12 | <p>Suggestions :</p> <ul style="list-style-type: none"> • Recording of product intake and outtake both in EXPRESS system and POS system must record immediately or within the time state by the Company and must follow all inventory procedure. • The POS system should have all data completely. <p>Company Action :</p> <p>Check the stock with document every time before record in the system and count the stock code R every end of the month.</p> |

| Order | Defected/ Impact / Risk | Suggestions / Company Action |
|-------|---|--|
| | <p>2. Number of items count compare to number left in POS system found that 4 items are difference (8% of randomly count item) such as</p> <ul style="list-style-type: none"> - white towel 30x60" (Let 's Relax) do not have balance / POS data not found in the system - white clay count 18 sachets / POS data not found in the system difference of 18 sachets <p>Risk : Stock difference from record / stock in record difference from actual stock , stock missing without explanations.</p> <p>Level of risk : high</p> <p>Chance of happening : high</p> <p>Impact : medium</p> | |
| 1.2.2 | <p>Inventory of scarp :</p> <p>Scarp stored mixed with other products in document storage and did not have clear label on scarp.</p> <p>Risk : Stock difference from record / stock in record difference from actual stock , stock missing without explanations</p> <p>Level of risk : medium</p> <p>Chance of happening : medium</p> <p>Impact : medium</p> | <p>Suggestions :</p> <ul style="list-style-type: none"> • Should locate position / area of storage of scarp products for better control and checking. Should have label and a clear procedure of how to get rid of scarp products. <p>Company Action :</p> <ul style="list-style-type: none"> • Must record taking out of scarp products in the EXPRESS system every time scarp is take out of the stock inventory. • Find new location for storage and have a clear label on scarp. |
| 2. | <p>Purchasing and money paying procedure</p> <p>Making oversea purchase order in program :</p> <ul style="list-style-type: none"> • The purchase order of oversea goods PO57/10207 <p>The purchase order is not up to date. It is just a reservation of purchase order number.</p> <p>The Company point that in the purchasing oversea goods, there will be booking of document number to match the Proforma invoice but since the cost of import expenses is not known yet thus cannot record the detail in the purchase order form.</p> <p>Risk : initial documentation in program which is not up to date could effect in the working of other related department that and cause the report to show information that are not up to date.</p> <p>Level of risk : low</p> <p>Chance of happening : medium</p> <p>Impact : low</p> | <p>Suggestions :</p> <ul style="list-style-type: none"> • In the EXPRESS program, there is a menu that allow to record costs of importing goods from oversea. When know detail about import tax and other expenses after purchase and calculate the total cost of import goods thus should create the purchase order in the program immediately. <p>Company Action :</p> <ul style="list-style-type: none"> • Must record oversea purchasing order form immediately and follow the suggestions |

2. The review of transactions between the Company and related person according to the related transaction policy (notice no. 009/2014) on May 23, 2014 suggestions are

- In order to have the complete and correct reveal of the related transactions between major shareholders, directors, executives and person related to those mentioned above. The Company should set the measurement procedure and follow up these related transaction as follows:

- 1) State the database about the related transaction which limit the access of the related employee.
- 2) The Company secretary collect and record information about major shareholders, directors, executives and person related to those mentioned above. The Company secretary must update the information at least on quarterly basis for the benefit of following and reviewing related transactions which could have conflict of interest.
- 3) When consider buyer/ new service provider, the employee who open the account must inform the Company secretary to check the database whether it relates to person or Company or not.
- 4) If the person or the Company that related, the accounting department must record the transaction separately and report the disclosure of information to the Audit Committee and the Board of Director.

3. Follow up Risk Assessment work plan / risk management for 2015

According to the result of risk assessment by the risk management team from first quarter of 2015 compare to 2014, the company decide to have Risk Analysis Procedure / Identification of Risk which could effect the goal of the company as well as the business plan cover both organization level and operation level. The risks are separate into 5 categories.

- 1) Strategic Risk
- 2) Operational Risk
- 3) Financial Risk
- 4) Compliance Risk
- 5) Asset Risk

Also consider about the Fraud Risk, communication system risk and Business Interruption Risk – BCP : Business Continuity Planning)

The company has higher risk according to the following factors

1. Change in VAT which can cause the treatment and package prices to increase.
Chance of happening increase from level 1 to level 3 but the impact remain at level 2.
2. Increase in rental cost which affect the cost of service.
Chance of happening remain at level 1 impact increase from level 1 to level 2
3. Damage to asset and inventory (new risk factor)
Chance of happening level 2 impact level 3

Suggestions are risk in the same category that not decrease from last year, if the level of risk is medium to high, should set more intense risk management such as

- Low chance of happening, very high impact should concentrate on fixing than protection such as emergency planning and consistent testing.
- Low chance of happening, very low impact should follow up consistently.
- High chance of happening, impact low to very low should increase control measure such as use of computer system in work, increase protection measure and increase training etc

- High chance of happening, impact very high must act immediately, the directors must involve and report continuously.

10.2 Auditor's notice about the internal management system

BPR Audit and Advisory Company Limited, the accounting auditor of the Company had audited the Company's financial statement for year end 31 December 2014 and stated that the Company's financial statement show correct financial position, financial performance and cash flow according to the general financial standard

From the observation of the stock counting, we found an important notice as follow

- There are difference in stock counting and stock record in many items. However, the directors approved the adjustment of the difference total of 0.1 million baht as of 31 January 2014.

11

Related Party Transactions

11.1 Relationship of related party

Company and subsidiary companies have related transactions with related party in which related party includes shareholders and/or directors and/or management. Moreover, the related party also includes other companies that the Company and subsidiary's companies' directors act as authorized directors. Related parties are listed as below:

| Company Name/Person's name | Business Type | Relationship |
|--|--------------------------------|-------------------------------------|
| Blooming Company Limited | Selling gifts and premiums | Joint Shareholder |
| B.U. Enterprises Company Limited | Restaurant / Service Apartment | Joint Shareholder and Director |
| Cyberprint Group Company Limited | Printing Services | Joint Shareholder and Director |
| Asian Fortune Property Company Limited | Real Estate | Joint Shareholder and Director |
| RarinJinda Limited Partnership (formerly RarinJinda Ordinary Partnership) | Real Estate | Joint Shareholder and Director |
| Mr. Vithit Utsahajit | Real Estate | Brother of Mr. Wiboon Utsahajit |
| Mr. Santiwat Amorntirasan | Real Estate | Husband of Mrs. Thanit Amorntirasan |
| Mr. Wiboon Utsahajit | - | Director of Company |
| Mr. Narun Wiwattanakrai | - | Director of Company |
| Mrs. Pranee Suphwatanakiat | - | Director of Company |
| Mrs. Thanit Amorntirasan | - | Director of Company |
| Mr. Prasert Jiravanstit | - | Director of Company |
| Mr. Juckpat Jiravanstit | - | Director of Company |

Summary of Directorship and Shareholding of related companies

| | Cyberprint Group Co.,Ltd. | | | Blooming Co.,Ltd. | | | B.U. Enterprises Co.,Ltd. | | | Asian Fortune Property Co.,Ltd. | | | RarinJinda Limited Partnership | | | Utsahajit Holdings Co.,Ltd. | | |
|----------------------------------|---------------------------|-----------------------|---------|-------------------|------------------|---------|---------------------------|------------------|---------|---------------------------------|-----------------------|---------|--------------------------------|-----------------------|---------|-----------------------------|-----------------------|---------|
| | Director | Amount of shares hold | % | Director | Amount of shares | % | Director | Amount of shares | % | Director | Amount of shares hold | % | Director | Amount of shares hold | % | Director | Amount of shares hold | % |
| 1. Mr. Vithit Utsahajit | ✓ | 5 | 0.00% | - | 38,750 | 7.75% | - | 1 | 0.01% | - | - | 0.00% | - | - | 0.00% | ✓ | 2,500,000 | 8.33% |
| 2. Mrs. Pranee Suphawatanakiat | ✓ | 5 | 0.00% | - | 38,750 | 7.75% | ✓ | 1 | 0.01% | ✓ | 400,000 | 20.00% | ✓ | 20,000,000 | 16.67% | ✓ | 2,500,000 | 8.33% |
| 3. Mr. Thanawat Utsahajit | ✓ | 5 | 0.00% | - | 38,750 | 7.75% | - | 1 | 0.01% | ✓ | 400,000 | 20.00% | ✓ | 20,000,000 | 16.67% | ✓ | 2,500,000 | 8.33% |
| 4. Mrs. Thanit Amornthirasan | ✓ | 5 | 0.00% | - | 38,750 | 7.75% | - | 1 | 0.01% | ✓ | 400,000 | 20.00% | ✓ | 20,000,000 | 16.67% | ✓ | 2,500,000 | 8.33% |
| 5. Mr. Wiboon Utsahajit | ✓ | 5 | 0.00% | - | 38,750 | 7.75% | - | 1 | 0.01% | ✓ | 400,000 | 20.00% | ✓ | 20,000,000 | 16.67% | ✓ | 2,500,000 | 8.33% |
| 6. Mrs. Suvimol Utsahajit | ✓ | 5 | 0.00% | - | 38,750 | 7.75% | ✓ | 1 | 0.01% | - | - | 0.00% | - | - | 0.00% | ✓ | 2,500,000 | 8.33% |
| 7. Mr. Wiwat Utsahajit | ✓ | 5 | 0.00% | - | 38,750 | 7.75% | - | 1 | 0.01% | - | - | 0.00% | - | - | 0.00% | ✓ | 2,500,000 | 8.33% |
| 8. Mr. Wichai Utsahajit | ✓ | 5 | 0.00% | - | 38,750 | 7.75% | - | 1 | 0.01% | - | - | 0.00% | - | - | 0.00% | ✓ | 2,500,000 | 8.33% |
| 9. Mr. Napat Wiwattanakrai | ✓ | 5 | 0.00% | - | 12,916 | 2.58% | - | 1 | 0.01% | - | 133,333 | 6.67% | - | - | 0.00% | ✓ | 833,334 | 2.78% |
| 10. Mr. Banlue Utsahajit | - | 5 | 0.00% | - | 38,750 | 7.75% | ✓ | 1 | 0.01% | - | - | 0.00% | - | - | 0.00% | ✓ | 7,500,000 | 25.00% |
| 11. Mr. Narun Wiwattanakrai | - | 5 | 0.00% | - | 12,917 | 2.58% | - | 1 | 0.01% | ✓ | 133,334 | 6.67% | ✓ | 20,000,000 | 16.67% | - | 833,333 | 2.78% |
| 12. Mr. Narut Wiwattanakrai | - | 5 | 0.00% | - | 12,917 | 2.58% | - | 1 | 0.01% | - | 133,333 | 6.67% | - | - | 0.00% | - | 833,333 | 2.78% |
| 13. Mr. Prasert Jiravansit | - | 0.00% | - | - | 112,500 | 22.50 | - | - | 0.00% | - | - | 0.00% | ✓ | 20,000,000 | 16.67% | - | - | 0.00% |
| 14. Mr. Issawong Suphawatanakiat | - | 0.00% | ✓ | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | - | 0.00% |
| 15. Utsahajit Holdings Co.,Ltd | - | 69,999,940 | 100% | - | 0.00% | - | 19,988 | 99.94% | - | - | 0.00% | - | - | 0.00% | - | - | - | 0.00% |
| Total | | 70,000,000 | 100.00% | | 500,000 | 100.00% | | 20,000 | 100.00% | | 2,000,000 | 100.00% | | 120,000,000 | 100.00% | | 30,000,000 | 100.00% |

Remarks : Shareholding percentage is calculated using 2 decimal points. If sum of many shareholders, it may partially different to total sum.

11.2 Related Transactions

Company and subsidiary companies have related transactions with relate party which can be summarized as below:

Unit: thousands bahts

| No. | Related Party | Transaction details | Value 2014 | Reasons and Audit Committee's comments |
|-----|---------------------------------|--|--|---|
| 1. | Blooming Co.,Ltd. | Revenue from Sales Purchases and Services Trade Receivable Trade Payables | 95 6,000 2 703 | <ul style="list-style-type: none"> • Blooming Co.,Ltd. purchases spa products from subsidiaries at market price for gifts and premium goods. • Company and subsidiaries purchase herbal balls, scrub, Thai herbs as well as packing and screening services at agreed prices. • Audit Committee approved above transactions since the prices were comparable and lower than market. In addition, some of them were special formular produced only for Company and subsidiaries. |
| 2. | B.U. Enterprises Co.,Ltd. | Revenue from Sales Purchases and Services Trade Receivable Trade Payables | 4 697 2 66 | <ul style="list-style-type: none"> • BU Enterprises Co.,Ltd. purchases spa products from subsidiaries for gifts at market prices. • Company and subsidiaries purchase cookies for spa customers and for resales at market price. • Audit Committee approved mentioned transactions which were considered as normal activities and the prices were comparable to market. |
| 3. | Cyberprint Group Co.,Ltd. | Revenue from service Revenue from Sales Purchases and Services Trade Receivable Trade Payables | 46 38 695 49 354 | <ul style="list-style-type: none"> • Cyberprint Co.,Ltd. purchases spa vouchers from Company and spa products from subsidiaries for gifts at market price. • Cyberprint Co.,Ltd. provides printing services for Company and subsidiaries at agreed prices. • Audit Committee approved above services given by Cyberprint Co.,Ltd. since they were normal activities and the prices were comparable to market. |
| 4. | Asian Fortune Property Co.,Ltd. | Rental and utilities expenses Trade payable | 5,215 77 | <ul style="list-style-type: none"> • Company has rented building for spa business (Rarinjinda Wellness Spa Phuket rebranded to Let's relax-Phuket third street) at agreed price. • Audit Committee approved above transaction since the rental expense was lower than market price evaluated by independent professional valuer. |

| No. | Related Party | Transaction details | Value 2014 | Unit: thousands bahts |
|-----|--------------------------------|------------------------|---------------|---|
| | | | | Reasons and Audit Committee's comments |
| 5. | RarinJinda Limited Partnership | Rental and utilities | 2,894 | <ul style="list-style-type: none"> Company has rented land and building improvement for spa business and partial sub-lease to Siam Wellness Resort Co.,Ltd for the hotel operation and restaurant for 30 years at agreed price. Audit Committee approved the rental expense above which was evaluated by independent professional valuer. |
| 6. | Mr. Vithit Utsahajit | Rental and utilities | 1,114 | <ul style="list-style-type: none"> Company has rented 7 commercial buildings (483-483/6) for Head office at agreed price Audit Committee approved the rental expense as it was evaluated by independent professional valuers. |
| 7. | Mr. Santiwat Amorntrirasan | Rental | 626 | <ul style="list-style-type: none"> Company has rented two 2-storeyed houses (322/202 and 322/203 Asoke-DinDaeng Road) for employees. Audit Committee approved the rental expense evaluated by an independent professional valuer. |
| 8. | Mr. Wiboon Utsahajit | Advance from directors | 3 | <ul style="list-style-type: none"> Advance from directors arises from reimbursement of travelling and other expenses that Company has not repayed at the end of accounting period. |
| 9. | Mr. Narun Wiwattanakrai | Advance from directors | 40 | <ul style="list-style-type: none"> Advance from directors arises from reimbursement of travelling and other expenses that Company has not repayed at the end of accounting period. |
| 10. | Mrs. Pranee Suphawatanakiat | Advance from directors | 87 | <ul style="list-style-type: none"> Advance from directors arises from reimbursement of travelling and other expenses that Company has not repayed at the end of accounting period. |
| 11. | Mrs. Thanit Amorntrirasan | Advance from directors | 223 | <ul style="list-style-type: none"> Advance from directors arises from reimbursement of travelling and other expenses that Company has not repayed at the end of accounting period. |

Unit: thousands bahts

| No. | Related Party | Transaction details | Value 2014 | Reasons and Audit Committee's comments |
|-----|-------------------------|------------------------|---------------|---|
| 12. | Mr. Prasert Jiravanstit | Advance from directors | 3 | <ul style="list-style-type: none"> Advance from directors arises from reimbursement of travelling and other expenses that Company has not repayed at the end of accounting period. |
| 13. | Mr. Juckpat Jiravanstit | Advance from directors | 6 | <ul style="list-style-type: none"> Advance from directors arises from reimbursement of travelling and other expenses that Company has not repayed at the end of accounting period. |

Rental Contracts which are related transactions and their conditions

| Lease Contract Date | Details | Lease term | Rent and service charges | Other terms and conditions |
|---------------------|--|--|--|--|
| 23 Jan 2014 | SPA lease from Mr. Santiwat Amorntrisan Building No. 322/202 and 322/203 Asoke-DinDaeng Road, DinDaeng, DinDaeng, Bangkok for use as therapist living quarters. | 3 years; ending 31 December 2016 <i>Renewal:</i> 7th to 9th year | <ul style="list-style-type: none"> - Monthly rent for building 322/202 from 2014 to 2016: 30,900 baht, 31,800 baht and 32,800 baht respectively. - Monthly rent for building 322/203 from 2014 to 2016: 20,600 baht, 21,200 baht and 21,800 baht respectively. | <ul style="list-style-type: none"> The lease can be renewed for 3 years subject to notice 60 days before the end of the lease. The contract can be terminated earlier subject to 120 days' notice. 01 Apr 13 S PA lease from Mr. Vithit Utsahajit SPA has agreed to terminate rental contract of building No. 322/203 with Mr. Santiwat Amorntrisan which effective since 1 November 2014 |
| 01 Apr 2013 | SPA lease from Mr. Vithit Utsahajit Floor 1 and Floor 2 of Building No. 483 – 483/6, and Floor 3 of Building No. 483/6 Soi Suthiporn, Prachasongkroh Road, DinDaeng, Bangkok, with an area of 1,392 sq.m. for use as office buildings of SPA's company and subsidiaries. | 3 years; ending 31 December 2015 | Monthly rent: 104,400 baht, reviewable every 3 years according to marketing conditions up to 15% of the rent applicable. | <ul style="list-style-type: none"> Exemption of rent during decoration. Payment of rent shall begin on 1 May 2013 The lease can be renewed for 3 years at a time for two times subject to 30 days' notice. The lessee shall keep the building maintained, improved and repaired in good working conditions. The lessee shall pay the property tax and other fees. The lessee shall pay the utility service charges. |

| Lease Contract Date | Details | Lease term | Rent and service charges | Other terms and conditions |
|---------------------|--|---|--|--|
| 26 Aug 2014 | <p>SPA lease from Mrs. Pranee Suphawatanakiat, Mr. Narun Wiwattanakrai, Mr. Thanawat Utsahajit, Mr. Prasert Jiravanstit, Mrs. Thanit Amornthirasan and Mr. Wiboon Utsahajit the land measuring 2 rai, 3 ngarn and 62.4 square wah, Title-Deed No. 117, 2875, 8985, 554, 3010, 3009 and 103754, totaling 7 Title-deeds, and the structures thereon for the operation of RarinJinda Wellness Spa, Chiang Mai Branch. SPA subleases some of the land to Siam Wellness Resort Co., Ltd. for operation of RarinJinda Wellness Spa Resort and Deck 1 Restaurant. SPA pays the rent to RarinJinda Limited Partnership, established by the said 6 persons.</p> | <p>30 years, commencing on 1 January 2013 and lasting through until 31 December 2042.</p> | <p>The monthly rent is 241,125 baht, the rental rate can be adjusted every 3 years up to 15% of the rent applicable at the time of adjustment.</p> | <ul style="list-style-type: none"> • Renewable subject to written notice at least 3 years before the end of the lease. • When the lease expires, the lessee shall move out from the leased premises all of its belongings, otherwise the lessor shall repossess the leased premised and remove, at the lessee's expense, all the belongings of the lessee. • The parties shall register the lease at the land office. The lessee shall pay all the fees and expenses in connection with such registration. (The lease was registered on 29 Aug 2014) • Remnants of a 4-story building No.14/1 and a 2-story Thai house No.14, Charoenraj Rd., Wat Kate, Muang, Chiang Mai. The lessee renovated the building. The lessee need not to pay the rent of those buildings throughout the lease. • The lessee shall keep the leased premised well maintained in good working conditions. • The lessee shall pay the property tax and other fees. • The lessee shall pay the utility service charges • This contract shall replace the previous contract of 1 January 2013. |

| Lease Contract Date | Details | Lease term | Rent and service charges | Other terms and conditions |
|---------------------|---|---|---|---|
| 22 Jan 2014 | SPA lease from Asian Fortune Property Co., Ltd. serviced spaces measuring 2,418 sq.m. , Building No. 184/14 Pangmuang Sai Kor Road, Patong, Kathu, Phuket, for use in the operation of RarinJinda Wellness Spa, Phuket Branch (rebranded to Let's Relax, Patong Third Street Branch). | 3 years, ending on 31 January 2017 Renewal: 4th–6th year | - Monthly rent: 150,000 baht in the 4th year and 172,500 baht in the 5th and 6th year. Security deposit: 600,000 baht. - Service charge: 350,000 baht in the 4th year and 402,500 baht in the 5th and 6th year. Security deposit: 1,400,000 baht | <ul style="list-style-type: none"> • Can be renewed for 3 years subject to prior notice 6 month before the end of the lease. • The lessee shall pay the property tax, taxes, insurance premium and other fees. • The lessee shall pay the public utility charges for its actual use at the rates set by the PEA and PWA. • Decrease in rent and service charge: The rent is reduced from 172,500 baht to 150,000 baht and the service charge is reduced from 402,500 baht to 350,000 baht for the period 1 Feb 2014 to 31 Jan 2015 as per reduction notification, dated 13 Jan 2014. • Decrease in rent and service charge: The rent is reduced from 150,000 baht to 75,000 baht and the service charge is reduced from 350,000 baht to 175,000 baht for the period 1 Jul 2014 to 31 Dec 2014 as per reduction notification, dated 18 Aug 2014. • On 24 Nov 2014, SPA has done the Addendum to the contract to rebrand from “RarinJinda Wellness Spa” to “Let’s Relax” from 1 Dec 2014 onwards. |

Remarks

The contract with the related party has been assessed by independent appraisal firms. These are”

1. 2 Single 2-stories home located at no. 322/202 and 322/203 Soi Yu Charoen Yaek 18 Ratchadaphisek Road, Huaykwang sub-district, Huaykwan district, Bangkok. The property was appraised by Sasiratchada Company Limited. Mr. Korakot Hendeengarm was the main valuer and assessor. Appraisal was made on October 21, 2013 with the public purpose. The assessment of rental rate for the house is 1,845,000 bahts for the period of 3 years or the monthly rate is 58,000 bahts and increase of rental rate of 3% year.
2. 7 blocs of 3-stories concrete building located at no. 483 Soi Suthiporn Phrachasongkhro Road, Dindaeng sub-district, Dindaeng district, Bangkok. The property was appraised by 15 Business Advisory Limited. Mr. Wattana Jumpawan was the main valuer and assessor. Appraisal was made on April 18, 2014 with the public purpose. The assessment of rental rate for the building is 258,804 bahts per month and increase of rental rate of 10% every 3 years.
3. Land no. 117, 2875, 8985, 554, 3010, 3009 and 103754 total of 7 with the total area of 2 rais 3 ngarns and 62.4 square wa located at no. 14 Charoenraj Road, Wat Kate sub-district, Muang district, Chiang Mai. The property was appraised by 15 Business Advisory Limited. Mr. Wattana Jumpawan was the main valuer and assessor. Appraisal was made on April 17, 2014 with the public purpose. The assessment of rental rate of land without building is 2,906,000 bahts per year and increase of rental rate of 15% every 3 years.
4. Land with 4-stories building and additional extension on roof located at 184/14 Pangmuang Sai Kor Road, Patong sub-district, Kathu district, Phuket. The property was appraised by 15 Business Advisory Limited. Mr. Wattana Jumpawan was the main valuer and assessor. Appraisal was made on April 16, 2014 with the public purpose. The assessment of rental rate of building is 771,900 bahts per month and increase of rental rate of 15% every 3 years

11.3 Policy and Procedures of Related Party Transactions

11.3.1 Policy of Related Party Transactions

When the Company or subsidiary companies agreed to transact with related party according to the Board of Stock Exchange of Thailand, Company has set up a procedure in approving such transactions, in order for that transaction to be fair and does not have conflict of interest. Moreover it will bring the maximum benefit to the Company and the shareholders.

(1) Company will determine whether the transaction is normal business transaction or supporting transaction. Then, Company will determine whether it has the standard terms and conditions or not, taking into account the pricing and terms of other customers or terms that are used in similar transactions. In the event that there is no referencing market price, the Company will submit to the Audit Committee or Auditor or Specialist to determine the fair price of such transaction and the justify the underlying reason behind such transaction

(2) For following transactions (a) For supporting transactions with standard terms and conditions, where price cannot be calculated from the asset or reference point (b) normal business transaction or supporting transaction that does not have terms and conditions (c) rental transaction or lease transaction not more than 3 years and does not state terms and conditions (d) other transactions. Company will determine whether such transaction is small, medium or large according to the guideline. Procedures will be determined according to particular type of transaction such as approval from Board of Directors or Shareholders.

(3) Company will submit the related transactions of Company or its subsidiaries to the Audit Committee for comments. Audit Committee's comments must be attached to the minutes of the Board of Director's or Shareholder's Meeting.

(4) Company will submit the report of related party transactions to the Stock Exchange of Thailand with detailed attachment according to the principles of Board of Stock Exchange of Thailand and will include in the Annual Report, Annual Registration Statement or other statements according to the guidelines of the Board of the Stock Exchange of Thailand, as well as in Financial Report according to the Accounting Standards.

(5) For future related party transactions, Board of Directors must conduct in accordance with the Securities and Exchange Commission Act and other guidelines set by Stock Exchange of Thailand, as well as the related party transactions disclosure guideline including selling or buying of Company or its subsidiaries key assets according to the Certified Public Accountant Association's standards.

(6) For other related party transactions that are not normal business transactions, Company will assign Audit Committee to determine the transparency of the transaction. If the Audit Committee does not have specialization in that particular field, specialist or auditor can be requested for assist. These comments must be report in the minutes and used in the decision of the Board of Director or Shareholder's Meeting. It should also be disclosed in the Notes in the Financial Statements certified by auditor.

(7) Those who has conflict of interest with any particular transaction will have no right to vote or authorize that transaction

11.3.2 Authorization of related party transactions

Company has set individual or committee to authorize related party transactions as followed:

(1) For related party transaction that is normal business or supporting transactions with standard terms and conditions, the Managing Director has the authority to authorize

(2) For related party transaction that is normal business or supporting transactions without standard terms and conditions where price cannot be calculated from asset or reference point, the authorizing party has to be in accordance with the principles of related party transactions of Board of Securities Exchange Commission and Board of Stock Exchange of Thailand

11.3.3 Presentation of related party transactions to Audit Committee

(1) For related party transactions under approval authority of the management, matters shall be assigned to the department that has the responsibility related to that transaction such as Accounting, Operations or Executives with the responsibilities related to that transaction according the Approval Authority Chart. After management's approval, it will be submitted to the Audit Committee to review and disclosed in the Annual Registration Statement and Annual Report. These transactions should be submitted to Audit Committee via Management.

(2) Related party transactions under approval authority of the Board of Directors, matters shall be submitted to the Audit Committee via Purchasing or related department(s) before proceed to Board of Director's decisions

2.1 Purchasing or related department (s) submits the summary of related party transactions and supporting documents to the Audit Committee via Management

2.2 After receiving the decisions of the Audit Committee, the Company Secretary shall collect and present to the Board of Directors for approval. For director(s) with the conflict of interest to that transaction shall leave and shall not vote in that agenda

2.3 Report the Board of Director's decision to the Stock Exchange of Thailand and disclose in the Annual Registration Statement and Annual Report

(3) Related party transactions under approval authority of the shareholders, matters shall be submitted to the Audit Committee via Management before proceed to Board of Director's decisions and Shareholder's decisions respectively

3.1 Purchasing or related department (s) submits the summary of related party transactions and supporting documents to the Audit Committee via Management

3.2 After receiving the decisions of the Audit Committee, the Company Secretary shall collect and present to the Board of Director for approval.

3.3 After receiving the decisions of the Board of Directors, the Company Secretary shall collect and present to the Shareholders for approval. Supporting documents must be sufficient according the Stock Exchange of Thailand's rule and must be distributed to all shareholders at least 14 days before the meeting date. Information of shareholders with conflict of interest, such as name and number of shares held, must be disclosed. Shareholders with conflict of interest cannot vote. The passing of resolution requires $\frac{3}{4}$ of the total votes of shareholders excluding those with conflict of interest.

3.4 Report the Board of Director's decision to the Stock Exchange of Thailand and disclose in the Annual Registration Statement and Annual Report

11.4 Policy and Possibilities of Related Party Transactions

11.4.1 Normal business transactions

Normal business transactions or support transactions with standard terms and conditions are those with pricing and terms and conditions that are fair and transparent should have following conditions:

- is the price that the Company or its subsidiaries as well as other person receives
- is the price and terms and conditions that related parties gives to other person
- is that price and terms and conditions that illustrates that other business operators in similar characteristics gives to other person

11.4.2 Policy for reviewing related party transactions

Auditor has set guidelines for reviewing related party transactions as followed:

Type 1 Transactions that cause long term contracts, it shall be reviewed at the next meeting

Type 2 Transactions that is normal business transactions such as purchase of herbal balls, purchase of cookies, printing of materials, it shall be reviewed in principle to set standard guidelines for management and reviewed by the Audit Committee quarterly. Moreover, the price comparison shall be made according to the following:

- same specification
- for items that cannot be classified, the specification should be clearly stated in the quotation
- the comparing quotation should not have any conflict of interest and shall use normal business practices
- at least 2 comparing quotations
- comparing quotations shall be made at similar time period

11.4.2 Possibilities of future related business transactions

Selling of goods and services

Company and its subsidiaries will continue to sell goods and services to related party under the same conditions to selling to other buyers. These transactions do not have significant effect on Company and its subsidiaries' operations.

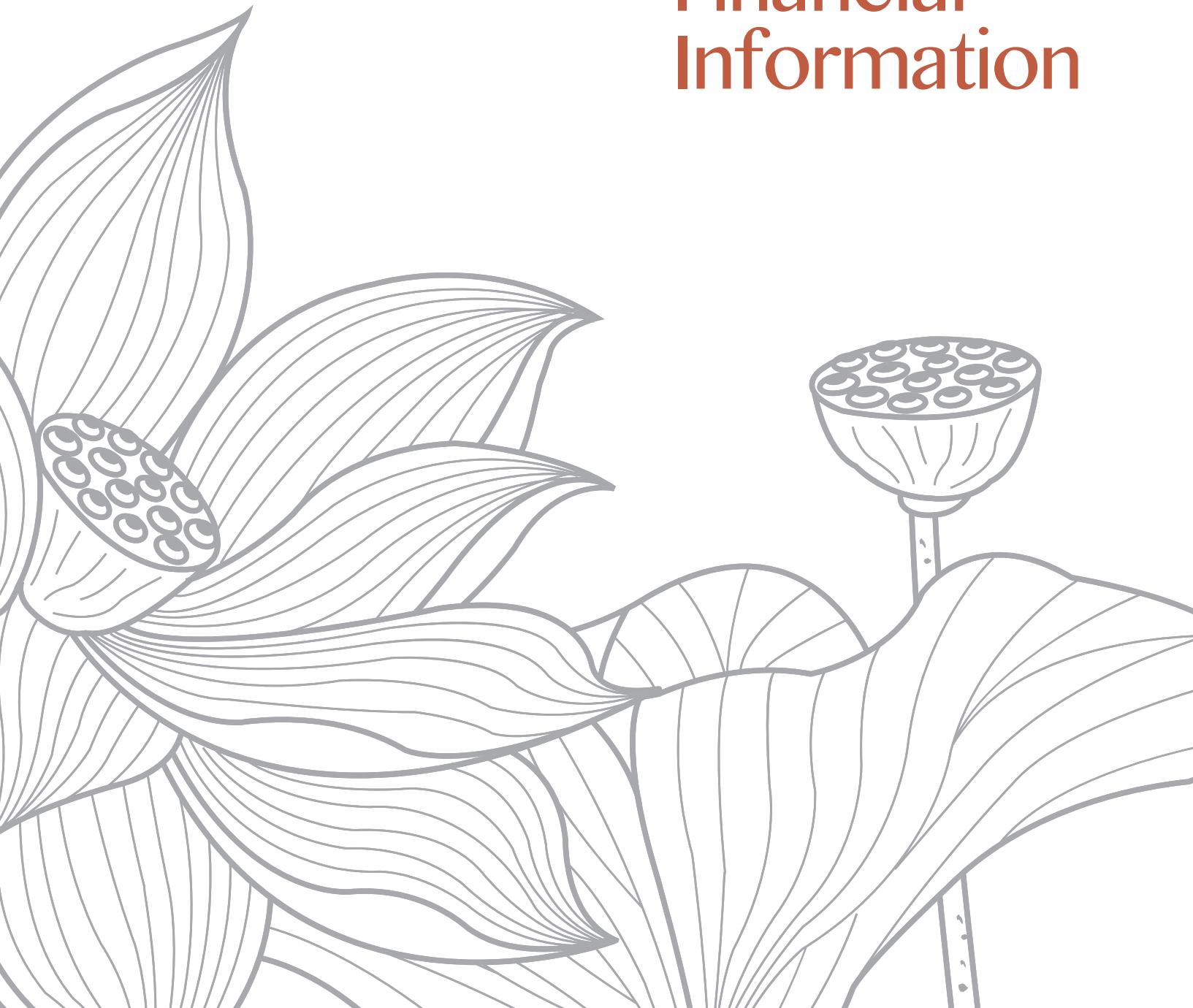
Purchasing of Herbal Balls, Cookies and Printing and packaging services

Company and its subsidiaries will continue to buy Herbal Balls, Cookies and Printing and packaging services from related party because after comparing with other suppliers, the related party offers the fit product at a more competitive rate. Price comparison shall be conducted regularly to comply with the Audit Committee's guidelines.

Rent of Land and Building

Company and its subsidiaries will continue to rent land and buildings from related party because these land and buildings are used in the operations of the Company such as Head Office, Warehouse and Massage School as well as use as branches of spa, hotel and restaurant business. Thus, rental terms are in the medium to long term in order for the investment to be efficient. Price comparison shall be conducted prior to the signing of rental agreement and the rental rate is assessed by independent appraisal that is registered with the Securities Exchange Commission. These transactions must be approved by the Audit Committee.

Financial Information



Financial Information

Siam Wellness Group Public Company Limited and its Subsidiaries
Statement of Financial Position
As at December 31, 2012 - 2014

| | (Unit: In Thousand Baht) | Consolidated Financial Statements | | | | | | Separate Financial Statements | | | |
|--|--------------------------|-----------------------------------|----------------|-----------------------------------|----------------|-----------------|----------------|-------------------------------|----------------|-----------------------------------|----------------|
| | | 2012 Audited “Restated” | % | 2013 Audited “Reclassified” | % | 2014 Audited | % | 2012 Audited “Restated” | % | 2013 Audited “Reclassified” | % |
| Assets | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | |
| Cash and cash equivalents | 60,165 | 17.27% | 19,633 | 5.63% | 104,039 | 17.32% | 46,297 | 17.99% | 12,832 | 3.51% | 89,819 |
| Current investment | - | 0.00% | - | 0.00% | 100,000 | 16.64% | - | 0.00% | - | 0.00% | 100,000 |
| Trade and other receivables | | | | | | | | | | | |
| - Related parties | 1,278 | 0.37% | 284 | 0.08% | 53 | 0.01% | 2,527 | 0.98% | 451 | 0.12% | 351 |
| - Other parties | 5,014 | 1.44% | 6,069 | 1.74% | 8,402 | 1.40% | 1,842 | 0.72% | 1,617 | 0.44% | 5,816 |
| Short term loan and interest receivable to related party | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | 5,024 |
| Inventories | 7,354 | 2.11% | 9,479 | 2.72% | 7,483 | 1.25% | 5,665 | 2.20% | 7,343 | 2.01% | 6,886 |
| Other current assets | 691 | 0.20% | 663 | 0.19% | 1,028 | 0.17% | 502 | 0.20% | 540 | 0.15% | 992 |
| Total Current Assets | 74,502 | 21.39% | 36,128 | 10.36% | 221,005 | 36.78% | 56,833 | 22.08% | 22,783 | 6.23% | 208,888 |
| Non-Current Assets | | | | | | | | | | | |
| Deposit at financial institution pledged as collateral | 360 | 0.19% | - | 0.00% | - | 0.00% | 360 | 0.14% | - | 0.00% | - |
| Investment in subsidiaries | - | 0.00% | - | 0.00% | - | 0.00% | 3,000 | 1.17% | 101,705 | 27.79% | 101,705 |
| Leasehold rights on land | 3,803 | 1.09% | 3,710 | 1.06% | 4,642 | 0.77% | 3,803 | 1.48% | 3,710 | 1.01% | 4,642 |
| Property, plant and equipment | 257,469 | 73.92% | 296,885 | 85.16% | 359,515 | 59.83% | 182,482 | 70.91% | 226,157 | 61.69% | 292,256 |
| Deferred tax assets | 3,170 | 0.91% | 260 | 0.07% | 209 | 0.03% | 1,850 | 0.72% | - | 0.00% | - |
| Other non-current assets | | | | | | | | | | | |
| - Deposits and retentions | 8,672 | 2.49% | 11,368 | 3.26% | 14,521 | 2.42% | 8,672 | 3.37% | 11,368 | 3.11% | 14,521 |
| - Others | 350 | 0.10% | 269 | 0.08% | 964 | 0.16% | 346 | 0.13% | 265 | 0.07% | 964 |
| Total Non-Current Assets | 273,824 | 78.61% | 312,592 | 89.64% | 379,851 | 63.22% | 200,513 | 77.92% | 343,205 | 93.77% | 414,088 |
| Total Assets | 348,326 | 100.00% | 348,720 | 100.00% | 600,856 | 100.00% | 257,346 | 100.00% | 365,988 | 100.00% | 622,976 |

| (Unit: In Thousand Baht) | Consolidated Financial Statements | | | | | | Separate Financial Statements | | | | | |
|--|-----------------------------------|---------------|-----------------------------------|---------------|-----------------|---------------|-------------------------------|---------------|-----------------------------------|---------------|-----------------|---------------|
| | 2012 Audited "Restated" | % | 2013 Audited "Reclassified" | % | 2014 Audited | % | 2012 Audited "Restated" | % | 2013 Audited "Reclassified" | % | 2014 Audited | % |
| Liabilities and Shareholders' Equity | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Short term loan from financial institutions | - | 0.00% | 16,000 | 4.59% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Trade and other payables | | | | | | | | | | | | |
| - Related parties | 7,370 | 2.12% | 2,888 | 0.83% | 1,561 | 0.26% | 8,261 | 3.21% | 3,950 | 1.08% | 3,257 | 0.52% |
| - Other parties | 38,850 | 11.15% | 33,075 | 9.48% | 39,413 | 6.56% | 33,894 | 13.17% | 27,074 | 7.40% | 34,189 | 5.49% |
| Current portion of liabilities under financial lease contracts | - | 0.00% | 443 | 0.13% | 468 | 0.08% | - | 0.00% | 443 | 0.12% | 468 | 0.08% |
| Current portion of long-term loan from financial institutions | 4,200 | 1.21% | 13,200 | 3.79% | 12,240 | 2.04% | 4,200 | 1.63% | 13,200 | 3.61% | 12,240 | 1.96% |
| Income tax payable | 6,507 | 1.87% | 9,186 | 2.63% | 2,662 | 0.44% | 6,267 | 2.44% | 8,452 | 2.31% | 1,068 | 0.17% |
| Dividend payable | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Other current liabilities | 316 | 0.09% | 141 | 0.04% | 39 | 0.01% | 60 | 0.02% | 12 | 0.00% | 12 | 0.00% |
| Total Current Liabilities | 57,243 | 16.43% | 74,933 | 21.49% | 56,383 | 9.38% | 52,682 | 20.47% | 53,131 | 14.49% | 51,234 | 8.22% |
| Non-Current Liabilities | | | | | | | | | | | | |
| Liabilities under financial lease contracts-net of current portion | - | 0.00% | 1,709 | 0.49% | 1,242 | 0.21% | - | 0.00% | 1,709 | 0.47% | 1,242 | 0.20% |
| Long-term loans from related parties | 171,415 | 49.21% | - | 0.00% | - | 0.00% | 81,315 | 31.60% | - | 0.00% | - | 0.00% |
| Long-term loans from financial institution-net of current portion | 15,800 | 4.54% | 53,100 | 15.23% | 44,809 | 7.46% | 15,800 | 6.14% | 53,100 | 14.51% | 44,809 | 7.19% |
| Employee benefit obligations | 3,863 | 1.11% | 1,996 | 0.57% | 3,760 | 0.63% | 3,613 | 1.40% | 1,521 | 0.42% | 3,210 | 0.52% |
| Deferred tax liabilities | 7,719 | 2.22% | 7,247 | 2.08% | 6,497 | 1.08% | 7,719 | 3.00% | 7,247 | 1.98% | 6,497 | 1.04% |
| Other non-current liabilities | 3,525 | 1.01% | 4,535 | 1.30% | 5,201 | 0.87% | 3,241 | 1.26% | 4,196 | 1.15% | 4,771 | 0.77% |
| Total Non-Current Liabilities | 202,322 | 58.08% | 68,587 | 19.67% | 61,509 | 10.24% | 111,688 | 43.40% | 67,773 | 18.52% | 60,529 | 9.72% |
| Total Liabilities | 259,565 | 74.52% | 143,520 | 41.16% | 117,892 | 19.62% | 164,370 | 63.87% | 120,904 | 33.03% | 111,763 | 17.94% |
| Shareholders' Equity | | | | | | | | | | | | |
| Share capital-common shares | | | | | | | | | | | | |
| Authorized share capital | | | | | | | | | | | | |
| 400,000 shares, Baht 100 par value | 40,000 | 11.48% | 40,000 | 11.47% | - | 0.00% | 40,000 | 15.54% | 40,000 | 10.93% | - | 0.00% |
| 600,000 shares, Baht 100 par value | - | 0.00% | 60,000 | 17.21% | - | 0.00% | - | 0.00% | 60,000 | 16.39% | - | 0.00% |
| 570,000,000 shares, Baht 0.25 par value | - | 0.00% | - | 0.00% | 142,500 | 23.72% | - | 0.00% | - | 0.00% | 142,500 | 22.87% |

| (Unit: In Thousand Baht) | Consolidated Financial Statements | | | | | | Separate Financial Statements | | | |
|--|-----------------------------------|-----------------------------------|-----------------|---------|-------------------------------|---------|-----------------------------------|---------|-----------------|---------|
| | 2012 Audited "Restated" | 2013 Audited "Reclassified" | 2014 Audited | % | 2012 Audited "Restated" | % | 2013 Audited "Reclassified" | % | 2014 Audited | % |
| Issued and fully paid-up share capital | | | | | | | | | | |
| 400,000 shares, Baht 100 par value | 40,000 | 11.48% | 40,000 | 11.47% | - | 0.00% | 40,000 | 15.54% | 40,000 | 10.91% |
| 600,000 shares, Baht 100 par value | - | 0.00% | 60,000 | 17.21% | - | 0.00% | 60,000 | 16.39% | - | 0.00% |
| 570,000,000 shares, Baht 0.25 par value | - | 0.00% | - | 0.00% | 142,500 | 23.72% | - | 0.00% | 142,500 | 22.87% |
| Premium on share | | | | | | | | | | |
| Retained Earnings | - | 0.00% | 38,706 | 11.10% | 278,906 | 46.42% | - | 0.00% | 38,706 | 10.58% |
| - Appropriated for legal reserve | - | 0.00% | - | 0.00% | 4,836 | 0.80% | - | 0.00% | - | 0.00% |
| - Unappropriated | 23,301 | 6.69% | 81,323 | 23.32% | 69,313 | 11.54% | 22,101 | 8.59% | 74,982 | 20.49% |
| Other components of shareholders' equity | 30,232 | 8.68% | (14,830) | -4.25% | (12,552) | -2.10% | 30,875 | 12.00% | 31,396 | 8.58% |
| Equity attributable to the equity holders of the parent company | 93,533 | 26.85% | 205,199 | 58.84% | 482,963 | 80.38% | 92,976 | 36.13% | 245,084 | 66.86% |
| Non-controlling interests | (4,772) | -1.37% | 1 | 0.04% | 1 | 0.00% | - | 0.00% | - | 0.00% |
| Total Shareholders' Equity | 88,761 | 25.48% | 205,200 | 58.84% | 482,964 | 80.38% | 92,976 | 36.13% | 245,084 | 66.86% |
| Total Liabilities and Shareholders' Equity | 348,326 | 100.00% | 348,720 | 100.00% | 600,856 | 100.00% | 257,346 | 100.00% | 365,988 | 100.00% |
| | | | | | | | | | | |

NOTE: - In order to reflect this, the Company restated the consolidated statement of financial position as at December 31, 2012 of Siam Wellness Group Co.,Ltd. and its subsidiaries, as presented herewith for comparative purposes.

- The Management prepared the consolidated financial statements by acquisition method for all business combinations other than those with entities under common control. Acquisition from entities under common control are accounted for using a method similar to the pooling of interest method and in accordance with Guidelines issued by the Securities and Exchange Commission.
- Siam Wellness Lab Co.,Ltd. and Siam Wellness Resort Co.,Ltd. are 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.

Siam Wellness Group Public Company Limited and its Subsidiaries
Statement of Comprehensive Income
For the year ended December 31 2012 - 2014

| | Consolidated Financial Statements | | | | | | Separate Financial Statements | | | | | |
|---|-----------------------------------|----------------|-----------------------------------|----------------|-----------------|----------------|-------------------------------|----------------|-----------------------------------|----------------|-----------------|----------------|
| | 2012 Audited "Restated" | % | 2013 Audited "Reclassified" | % | 2014 Audited | % | 2012 Audited "Restated" | % | 2013 Audited "Reclassified" | % | 2014 Audited | % |
| Revenues | | | | | | | | | | | | |
| Revenue from sales | 24,884 | 10.03% | 40,562 | 12.44% | 38,192 | 11.12% | 6,926 | 3.36% | 11,043 | 3.98% | 13,703 | 4.62% |
| Revenue from services | 218,082 | 87.88% | 279,184 | 85.66% | 300,221 | 87.44% | 193,354 | 93.78% | 255,325 | 92.00% | 271,642 | 91.57% |
| Other income | 5,204 | 2.10% | 6,186 | 1.90% | 4,945 | 1.44% | 5,896 | 2.86% | 11,149 | 4.02% | 11,297 | 3.81% |
| Total Revenues | 248,170 | 100.00% | 325,933 | 100.00% | 343,358 | 100.00% | 206,176 | 100.00% | 277,517 | 100.00% | 296,642 | 100.00% |
| Expenses | | | | | | | | | | | | |
| Cost of sales | 9,002 | 3.63% | 26,599 | 8.16% | 24,901 | 7.25% | 4,363 | 2.12% | 7,852 | 2.83% | 8,694 | 2.93% |
| Cost of services | 156,060 | 62.88% | 159,747 | 49.01% | 200,443 | 58.38% | 132,939 | 64.48% | 150,630 | 54.28% | 193,120 | 65.10% |
| Selling expenses | 12,262 | 4.94% | 20,614 | 6.32% | 18,333 | 5.34% | 9,805 | 4.76% | 18,121 | 6.53% | 15,793 | 5.32% |
| Administrative expenses | 33,835 | 13.63% | 30,662 | 9.41% | 37,814 | 11.01% | 26,472 | 12.84% | 24,182 | 8.71% | 31,756 | 10.71% |
| Management benefit expenses | 8,690 | 3.50% | 8,597 | 2.64% | 16,408 | 4.78% | 8,690 | 4.21% | 8,597 | 3.10% | 16,408 | 5.52% |
| Total Expenses | 219,849 | 88.59% | 246,219 | 75.54% | 297,899 | 86.76% | 182,269 | 88.40% | 209,383 | 75.45% | 265,771 | 89.59% |
| Profit before income tax and finance cost | 28,321 | 11.41% | 79,714 | 24.46% | 45,459 | 13.24% | 23,907 | 11.60% | 68,134 | 24.55% | 30,871 | 10.41% |
| Finance cost | 3,456 | 1.39% | 4,002 | 1.23% | 5,532 | 1.61% | 1,636 | 0.79% | 2,808 | 1.01% | 5,209 | 1.76% |
| Profit before income tax | 24,865 | 10.02% | 75,712 | 23.23% | 39,927 | 11.63% | 22,271 | 10.80% | 65,327 | 23.54% | 25,662 | 8.65% |
| Income tax expense | 6,609 | 2.66% | 15,492 | 4.75% | 6,680 | 1.95% | 5,656 | 2.74% | 13,193 | 4.75% | 3,929 | 1.32% |
| Profit for the year | 18,256 | 7.36% | 60,220 | 18.48% | 33,247 | 9.68% | 16,615 | 8.06% | 52,134 | 18.79% | 21,733 | 7.33% |
| Gain on revaluation of Land | 38,594 | 15.55% | 652 | 0.20% | 2,797 | 0.81% | 38,594 | 18.72% | 652 | 0.23% | 2,797 | 0.94% |
| Gain (Loss) on actuarial from employee benefit plan | (151) | -0.06% | 871 | 0.27% | (525) | -0.15% | (151) | -0.07% | 934 | 0.34% | (677) | -0.23% |
| Income tax relating to components of other comprehensive income | (7,689) | -3.10% | (305) | -0.09% | (456) | -0.13% | (7,689) | -3.73% | (317) | -0.11% | (424) | -0.14% |
| Total Comprehensive Income (Loss) for the year | 49,010 | 19.75% | 61,438 | 18.85% | 35,063 | 10.21% | 47,369 | 22.98% | 53,403 | 19.24% | 23,429 | 7.90% |

| (Unit: In Thousand Baht) | Consolidated Financial Statements | | | | | | Separate Financial Statements | | | | |
|---|-----------------------------------|--|-----------------|---------------|-------------------------------|---------------|-----------------------------------|---------------|-----------------|---------------|-------|
| | 2012 Audited "Restated" | 2013 % Audited "Reclassified" | 2014 Audited | % | 2012 Audited "Restated" | % | 2013 Audited "Reclassified" | % | 2014 Audited | % | |
| Profit for the year attributable to: | | | | | | | | | | | |
| Equity holders of the parent company | 17,802 | 7.17% | 57,325 | 17.59% | 33,247 | 9.68% | 16,615 | 8.06% | 52,134 | 18.79% | |
| Non-controlling interests | 454 | 0.18% | 2,895 | 0.89% | - | 0.00% | | 0.00% | | 21,733 | 7.33% |
| | 18,256 | 7.36% | 60,220 | 18.48% | 33,247 | 9.68% | 16,615 | 8.06% | 52,134 | 18.79% | |
| Comprehensive Income for the year attributable to | | | | | | | | | | | |
| Equity holders of the parent company | 48,556 | 19.57% | 58,543 | 17.96% | 35,063 | 10.21% | 47,369 | 22.98% | 53,402 | 19.24% | |
| Non-controlling interests | 454 | 0.18% | 2,895 | 0.89% | - | 0.00% | | 0.00% | | 23,429 | 7.90% |
| | 49,010 | 19.75% | 61,438 | 18.85% | 35,063 | 10.21% | 47,369 | 22.98% | 53,402 | 19.24% | |
| Earnings per share for profit for the year attributable to | | | | | | | | | | | |
| Equity holders of the parent company (Baht) | 44,505 | | 0.17 | | 0.08 | | 41,538 | | 0.15 | | |
| | | | | | | | | | | 0.05 | |

NOTE: *Weighted average number of common shares outstanding in 2013 were adjusted based on the change of par value of Baht 100.00 per share to Baht 0.25 per share for comparative purpose

Siam Wellness Group Public Company Limited and its Subsidiaries
Statement of Cash Flows
For the year ended December 31, 2012 - 2014

| | (Unit: In Thousand Baht) | Consolidated Financial Statements | | | Separate Financial Statements | | | 2014 Audited |
|--|--------------------------|-----------------------------------|-----------------|-----------------|-------------------------------|-----------------|-----------------|-----------------|
| | | 2012 Audited | 2013 Audited | 2014 Audited | "Reclassified" | 2012 Audited | 2013 Audited | |
| Cash Flows From Operating Activities | | | | | | | | |
| Profit before income tax | 24,865 | 75,712 | 39,927 | 22,273 | 65,327 | 15,088 | 23,134 | |
| Adjustments for | | | | | | - | 3 | |
| Depreciation and amortization | 24,420 | 21,127 | 27,846 | 13,579 | 237 | 237 | 482 | |
| Bad debts and doubtful accounts | - | 742 | (150) | - | - | 135 | 2,565 | |
| Loss on decline in value of inventories | - | 307 | 762 | - | - | - | 236 | |
| Impairment loss on fixed assets | 5,638 | - | 2,565 | 5,638 | - | - | - | |
| Loss on sales and written-off of fixed assets | 0 | 158 | 336 | - | 33 | - | - | |
| Loss on written-off withholding tax | 155 | - | - | - | - | (2,045) | - | |
| Gain on the curtailment of defined benefit plan | - | (2,045) | - | - | - | - | - | |
| Finance cost | 3,456 | 4,002 | 5,532 | 1,636 | 2,808 | 5,209 | - | |
| Interest income | (146) | (219) | (435) | (115) | (152) | (444) | - | |
| Provisions for employee benefit obligations | 756 | 929 | 1,092 | 520 | 784 | 897 | - | |
| Profit from operating activities before changes in operating assets and liabilities | 59,144 | 100,713 | 77,475 | 43,531 | 82,215 | 57,845 | | |
| Decrease (Increase) in operating assets | | | | | | | | |
| Trade and other receivables | | | | | | | | |
| - Related parties | 4,705 | 994 | 231 | 4,012 | 2,076 | 99 | | |
| - Other parties | (1,877) | (1,819) | (1,968) | (1,265) | (12) | (3,988) | | |
| Inventories | (5,088) | (2,431) | 1,234 | (4,786) | (1,813) | (25) | | |
| Other current assets | (79) | 28 | (365) | (138) | (37) | (452) | | |
| Other non-current assets | (640) | (2,615) | (5,673) | (1,272) | (2,614) | (5,677) | | |

| (Unit: In Thousand Baht) | Consolidated Financial Statements | | | Separate Financial Statements | | |
|--|-----------------------------------|-----------------|------------------|-----------------------------------|-----------------|------------------|
| | 2012 Audited "Reclassified" | 2013 Audited | 2014 Audited | 2012 Audited "Reclassified" | 2013 Audited | 2014 Audited |
| Increase (Decrease) in Operating Liabilities | | | | | | |
| Trade and other payables | | | | | | |
| - Related parties | 4,177 | 305 | (884) | 5,055 | (1,546) | (693) |
| - Other parties | 12,586 | (5,775) | 2,778 | 14,833 | (6,821) | 3,555 |
| Other current liabilities | 206 | (175) | (102) | 40 | (47) | - |
| Other non-current liabilities | 95 | 937 | 577 | 181 | 883 | 486 |
| Cash generated from operations | 73,229 | 90,162 | 73,303 | 60,191 | 72,284 | 51,150 |
| Interest paid | (1,923) | (8,596) | (5,738) | - | (5,398) | (5,004) |
| Income tax paid | (2,068) | (10,656) | (14,358) | (1,897) | (9,947) | (12,487) |
| Net Cash Provided by Operating Activities | 69,238 | 70,910 | 53,207 | 58,294 | 56,939 | 33,659 |
| Cash Flows From Investing Activities | | | | | | |
| Increase in deposit pledged as collateral | - | 360 | - | - | 360 | - |
| Interest received | 148 | 219 | 220 | 115 | 152 | 207 |
| Increase in current investment | - | - | (100,000) | - | - | (100,000) |
| Increase short term loan to related parties | - | - | - | - | - | (5,500) |
| Proceeds from short term loan to related parties | - | - | - | - | - | - |
| Purchase of leasehold rights | (3,763) | (550) | (64) | - | (550) | (64) |
| Proceeds from sales of fixed assets | - | 2 | 1,686 | - | 2 | 1,686 |
| Purchase of property, plant and equipment | (52,374) | (56,310) | (87,649) | (54,787) | (54,305) | (86,506) |
| Net Cash Used in Investing Activities | (55,989) | (56,279) | (185,807) | (54,672) | (54,341) | (189,677) |
| Cash Flows From Financing Activities | | | | | | |
| Increase (Decrease) in short-term loan from financial institution | - | 16,000 | (16,000) | - | - | - |
| Decrease in liabilities under financial lease contracts | - | (1,048) | (443) | - | (1,048) | (443) |
| Increase in long-term loans from related parties | 24,687 | 11,685 | - | 24,687 | 11,685 | - |
| Repayments of long-term loan from related parties | (21,697) | (183,100) | - | (18,742) | (93,000) | - |
| Increase in long-term loans from financial institution | 20,000 | 50,500 | 80,500 | 20,000 | 50,500 | 80,500 |
| Repayments of long-term loan from financial institution | - | (4,200) | (89,751) | - | (4,200) | (89,751) |
| Cash received from increase share capital of non-controlling interests | - | 55,000 | - | - | - | - |

| (Unit: In Thousand Baht) | Consolidated Financial Statements | | | Separate Financial Statements | | |
|---|-----------------------------------|-----------------|-----------------|-----------------------------------|-----------------|-----------------|
| | 2012 Audited "Reclassified" | 2013 Audited | 2014 Audited | 2012 Audited "Reclassified" | 2013 Audited | 2014 Audited |
| Proceeds from issue of common shares | - | - | 42,500 | - | - | 42,500 |
| Proceeds from premium on share | - | - | 246,500 | - | - | 246,500 |
| Transaction costs for issue of common shares | - | - | (6,300) | - | - | (6,300) |
| Dividend paid | - | - | (40,000) | - | - | (40,000) |
| Net Cash Provided by (Used in) Financing Activities | 22,990 | (55,163) | 217,006 | 25,905 | (36,063) | 233,006 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 36,239 | (40,532) | 84,406 | 29,567 | (33,465) | 76,987 |
| Cash and cash equivalents at beginning of year | 23,926 | 60,165 | 19,633 | 16,730 | 46,297 | 12,832 |
| Net Cash and Cash Equivalents at end of year | 60,165 | 19,633 | 104,039 | 46,297 | 12,832 | 89,819 |

NOTE:

- In order to reflect this, the Company restated the consolidated statement of financial position as at December 31, 2012 of Siam Wellness Group Co.,Ltd. and its subsidiaries, as presented herewith for comparative purposes.
- The Management prepared the consolidated financial statements by acquisition method for all business combinations other than those with entities under common control. Acquisition from entities under common control are accounted for using a method similar to the pooling of interest method and in accordance with Guidelines issued by the Securities and Exchange Commission.
- Siam Wellness Lab Co.,Ltd. and Siam Wellness Resort Co.,Ltd. are 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.

Siam Wellness Group Public Company Limited and its Subsidiaries
Financial Ratio Highlights
For the year ended December 31, 2012 - 2014

| (Unit: In Thousand Baht) | Consolidated Financial Statements | | | | | | Separate Financial Statements | | | | | |
|---|-----------------------------------|-------|-----------------------------------|-------|-----------------|-------|-------------------------------|-------|-----------------------------------|-------|--------|-------|
| | 2012 Audited "Restated" | | 2013 Audited "Reclassified" | | 2014 Audited | | 2012 Audited "Restated" | | 2013 Audited "Reclassified" | | | |
| | | | | | | | | | | | | |
| Liquidity Ratio | | | | | | | | | | | | |
| Current Ratio | 1.30 | times | 0.48 | times | 3.92 | times | 1.08 | times | 0.43 | times | 4.08 | times |
| Quick Ratio/Acid Test Ratio | 1.16 | times | 0.35 | times | 2.00 | times | 0.96 | times | 0.28 | times | 1.81 | times |
| Liquidity of Cash Flow Operation | 1.60 | times | 1.07 | times | 0.81 | times | 1.56 | times | 1.09 | times | 0.65 | times |
| Account Receivable Turnover | 31.24 | times | 50.56 | times | 45.71 | times | 34.87 | times | 82.73 | times | 69.30 | times |
| Average Collection Period | 12 | days | 7 | days | 8 | days | 10 | days | 4 | days | 5 | days |
| Inventory Turnover | 34.32 | times | 22.14 | times | 26.57 | times | 41.96 | times | 24.37 | times | 28.37 | times |
| Days Sales in Inventory | 10 | days | 16 | days | 14 | days | 9 | days | 15 | days | 13 | days |
| Account Payable Turnover | 4.44 | times | 4.53 | times | 5.86 | times | 4.36 | times | 4.33 | times | 5.89 | times |
| Average Payment Period | 81 | days | 79 | days | 61 | days | 82 | days | 83 | days | 61 | days |
| Cash Cycle | (69) | days | (72) | days | (54) | days | (72) | days | (79) | days | (56) | days |
| Profitability Ratio | | | | | | | | | | | | |
| Gross Profit Margin | 32.06 | % | 41.72 | % | 33.41 | % | 31.44 | % | 40.48 | % | 29.27 | % |
| Operating Profit Margin | 9.51 | % | 22.97 | % | 11.97 | % | 8.99 | % | 21.37 | % | 6.86 | % |
| Other Profit Margin | 2.10 | % | 1.92 | % | 1.44 | % | 2.86 | % | 4.05 | % | 3.81 | % |
| Operating Cash Flow to Net Income Ratio | 3.00 | times | 0.97 | times | 1.31 | times | 3.24 | times | 1.00 | times | 1.72 | times |
| Net Profit Margin | 7.36 | % | 18.48 | % | 9.68 | % | 8.06 | % | 18.79 | % | 7.33 | % |
| Return on Equity | 26.36 | % | 40.32 | % | 9.66 | % | 23.98 | % | 30.84 | % | 5.75 | % |
| Efficiency Ratio | | | | | | | | | | | | |
| Return on Assets | 6.17 | % | 17.28 | % | 7.00 | % | 8.18 | % | 16.73 | % | 4.39 | % |
| Return on Fixed Asset | 18.80 | % | 29.34 | % | 18.61 | % | 20.51 | % | 32.90 | % | 17.31 | % |
| Fixed Asset Turnover | 0.84 | times | 0.94 | times | 0.72 | times | 1.02 | times | 0.89 | times | 0.60 | times |
| Financial Policy Ratio | | | | | | | | | | | | |
| Debt to Equity Ratio | 2.92 | times | 0.70 | times | 0.24 | times | 1.77 | times | 0.49 | times | 0.22 | times |
| Time Interest Earned | 21.19 | times | 22.53 | times | 13.25 | times | 36.79 | times | 25.74 | times | 9.82 | times |
| Leverage Ratio (Cash Basis) | (0.89) | times | (0.29) | times | (0.30) | times | (0.79) | times | (0.37) | times | (0.19) | times |
| Dividend Payout Ratio | 0.00 | % | 66.42 | % | 42.86 | % | 0.00 | % | 76.73 | % | 65.57 | % |

Management Discussion and Analysis

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED (“The Company”) would like to report the Management Discussion and Analysis of the financial statements of the Company and subsidiaries of 2014, ended of 31 December 2014 and to explicate the causes of performance that has changed more than 20% from the previous period. The Company and subsidiaries have the total revenue of 343.36 million baht, an increase of 17.43 million baht from last year (or 5.35%) with the net profit of 33.25 million baht. Net profit is calculated as 9.82% of sales and services’ revenue. The net profit of the Company and subsidiaries has decreased 26.97 million baht (or 44.79%) compared to the same period last year. The political situations has a significant impact on the decreasing net profit during the first and second quarter and continued in the third quarter of 2014, causing the Company’s revenue to be lower than anticipated. While the Company has more expenses on the leasing agreement and administrative expenses in opening three more branches in 2014, this caused the performance in 2014 to decrease compared to last year. The details are described below:

Revenue

The Company and subsidiaries have total revenue in 2014 of 343.36 million baht, an increase of 17.43 million baht (or 5.35%). The big proportion of revenue comes from spa business accounted to 79.11% of the total revenue. The increase of revenue mostly came the expansion stores opened this year, which are Let’s Relax Hua Hin, Let’s Relax Siam Square 1, and RarinJinda Wellness Spa Ploenchit. While some parts of the city in Bangkok have affected by the political situations and several branches such as Let’s Relax Terminal 21, Let’s Relax Sukhumvit 39 (Phromphong) and RarinJinda Wellness Spa Ratchadamri have been affected, causing the revenues of these branches to decrease significantly during the first quarter. The political situations has continued to affect to the second quarter and also affected the tourism in Thailand, where the tourists have cancelled their trips to the country. The political situations have an impact on the decreasing of revenues of all the branches located in Bangkok during this period compared to the same period last year. Moreover, the revenues from the new branches that were opened at the second half of the previous year which are Let’s Relax Mandarin and Sabaii by Let’s Relax Silom were lower than anticipated in 2014, mainly from the consequences from the abrupt political situations. Although the branches outside Bangkok [Phuket, Pattaya, Koh Samui, Chiang Mai] have higher revenues yet still lower than the decreasing of the revenues of the branches located in Bangkok. The situation has continued to have an impact on the third quarter and recovered in the fourth quarter of 2014. For the hotel business and restaurant, the subsidiary is only affected partially as the facility is located in Chiang Mai. The revenue of this year is in line with last year. The revenue of spa products, which has the sales mostly through spa branches of the Company, also affected by the decreasing of the revenues of the spa branches located in Bangkok, causing this portion of revenue to decrease. However, the total revenue of the Company and subsidiaries this year has increased partially from last year.

Cost of Sales and Services

In 2014, the Company and subsidiaries have the cost of sales and services of 225.34 million baht, accounted to 66.59% of sales and services’ revenue. This is an increase of 39.00 million baht from previous year (or 20.93%). The increasing cost comes from the increases of employees’ salaries and expenses of

employee matters, higher leasing and service agreement and higher property maintenance expenses. This is the result of the expansion of the new spa branches that requires the additional expenses of leasing agreements and hiring more employees.

Selling Expenses

In 2014, the Company and subsidiaries have the selling expenses of 18.33 million baht, accounted to 5.42% of the sales and services' revenue. This is a decrease of 2.28 million baht (or 11.07%). The Company and subsidiaries continue to reduce the cost of advertising and promoting as well as the cost of transportation for promoting causing the total expenses of sales of the Company and subsidiaries to decrease compared to the same period of last year.

Administrative Expenses

In 2014, the Company and subsidiaries have the administrative expenses of 37.81 million baht, accounted to 11.17% of the revenue of sales and services. This is an increase of 7.15 million baht (or 23.33%). This is resulted from an increasing in the number of employees and accounting team that caused the cost of labor of the Company and subsidiaries to increase. Also, there is a cost of other administrative expenses from the impairment of assets with the amount of 2.57 million baht, the cost of the design of Onsen complex that is prepared to be constructed next to RarinJinda Wellness Spa Phuket (currently, it was changed to Let's Relax Phuket Patong 3rd street) delaying in which causing the administrative expenses in 2014 to be higher than usual.

Net Profit

In 2014, the Company and subsidiaries have the net profit of 33.25 million baht or 9.82% of the revenue of sales and services. The net profit of the Company and subsidiaries decrease 26.97 million baht (or 44.79%) compared to previous year. This is the result from the decreasing in revenue of sales and services of the branches located in Bangkok, with the effect of political situations during the first two quarters causing the total revenue to be lower than anticipated. The Company has higher costs in the expansion of spa branches, leasing and agreement, and employees' salaries, the impairment of assets that is considered as a fixed cost as an investment in spa branches during the end of last year (2013) as well as the renovations of spa branches and the opening of the new branches within the beginning of this year (2014). Although the cost of selling and administrative expenses did not increase much, yet the significant increase in Cost of Sales and Services causes the total expenses of the Company and subsidiaries to increase 53.21 million baht (or 21.27%) together with the revenue that is less than anticipated, leads to the lower Net Profit for the Company and subsidiaries

**SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Financial Statements

For the Year Ended December 31, 2014

and Report of Independent Auditor

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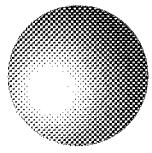
BPR AUDIT AND ADVISORY CO., LTD.

Independent Auditors

Amis qmms
ป.ส.ไนส์ บร.ส.ก.ส.ก.ส.ก.ส.



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED



บริษัท บีพีอาร์ ออดิท แอนด์ แอดไวซอรี่ จำกัด

BPR AUDIT AND ADVISORY CO., LTD.

152 อาคารชาร์เตอร์ สแควร์ ชั้น 12 เล ห้อง 08 ถนนสاثร์เห็นอ แขวงสีลม เขตบางรัก กรุงเทพฯ 10500 ประเทศไทย โทร. 02-6345398 แฟกซ์. 02-6345399
152 Chartered Square Bldg, 12A Floor, Suite 08, North Sathorn Road, Silom, Bangkok 10500, Thailand Tel. (+662) 6345398 Fax. (+662) 6345399 www.bpraudit.co.th

REPORT OF INDEPENDENT AUDITOR

To the Shareholders and Board of Directors of Siam Wellness Group Public Company Limited

I have audited the accompanying consolidated financial statements of Siam Wellness Group Public Company Limited and its subsidiaries, which comprises the consolidated statement of financial position as at December 31, 2014, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. I have also audited the financial statements of Siam Wellness Group Public Company Limited which comprises the statement of financial position as at December 31, 2014, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The 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 determine 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 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.

ป.ก. วันที่ ๑๖๘๗๙๔



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Opinion

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Siam Wellness Group Public Company Limited and its subsidiaries as at December 31, 2014, and their financial performance and their cash flows for the year then ended and the financial position of Siam Wellness Group Public Company Limited as at December 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standard.

Boonlert K

(Mr. Boonlert Kaewphanpurk)
Certified Public Accountant
Registration No. 4165

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
February 25, 2015



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2014

ASSETS

| Notes | In Baht | | | | | |
|--|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|--------------------|
| | Consolidated Financial Statements | | | Separate Financial Statements | | |
| | December 31, 2014 | December 31, 2013 | January 1, 2013 | December 31, 2014 | December 31, 2013 | January 1, 2013 |
| | "Reclassified" | "Reclassified" | "Reclassified" | "Reclassified" | "Reclassified" | "Reclassified" |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents | 7 | 104,039,050 | 19,633,011 | 60,164,598 | 89,819,388 | 12,831,997 |
| Current investment | 8 | 100,000,000 | - | - | 100,000,000 | - |
| Trade and other receivables | | | | | | |
| - Related parties | 6,9 | 52,691 | 283,951 | 1,278,310 | 351,241 | 450,819 |
| - Other parties | 9 | 8,402,061 | 6,068,965 | 5,014,462 | 5,816,142 | 1,617,595 |
| Short term loan and interest receivable to related party | 6 | - | - | - | 5,023,425 | - |
| Inventories | 10 | 7,482,996 | 9,478,582 | 7,353,980 | 6,886,145 | 7,343,148 |
| Other current assets | | 1,028,453 | 663,226 | 691,287 | 991,664 | 539,403 |
| Total Current Assets | | 221,005,251 | 36,127,735 | 74,502,637 | 208,888,005 | 22,782,962 |
| | | | | | | 56,833,216 |
| NON-CURRENT ASSETS | | | | | | |
| Deposit at financial institution pledged as collateral | | - | - | 360,000 | - | - |
| Investment in subsidiaries | 11 | - | - | - | 101,705,460 | 101,705,460 |
| Leasehold rights on land | 12 | 4,641,544 | 3,710,483 | 3,802,710 | 4,641,544 | 3,710,482 |
| Property, plant and equipment | 13 | 359,514,875 | 296,985,092 | 257,468,965 | 292,255,606 | 226,157,011 |
| Deferred tax assets | 19 | 208,745 | 260,255 | 1,320,566 | - | - |
| Other non-current assets | | | | | | |
| - Deposits and retentions | 25 | 14,520,942 | 11,367,871 | 8,671,575 | 14,520,942 | 11,367,871 |
| - Others | | 964,435 | 268,607 | 349,616 | 964,435 | 264,418 |
| Total Non-Current Assets | | 379,850,541 | 312,592,308 | 271,973,432 | 414,087,987 | 343,205,242 |
| | | | | | | 198,662,572 |
| TOTAL ASSETS | | 600,855,792 | 348,720,043 | 346,476,069 | 622,975,992 | 365,988,204 |
| | | | | | | 255,495,788 |

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

LIABILITIES AND SHAREHOLDERS' EQUITY

| Notes | In Baht | | | | | |
|---|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|--------------------|
| | Consolidated Financial Statements | | | Separate Financial Statements | | |
| | December 31, 2014 | December 31, 2013 | January 1, 2013 | December 31, 2014 | December 31, 2013 | January 1, 2013 |
| CURRENT LIABILITIES | | | | | | |
| Short - term loan from financial institutions | 14 | - | 16,000,000 | - | - | - |
| Trade and other payables | | | | | | |
| - Related parties | 6,15 | 1,561,387 | 2,887,983 | 7,370,144 | 3,256,888 | 3,949,946 |
| - Other parties | 15 | 39,413,238 | 33,075,140 | 38,850,358 | 34,189,029 | 27,073,554 |
| Current portion of liabilities under financial lease contracts | 16 | 467,835 | 443,024 | - | 467,835 | 443,024 |
| * Current portion of long-term loan from financial institutions | 17 | 12,240,000 | 13,200,000 | 4,200,000 | 12,240,000 | 13,200,000 |
| Income tax payable | | 2,662,024 | 9,186,197 | 6,507,310 | 1,068,119 | 8,451,685 |
| Other current liabilities | | 39,187 | 141,056 | 316,446 | 12,032 | 12,227 |
| Total Current Liabilities | | 56,383,671 | 74,933,400 | 57,244,258 | 51,233,903 | 53,130,436 |
| NON-CURRENT LIABILITIES | | | | | | |
| Liabilities under financial lease contracts-net of current portion | 16 | 1,241,641 | 1,709,476 | - | 1,241,641 | 1,709,476 |
| Long-term loans from related parties | | - | - | 171,415,111 | - | - |
| Long-term loan from financial institution - net of current portion | 17 | 44,809,000 | 53,100,000 | 15,800,000 | 44,809,000 | 53,100,000 |
| Employee benefit obligations | 18 | 3,760,414 | 1,995,874 | 3,862,575 | 3,210,420 | 1,520,807 |
| Deferred tax liabilities | 19 | 6,496,771 | 7,246,928 | 5,868,459 | 6,496,771 | 7,246,928 |
| Other non-current liabilities | | 5,200,696 | 4,534,601 | 3,524,560 | 4,770,726 | 4,196,381 |
| Total Non-Current Liabilities | | 61,508,522 | 68,586,879 | 200,470,705 | 60,528,558 | 67,773,592 |
| TOTAL LIABILITIES | | 117,892,193 | 143,520,279 | 257,714,963 | 111,762,461 | 120,904,028 |
| SHAREHOLDERS' EQUITY | | | | | | |
| Share capital - common shares | | | | | | |
| Authorized share capital - 570,000,000 shares, Baht 0.25 par value in 2014, 1,000,000 shares, Baht 100 par value in 2013 and 400,000 shares, Baht 100 per value in 2012 | | <u>142,500,000</u> | <u>100,000,000</u> | <u>40,000,000</u> | <u>142,500,000</u> | <u>100,000,000</u> |
| Issued and fully paid-up share capital - 570,000,000 shares, Baht 0.25 par value in 2014, 1,000,000 shares, Baht 100 par value in 2013 and 400,000 shares, Baht 100 per value in 2012 | 20 | 142,500,000 | 100,000,000 | 40,000,000 | 142,500,000 | 100,000,000 |
| Premium on share | 21 | 278,905,854 | 38,706,000 | - | 278,905,854 | 38,706,000 |
| Retained earnings | | | | | | |
| - Appropriated for legal reserve | | 4,836,092 | - | - | 4,836,092 | - |
| - Unappropriated | | 69,313,297 | 81,323,394 | 23,301,109 | 51,337,270 | 74,981,847 |
| Other components of shareholders' equity | | (12,592,164) | (14,830,150) | 30,232,394 | 33,634,315 | 31,396,329 |
| Equity attributable to the equity holders of the parent company | | 482,963,079 | 205,199,244 | 93,533,503 | 511,213,531 | 245,084,176 |
| Non-controlling interests | | 520 | 520 | (4,772,397) | - | - |
| TOTAL SHAREHOLDERS' EQUITY | | 482,963,599 | 205,199,764 | 88,761,106 | 511,213,531 | 245,084,176 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 600,855,792 | 348,720,043 | 346,476,069 | 622,975,992 | 365,988,204 |
| | | | | | | 255,495,788 |

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

[Handwritten signature]
 บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2014

| Notes | In Baht | | | |
|---|-----------------------------------|------------------------|-------------------------------|------------------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 "Reclassified" | 2014 | 2013 "Reclassified" |
| REVENUES | 6 | | | |
| Revenue from sales | 38,192,411 | 40,562,310 | 13,703,279 | 11,043,095 |
| Revenue from services | 300,220,952 | 279,184,403 | 271,641,591 | 255,325,325 |
| Other income | 4,945,061 | 6,186,348 | 11,297,549 | 11,149,180 |
| Total Revenues | 343,358,424 | 325,933,061 | 296,642,419 | 277,517,600 |
| EXPENSES | 6, 23 | | | |
| Costs of sales | 24,900,977 | 26,598,976 | 8,693,995 | 7,852,357 |
| Costs of services | 200,442,839 | 159,746,795 | 193,120,251 | 150,630,237 |
| Selling expenses | 18,333,016 | 20,614,091 | 15,792,649 | 18,121,255 |
| Administrative expenses | 37,814,458 | 30,662,054 | 31,755,764 | 24,181,589 |
| Management benefit expenses | 16,408,169 | 8,597,143 | 16,408,169 | 8,597,143 |
| Finance cost | 5,531,906 | 4,002,210 | 5,208,710 | 2,807,828 |
| Total Expenses | 303,431,365 | 250,221,269 | 270,979,538 | 212,190,409 |
| Profit before income tax | 39,927,059 | 75,711,792 | 25,662,881 | 65,327,191 |
| Income tax expense | (6,679,896) | (15,491,568) | (3,929,553) | (13,193,319) |
| PROFIT FOR THE YEAR | 33,247,163 | 60,220,224 | 21,733,328 | 52,133,872 |
| Other comprehensive income (loss) - net of tax | | | | |
| Gain on revaluation of land | 2,797,483 | 651,546 | 2,797,483 | 651,546 |
| Gain (Loss) on actuarial from employee benefit plan | (524,751) | 871,247 | (677,266) | 933,559 |
| Income tax relating to components of other comprehensive income | (455,914) | (304,559) | (424,044) | (317,021) |
| TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR | 35,063,981 | 61,438,458 | 23,429,501 | 53,401,956 |
| Profit for the year attributable to : | | | | |
| Equity holders of the parent company | 33,247,163 | 57,325,288 | 21,733,328 | 52,133,872 |
| Non-controlling interests | - | 2,894,936 | - | - |
| | 33,247,163 | 60,220,224 | 21,733,328 | 52,133,872 |
| Comprehensive income for the year attributable to : | | | | |
| Equity holders of the parent company | 35,063,981 | 58,543,522 | 23,429,501 | 53,401,956 |
| Non-controlling interests | - | 2,894,936 | - | - |
| | 35,063,981 | 61,438,458 | 23,429,501 | 53,401,956 |
| Earnings per share for profit for the year attributable to equity holders to the parent company | 24 | 0.08 | 0.17 | 0.05 |
| | | | | 0.15 |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

| Consolidated Financial Statements | | | | | | | | | |
|---|---|---------------------|--|--|--|---|------------------------------|-------------------------------|--------------------|
| In Baht | | | | | | | | | |
| | | | | | | | | | |
| Other components of shareholders' equity | | | | | | | | | |
| Notes | Issued and fully paid-up share capital ¹ | Premium on share | Retained earnings Appropriated for legal reserve | Surplus on business combination under common control | Total components of shareholders' equity | Equity attributable to the equity holders of the parent company | Non-controlling interests | Total shareholders' equity | |
| | | | | Surplus on revaluation of assets | | | | | |
| | | | | | | | | | |
| Balance as at January 1, 2013 | 40,000,000 | - | - | 23,301,109 | (642,698) | 30,875,092 | 30,232,394 | 93,533,503 | (4,772,397) |
| Transaction with owners, recorded directly in shareholders' equity | | | | | | | | | |
| Increase in share capital | 20 | 60,000,000 | - | 38,706,000 | - | (45,583,781) | - | (45,583,781) | - |
| Surplus on business combination under common control | | - | - | - | - | - | - | 60,000,000 | - |
| Decrease in non - controlling interests from business combination under common control | | - | - | - | - | - | - | (6,877,781) | (6,877,781) |
| Total transactions with owners, recorded directly in shareholders' equity | 60,000,000 | 38,706,000 | - | - | (45,583,781) | - | - | 53,122,219 | 1,877,981 |
| Comprehensive income (loss) for the year | | | | | | | | | |
| Profit for the year | | - | - | 57,325,288 | - | - | 57,325,288 | 2,894,336 | 60,220,224 |
| Other comprehensive income | | - | - | 66,997 | - | 521,237 | 1,218,234 | - | 1,218,234 |
| Total comprehensive income (loss) for the year | | | | 58,022,285 | - | 521,237 | 58,543,522 | 2,894,336 | 61,438,458 |
| Balance as at December 31, 2013 | 100,000,000 | 38,706,000 | - | 81,323,394 | (46,226,479) | 31,396,329 | (14,830,150) | 205,199,244 | 520 |
| Balance as at January 1, 2014 | 100,000,000 | 38,706,000 | - | 81,323,394 | (46,226,479) | 31,396,329 | (14,830,150) | 205,199,244 | 520 |
| Transaction with owners, recorded directly in shareholders' equity | | | | | | | | | |
| Increase in share capital | 20 | 42,500,000 | 240,199,854 | - | - | - | - | 282,699,854 | - |
| Dividends paid | 22 | - | - | (40,000,000) | - | - | (40,000,000) | - | (40,000,000) |
| Appropriated for legal reserve | 21,22 | - | - | 4,836,092 | (4,836,092) | - | - | - | - |
| Total transactions with owners, recorded directly in shareholders' equity | 42,500,000 | 240,199,854 | 4,836,092 | (44,836,092) | - | - | - | 242,699,854 | - |
| Total comprehensive income (loss) for the year | | | | | | | | | |
| Profit for the year | | - | - | 33,247,163 | - | - | 33,247,163 | - | 33,247,163 |
| Other comprehensive income (loss) | | - | - | (421,168) | - | - | 2,237,986 | 1,816,818 | 1,816,818 |
| Total comprehensive income (loss) for the year | | | | 32,825,995 | - | 2,237,986 | 2,237,986 | 35,063,381 | 35,063,381 |

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

บริษัท สยามแอลเอนเจรี่ จำกัด (มหาชน)
SAM WELLNESS GROUP PUBLIC COMPANY LIMITED

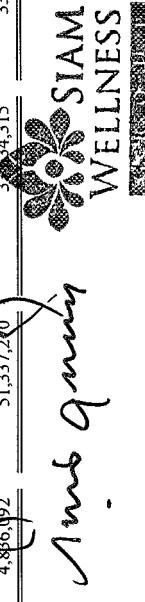
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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2014

| Separate Financial Statements | | | | | | | | |
|--|--|---------------------|--|--|--|---------------------------------------|-------------------|-------------------------|
| In Baht | | | | | | | | |
| Notes | Issued and fully paid-up share capital | Premium on share | Retained earnings Appropriated for legal reserve | Other components of shareholders' equity | | | | |
| | | | | income (loss) | Surplus on revaluation of assets | components of shareholder's equity | Total | Shareholders' equity |
| | 40,000,000 | - | 22,101,128 | 30,875,092 | 30,875,092 | | 92,976,220 | |
| Balance as at January 1, 2013 | | | | | | | | |
| Transaction with owners, recorded directly in shareholders' equity | | | | | | | | |
| Increase in share capital | 20 | 60,000,000 | - | - | - | - | - | 60,000,000 |
| Premium on share from investing in subsidiary under common control | | | 38,706,000 | - | - | - | - | 38,706,000 |
| Total transactions with owners, recorded directly in shareholders' equity | | 60,000,000 | 38,706,000 | | | | | 98,706,000 |
| Comprehensive income (loss) for the year | | | | | | | | |
| Profit for the year | | - | - | 52,133,872 | - | - | - | 52,133,872 |
| Other comprehensive income | | - | - | 746,847 | 521,237 | 521,237 | 521,237 | 1,268,084 |
| Total comprehensive income (loss) for the year | | | | 52,880,719 | 521,237 | 521,237 | 521,237 | 53,401,956 |
| Balance as at December 31, 2013 | | 100,000,000 | 38,706,000 | | 74,981,847 | 31,396,329 | 31,396,329 | 245,084,176 |
| Balance as at January 1, 2014 | | 100,000,000 | 38,706,000 | | 74,981,847 | 31,396,329 | 31,396,329 | 245,084,176 |
| Transaction with owners, recorded directly in shareholders' equity | | | | | | | | |
| Increase in share capital | 20 | 42,500,000 | 240,199,854 | - | - | - | - | 282,699,854 |
| Dividends paid | 22 | - | - | - | (40,000,000) | - | - | (40,000,000) |
| Appropriated for legal reserve | 21,22 | - | - | 4,836,092 | (4,836,092) | - | - | - |
| Total transactions with owners, recorded directly in shareholders' equity | | 42,500,000 | 240,199,854 | | (44,836,092) | | | 242,699,854 |
| Comprehensive income (loss) for the year | | | | | | | | |
| Profit for the year | | - | - | 21,733,328 | - | - | - | 21,733,328 |
| Other comprehensive income (loss) | | - | - | (54,813) | 2,237,986 | 2,237,986 | 2,237,986 | 1,696,173 |
| Total comprehensive income (loss) for the year | | | | 21,191,515 | 2,237,986 | 2,237,986 | 2,237,986 | 23,429,501 |
| Balance as at December 31, 2014 | | 142,500,000 | 278,905,854 | | 4,836,092 | 51,337,210 | 33,334,315 | 511,213,531 |

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



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

| | In Baht | | | |
|--|-----------------------------------|--------------------|-------------------------------|-------------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before income tax | 39,927,059 | 75,711,792 | 25,662,881 | 65,327,191 |
| Adjustments for | | | | |
| Depreciation and amortization | 27,846,111 | 21,127,762 | 23,134,483 | 15,088,361 |
| Bad debts and doubtful accounts | (149,897) | 742,255 | 3,489 | 236,655 |
| Loss on decline in value of inventories | 761,673 | 306,562 | 481,723 | 135,031 |
| Impairment loss on fixed assets | 2,565,416 | - | 2,565,416 | - |
| Loss on sales and written-off of fixed assets | 335,908 | 158,357 | 335,908 | 33,426 |
| Loss on written-off withholding tax | 64 | - | - | - |
| Gain on the curtailment of defined benefit plan | - | (2,044,636) | - | (2,044,636) |
| Provisions for employee benefit obligations | 1,091,994 | 929,257 | 896,561 | 783,743 |
| Finance cost | 5,531,906 | 4,002,210 | 5,208,710 | 2,807,828 |
| Interest income | (434,738) | (219,346) | (444,578) | (152,027) |
| Profit from operating activities before changes in operating assets and liabilities | 77,475,496 | 100,714,213 | 57,844,593 | 82,215,572 |
| Decrease (Increase) in operating assets | | | | |
| Trade and other receivables | | | | |
| - Related parties | 231,260 | 994,559 | 99,578 | 2,076,252 |
| - Other parties | (1,968,743) | (1,819,442) | (3,987,516) | (11,662) |
| Inventories | 1,233,913 | (2,431,164) | (24,720) | (1,813,118) |
| Other current assets | (365,227) | 28,060 | (452,261) | (37,241) |
| Other non - current assets | (5,672,875) | (2,615,286) | (5,677,065) | (2,614,287) |
| Increase (Decrease) in operating liabilities | | | | |
| Trade and other payables | | | | |
| - Related parties | (883,937) | 304,806 | (693,058) | (1,545,569) |
| - Other parties | 2,778,098 | (5,775,218) | 3,555,476 | (6,820,779) |
| Other current liabilities | (101,868) | (175,410) | (193) | (47,283) |
| Other non-current liabilities | 577,344 | 937,155 | 485,594 | 882,655 |
| Cash generated from operations | 73,303,461 | 90,162,273 | 51,150,428 | 72,284,540 |
| Interest paid | (5,738,018) | (8,596,347) | (5,004,173) | (5,398,259) |
| Income tax paid | (14,358,629) | (10,655,775) | (12,487,320) | (9,947,412) |
| Net Cash Provided by Operating Activities | 53,206,814 | 70,910,151 | 33,658,935 | 56,938,869 |

SIAM
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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

ปีงบประมาณ พ.ศ. ๒๕๖๗

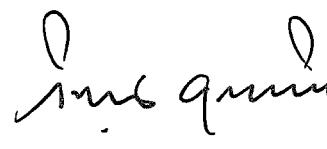
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2014

| | In Baht | | | |
|--|-----------------------------------|---------------------|-------------------------------|---------------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 220,217 | 219,346 | 206,632 | 152,027 |
| Increase in current investment | (100,000,000) | - | (100,000,000) | - |
| Increase in deposit pledged as collateral | - | 360,000 | - | 360,000 |
| Purchases of leasehold right on land | (63,936) | (550,000) | (63,936) | (550,000) |
| Increase short term loan to related parties | - | - | (5,500,000) | - |
| Proceeds from in short term loan to related parties | - | - | 500,000 | - |
| Proceeds from sales of fixed assets | 1,686,543 | 1,869 | 1,686,543 | 1,869 |
| Purchases of property, plant and equipment | (87,649,428) | (56,310,342) | (86,506,612) | (54,304,691) |
| Net Cash Used in Investing Activities | (185,806,604) | (56,279,127) | (189,677,373) | (54,340,795) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Increase (Decrease) in short-term loan from financial institution | (16,000,000) | 16,000,000 | - | - |
| Increase in liabilities under financial lease contracts | (443,025) | (1,047,500) | (443,025) | (1,047,500) |
| Increase in long-term loans from related parties | - | 11,684,889 | - | 11,684,889 |
| Repayments of long-term loans from related parties | - | (183,100,000) | - | (93,000,000) |
| Increase in long-term loan from financial institution | 80,500,000 | 50,500,000 | 80,500,000 | 50,500,000 |
| Repayments of long-term loan from financial institution | (89,751,000) | (4,200,000) | (89,751,000) | (4,200,000) |
| Cash received from increase share capital of non-controlling interests | - | 55,000,000 | - | - |
| Proceeds from issue of common shares | 42,500,000 | - | 42,500,000 | - |
| Proceeds from premium on share | 246,500,000 | - | 246,500,000 | - |
| Transaction costs for issue of common shares | (6,300,146) | - | (6,300,146) | - |
| Dividends paid | (40,000,000) | - | (40,000,000) | - |
| Net Cash Provided by (Used in) Financing Activities | 217,005,829 | (55,162,611) | 233,005,829 | (36,062,611) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 84,406,039 | (40,531,587) | 76,987,391 | (33,464,537) |
| Cash and cash equivalents at beginning of year | 19,633,011 | 60,164,598 | 12,831,997 | 46,296,534 |
| NET CASH AND CASH EQUIVALENTS AT END OF YEAR | 104,039,050 | 19,633,011 | 89,819,388 | 12,831,997 |

Supplementary disclosures of cash flow information

Non-cash items

- During the years 2014 and 2013, the Company had gain on revaluation of land amounting to Baht 2.8 million and Baht 0.6 million, respectively.
- During the year 2014, the Company has increase in property, plant and equipment from trade and other payables totaling Baht 3.5 million.
- During the year 2013, the Company acquired vehicle under financial lease contract amounting to Baht 3.2 million.
- During the year 2013, the Company purchased investment in subsidiary which paid by the increase of share capital of the Company, 600,000 common shares at Baht 100.00 par value, totaling of Baht 60.0 million. Fair value of such increase of share capital was Baht 164.5 per share, totaling of Baht 98.7 million.



 บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements

December 31, 2014

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the directors on February 25, 2014.

1. GENERAL INFORMATION

Siam Wellness Group Public Company Limited (“the Company”) was incorporated as limited company under the laws of Thailand on November 28, 2001 and its registered head office is at 483, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Bangkok, Thailand and as at December 31, 2014, the Company has a total of 13 branches in Bangkok and upcountry (December 31, 2013: 11 branches).

The Company registered in the Stock Exchange of Thailand on October 31, 2014 and its common shares had been approved to be listed in the MAI (MAI : Market of Alternative Investment).

The Company operates in Thailand and principally engages in massage for health.

2. BASIS OF FINANCIAL STATEMENT PRESENTATION

2.1 The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretation and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulation of Thai Securities and Exchange Commission.

The financial statements are presented in Thai Baht which is the Company and its subsidiaries’ functional currency unless otherwise stated. They are prepared on the historical cost basis except as disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements as at December 31, 2014 and 2013, include the accounts of Siam Wellness Group Public Company Limited and its subsidiaries as follows:

| Name of Companies | Type of business | In Thousand Baht | | Percentage of direct and indirect holdings (%) | |
|----------------------------------|---|-----------------------|--------|--|-------|
| | | Paid-up share capital | | 2014 | 2013 |
| Siam Wellness Lab Co.,Ltd. | Manufacturing and distributing spa products | 1,000 | 1,000 | 99.98 | 99.98 |
| Siam Wellness Education Co.,Ltd. | A school for Thai massage | 1,000 | 1,000 | 99.97 | 99.97 |
| Siam Wellness Resort Co.,Ltd. | Hotel and restaurant operations | 60,000 | 60,000 | 99.98 | 99.98 |

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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

- b) The Management prepared the consolidated financial statements by acquisition method for all business combinations other than those with entities under common control. Acquisition from entities under common control are accounted for using a method similar to the pooling of interest method and in accordance with Guidelines issued by the Securities and exchange commission.
- c) 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.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

3. APPLICATION OF NEW ACCOUNTING STANDARDS, FINANCIAL REPORTING STANDARD AND ACCOUNTING STANDARD INTERPRETATION

The Federation of Accounting Professions has issued notifications, already published in the Royal Gazette, mandating the use of accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations as follows:

- a) Accounting standard, financial reporting standard and interpretations which were effective.

| | | <u>Effective date</u> |
|-----------------------|---|-----------------------|
| Accounting Standards: | | |
| TAS 1 (Revised 2012) | Presentation of Financial Statements | January 1, 2014 |
| TAS 7 (Revised 2012) | Statement of Cash Flows | January 1, 2014 |
| TAS 12 (Revised 2012) | Income Taxes | January 1, 2014 |
| TAS 17 (Revised 2012) | Leases | January 1, 2014 |
| TAS 18 (Revised 2012) | Revenues | January 1, 2014 |
| TAS 19 (Revised 2012) | Employee Benefits | January 1, 2014 |
| TAS 21 (Revised 2012) | The Effects of Changes in Foreign Exchange Rate | January 1, 2014 |
| TAS 24 (Revised 2012) | Related Party Disclosures | January 1, 2014 |
| TAS 28 (Revised 2012) | Investment in Associates | January 1, 2014 |
| TAS 31 (Revised 2012) | Interests in Joint Venture | January 1, 2014 |

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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

| | | Effective date |
|--|--|-----------------|
| TAS 34 (Revised 2012) | Interim Financial Reporting | January 1, 2014 |
| TAS 38 (Revised 2012) | Intangible Assets | January 1, 2014 |
| Financial Reporting Standards: | | |
| TFRS 2 (Revised 2012) | Share - Based Payments | January 1, 2014 |
| TFRS 3 (Revised 2012) | Business Combinations | January 1, 2014 |
| TFRS 4 | Insurance Contracts | January 1, 2016 |
| TFRS 5 (Revised 2012) | Non - current Assets Held for Sale and Discontinued Operations | January 1, 2014 |
| TFRS 8 (Revised 2012) | Operating Segments | January 1, 2014 |
| Accounting Standard Interpretations: | | |
| TSIC 15 | Operating Leases-Incentives | January 1, 2014 |
| TSIC 27 | Evaluating the Substance of Transactions Involving the Legal Form of a Lease | January 1, 2014 |
| TSIC 29 | Service Concession Arrangements: Disclosures | January 1, 2014 |
| TSIC 32 | Intangible Assets-Web Site Costs | January 1, 2014 |
| Financial Reporting Standard Interpretations: | | |
| TFRIC 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities | January 1, 2014 |
| TFRIC 4 | Determining whether an Arrangement contains a Lease | January 1, 2014 |
| TFRIC 5 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds | January 1, 2014 |
| TFRIC 7 | Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies | January 1, 2014 |
| TFRIC 10 | Interim Financial Reporting and Impairment | January 1, 2014 |
| TFRIC 12 | Service Concession Arrangements | January 1, 2014 |
| TFRIC 13 | Customer Loyalty Programmes | January 1, 2014 |
| TFRIC 17 | Distributions of Non-cash Assets to Owners | January 1, 2014 |
| TFRIC 18 | Transfer of Assets from Customers | January 1, 2014 |

The revised accounting standard, revised financial reporting standards and related interpretations have no significant impact to the Company and its subsidiaries.

Mr. Somsak Chaiwattanaporn

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

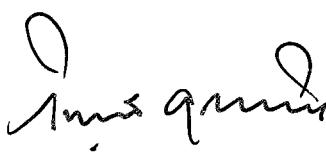
b) New accounting standard, financial reporting standard and interpretations issued not yet effective

| | Effective date |
|-------------------------------|--|
| Accounting Standard: | |
| TAS 1 (revised 2014) | Presentation of Financial Statements January 1, 2015 |
| TAS 2 (revised 2014) | Inventories January 1, 2015 |
| TAS 7 (revised 2014) | Statement of Cash Flows January 1, 2015 |
| TAS 8 (revised 2014) | Accounting Policies, Changes in Accounting Estimates and Errors January 1, 2015 |
| TAS 10 (revised 2014) | Events after the Reporting Period January 1, 2015 |
| TAS 11 (revised 2014) | Construction Contracts January 1, 2015 |
| TAS 12 (revised 2014) | Income Taxes January 1, 2015 |
| TAS 16 (revised 2014) | Property, Plant and Equipment January 1, 2015 |
| TAS 17 (revised 2014) | Leases January 1, 2015 |
| TAS 18 (revised 2014) | Revenue January 1, 2015 |
| TAS 19 (revised 2014) | Employee Benefits January 1, 2015 |
| TAS 20 (revised 2014) | Accounting for Government Grants and Disclosure of Government Assistance January 1, 2015 |
| TAS 21 (revised 2014) | The Effects of Changes in Foreign Exchange Rates January 1, 2015 |
| TAS 23 (revised 2014) | Borrowing Costs January 1, 2015 |
| TAS 24 (revised 2014) | Related Party Disclosures January 1, 2015 |
| TAS 26 (revised 2014) | Accounting and Reporting by Retirement Benefit Plans January 1, 2015 |
| TAS 27 (revised 2014) | Separate Financial Statements January 1, 2015 |
| TAS 28 (revised 2014) | Investments in Associates and Joint Ventures January 1, 2015 |
| TAS 29 (revised 2014) | Financial Reporting in Hyperinflationary Economies January 1, 2015 |
| TAS 33 (revised 2014) | Earnings per Share January 1, 2015 |
| TAS 34 (revised 2014) | Interim Financial Reporting January 1, 2015 |
| TAS 36 (revised 2014) | Impairment of Assets January 1, 2015 |
| TAS 37 (revised 2014) | Provisions, Contingent Liabilities and Contingent Assets January 1, 2015 |
| TAS 38 (revised 2014) | Intangible Assets January 1, 2015 |
| TAS 40 (revised 2014) | Investment Property January 1, 2015 |
| Financial Reporting Standard: | |
| TFRS 2 (revised 2014) | Share-based Payment January 1, 2015 |
| TFRS 3 (revised 2014) | Business Combinations January 1, 2015 |
| TFRS 4 (revised 2014) | Insurance Contracts January 1, 2016 |
| TFRS 5 (revised 2014) | Non-current Assets Held for Sale and Discontinued Operations January 1, 2015 |
| TFRS 6 (revised 2014) | Exploration for and Evaluation of Mineral Resources January 1, 2015 |
| TFRS 8 (revised 2014) | Operating Segments January 1, 2015 |



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

| | | Effective date |
|--|--|-----------------|
| TFRS 10 | Consolidated Financial Statements | January 1, 2015 |
| TFRS 11 | Joint Arrangements | January 1, 2015 |
| TFRS 12 | Disclosure of Interests in Other Entities | January 1, 2015 |
| TFRS 13 | Fair Value Measurement | January 1, 2015 |
| Accounting Standard Interpretations: | | |
| TSIC 10 (revised 2014) | Government Assistance - No Specific Relation to Operating Activities | January 1, 2015 |
| TSIC 15 (revised 2014) | Operating Leases - Incentives | January 1, 2015 |
| TSIC 25 (revised 2014) | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders | January 1, 2015 |
| TSIC 27 (revised 2014) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease | January 1, 2015 |
| TSIC 29 (revised 2014) | Service Concession Arrangements: Disclosures | January 1, 2015 |
| TSIC 31 (revised 2014) | Revenue - Barter Transactions Involving Advertising Services | January 1, 2015 |
| * TSIC 32 (revised 2014) | Intangible Assets - Web Site Costs | January 1, 2015 |
| Financial Reporting Standard Interpretations: | | |
| TFRIC 1 (revised 2014) | Changes in Existing Decommissioning, Restoration and Similar Liabilities | January 1, 2015 |
| TFRIC 4 (revised 2014) | Determining whether an Arrangement contains a Lease | January 1, 2015 |
| TFRIC 5 (revised 2014) | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds | January 1, 2015 |
| TFRIC 7 (revised 2014) | Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies | January 1, 2015 |
| TFRIC 10 (revised 2014) | Interim Financial Reporting and Impairment | January 1, 2015 |
| TFRIC 12 (revised 2014) | Service Concession Arrangements | January 1, 2015 |
| TFRIC 13 (revised 2014) | Customer Loyalty Programmes | January 1, 2015 |
| TFRIC 14 | TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | January 1, 2015 |
| TFRIC 15 (revised 2014) | Agreements for the Construction of Real Estate | January 1, 2015 |
| TFRIC 17 (revised 2014) | Distributions of Non-cash Assets to Owners | January 1, 2015 |
| TFRIC 18 (revised 2014) | Transfers of Assets from Customers | January 1, 2015 |
| TFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine | January 1, 2015 |


Mr. Arunachal Prasad

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

The Company and its subsidiaries have made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRSs, and expects that there will be no material impact on the financial statements in the period of initial application.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Non-monetary assets and liabilities measured at cost in a foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the date of the transactions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand, cash in-transit, cheque in-transit, deposits at financial institutions and fixed deposit and current investment with a maturity period not over 3 months since it is acquired except for cash at bank held as collateral.

Current Investment

Current Investment consists of investment in fixed deposit with a maturity period over 3 months but less than 1 year.

Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts. The Company and its subsidiaries allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of the existing receivables. Bad debts are written off when incurred.

Inventories

Inventories are stated at the lower of cost (first in-first out basis) and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to sell.

Investment

Investment in subsidiaries

Investment in subsidiaries is accounted for using the cost method less allowance for impairment loss (if any). The devaluation of investment is present as impairment loss of investment, which reflected in the statement of comprehensive income.

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Property, Plant and Equipment and Depreciation

Land is stated at revaluation cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company and its subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company and its subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

Construction-in-progress represents assets under construction and is stated at cost less impairment loss (if any). This includes cost of construction and other direct costs. Construction-in-progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

| | |
|---------------------------------------|-----------------------------------|
| Land improvement | 5 years |
| Buildings and building on rental land | 20 years and a period of lease |
| Building improvement | 5, 20 years and a period of lease |
| Furniture, fixture and equipment | 5 years |
| Vehicles | 5 years |

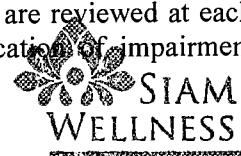
No depreciation is provided on land and construction-in-progress.

Leasehold rights on land

Leasehold right on land is stated at cost less accumulated depreciation and allowance for impairment (if any). Amortization is charged to the statement of comprehensive income on a straight-line basis over a period of lease.

Impairment of Assets

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



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of comprehensive income.

Calculation of recoverable amount

The recoverable amount of other assets is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Trade and Other Payables

Trade and other payables are stated at cost.

Provisions

A provision is recognized in the statement of financial position when the Company and its subsidiaries has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Employee benefits

Short-term employee benefits

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

The Company and their employees have jointly established a provident fund as approved by the Ministry of Finance in accordance with the Provident Fund (B.E. 2530). Contributions are made to the fund by both employees at the rate of 3 percent of salary and the Company at the rate of 3 percent of salary. Provident fund contributions is recorded as expenses in the year incurred.

Post-employment benefits

Defined benefit plans

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



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

The obligation under the defined benefit plans 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 on a regular basis. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognized on a straight-line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of defined benefit obligations are recognized when the curtailment or settlement occurs.

Actuarial gains and losses arising from post-employment benefits and other long-term employee benefits arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bond.

Long-term leases

Where the Company and its subsidiaries are the lessee

Leases of property or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. The property or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the determination takes place.

Where the Company and its subsidiaries are the lessor

Assets leased out under operating leases are included in property and equipment in the statements of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property and equipment owned by the Company and its subsidiaries. Rental income is recognised on a straight-line basis over the lease term.

Surplus on business combination under common control

Surplus on business combination under common control arises from the merger of businesses under the common control of the ultimate majority shareholder of the Company. The surplus represents the difference between the cost of the combination and carrying amounts of net identifiable assets at the date of combination. The Company recognizes the difference arising from common control transactions under shareholders' equity until disposal of the investment.

Amrit Agarwal

จ. พ. ก. น. ว. ร. บ. ล. น. ว. ร. บ. ล.
บริษัท สยามเวลส์กรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Revenues

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sales of goods and services rendered

Revenue from sales is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Service income is recognized as services are rendered.

Interest income

Interest income is recognized in the statement of comprehensive income as it accrues.

Expenses

Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income on a straight line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease payments made.

Finance costs

Interest expenses and similar costs are charged to the statement of comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Amnajinda



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Significant accounting estimates and assumptions

The preparation of financial statements in conformity with financial reporting standard at times 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:

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.

Impairment of investments

The Company treats investment in subsidiaries and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the Management.

Property, Plant and Equipment and Depreciation

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

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

Amulya

จ.ร.น.ส. จ.ร.น.ส. จ.ร.น.ส.
บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

Post-employment benefits under defined benefit plans

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

Earnings per Share

Earnings per share is calculated by dividing the profit for the year attributable to the equity holders of the parent company by the weighted average number of common shares outstanding during the year.

5. CHANGE IN ACCOUNTING

During the year 2013, the Company and its subsidiary changed in estimate useful lives of certain assets which is building improvements of a service branch and hotel from 20 years to 30 years and restaurant from 10 years to 30 years. Such change effected are summarized as follows:

| | In Thousand Baht | |
|--|-----------------------------------|-------------------------------|
| | Consolidated Financial Statements | Separate Financial Statements |
| Statements of comprehensive income for the year ended December 31, 2013 | | |
| Increase in profit attributable to equity holders of the parent company | 4,913 | 2,430 |
| Increase in profit attributable to non-controlling interests | 813 | - |
| Increase in earnings per share to equity holders of the parent company* (Baht) | 0.01 | 0.01 |

*Earnings per share calculated by weighted average number of common shares outstanding in 2013 adjusted based on the change of par value of Baht 100.00 per share to Baht 0.25 per share.

6. RELATED PARTY TRANSACTIONS

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related companies. Related parties are those parties controlled by the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the Company.

Types of relationship of related parties are as follows:

| Name of Related parties | Type of business | Type of relationship |
|-----------------------------------|---|----------------------|
| Siam Wellness Lab Co., Ltd. | Manufacturer and sale of spa products | A subsidiary |
| Siam Wellness Education Co., Ltd. | A school for Thai massage | A subsidiary |
| Siam Wellness Resort Co.,Ltd. | Hotel and restaurant operations | A subsidiary |
| Blooming Co., Ltd. | Sale of gift , a blessing card and a notebook | Co shareholders |
| B.U. Enterprise Co., Ltd. | Properties rental | Co shareholders |
| Cyberprint Co., Ltd. | Printing business | Co shareholders |
| Asian Fortune Property Co., Ltd. | Real estate development | Co shareholders |
| Rarinjinda Ordinary Partnership | Properties rental | Co directors |



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Pricing policies for each transaction are described as follows:

| Transactions | Pricing policies |
|----------------------------------|--------------------------------|
| Revenues from services | Market price |
| Revenues from sales | Market price |
| Revenues from rental and utility | Contract price |
| Other income | Actual price |
| Interest income | MLR - 1.05% p.a. |
| Purchases and services | Market price |
| Service expenses | Contract price |
| Rental and utility expenses | Contract price |
| Commission expenses | Contract price |
| Interest expenses | Fixed deposit rate +1.50% p.a. |

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2014 and 2013 are summarized as follows:

| | In Thousand Baht | | | |
|---|--------------------------------------|------------|----------------------------------|--------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Revenues from services | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 456 | 238 |
| Cyberprint Co., Ltd. | 46 | 83 | 24 | 7 |
| Blooming Co., Ltd. | 3 | - | 3 | - |
| | <u>49</u> | <u>83</u> | <u>483</u> | <u>245</u> |
| Revenues from sales | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 4 | - |
| Siam Wellness Lab Co., Ltd. | - | - | 5 | 3 |
| Siam Wellness Education Co., Ltd. | - | - | 1 | - |
| Cyberprint Co., Ltd. | 38 | 102 | - | - |
| B.U. Enterprise Co., Ltd. | 4 | 20 | - | - |
| Blooming Co., Ltd. | 92 | 158 | 9 | 13 |
| | <u>134</u> | <u>280</u> | <u>19</u> | <u>16</u> |
| Other income | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 679 | 170 |
| Siam Wellness Lab Co., Ltd. | - | - | 959 | 240 |
| Siam Wellness Education Co., Ltd. | - | - | 121 | 30 |
| Cyberprint Co., Ltd. | - | 91 | - | 91 |
| | <u>-</u> | <u>91</u> | <u>1,759</u> | <u>531</u> |
| Revenues from rental and utility | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 4,971 | 4,576 |
| Siam Wellness Lab Co., Ltd. | - | - | 394 | 357 |
| Siam Wellness Education Co., Ltd. | - | - | 347 | 314 |
| | <u>-</u> | <u>-</u> | <u>5,712</u> | <u>5,247</u> |

Amnunchai

นาย อัมรุชัย สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

| | In Thousand Baht | | | |
|------------------------------------|-----------------------------------|-------|-------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Interest income | | | | |
| Siam Wellness Education Co., Ltd. | - | - | 13 | - |
| Siam Wellness Resort Co., Ltd. | - | - | 36 | - |
| | - | - | 49 | - |
| Purchases and services | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 2,624 | 1,715 |
| Siam Wellness Lab Co., Ltd. | - | - | 9,706 | 8,974 |
| Siam Wellness Education Co., Ltd. | - | - | 2,218 | - |
| Blooming Co., Ltd. | 6,000 | 5,319 | 5,661 | 4,949 |
| B.U. Enterprise Co., Ltd. | 697 | 800 | 494 | 644 |
| Cyberprint Co., Ltd. | 695 | 1,008 | 453 | 510 |
| Workprint Co., Ltd. | - | - | - | - |
| | 7,392 | 7,127 | 21,156 | 16,792 |
| Rental and Utility expenses | | | | |
| Rarinjinda Ordinary Partnership | 2,894 | 2,833 | 2,894 | 2,833 |
| Asian Fortune Property Co., Ltd. | 5,765 | 5,299 | 5,765 | 5,299 |
| B.U. Enterprise Co., Ltd. | - | - | - | - |
| Related persons | 1,732 | 1,467 | 1,732 | 1,467 |
| | 10,391 | 9,599 | 10,391 | 9,599 |
| Interest expenses | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 178 | - |
| Director and related persons | - | 1,566 | - | 1,207 |
| | - | 1,566 | 178 | 1,207 |

Management benefit expenses for the years ended December 31, 2014 and 2013 are as follows:

| | In Thousand Baht | | | |
|------------------------------------|-----------------------------------|-------|-------------------------------|-------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Management benefit expenses | | | | |
| Short-term employee benefits | 16,085 | 8,183 | 16,085 | 8,183 |
| Post-employment benefits | 323 | 414 | 323 | 414 |
| Total | 16,408 | 8,597 | 16,408 | 8,597 |

○
Anusorn
○

ประเคน จ.ก.ว.น.ท.๗๙



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

Balances as at December 31, 2014, and 2013 with related parties are as follows:

| | In Thousand Baht | | | |
|---|--------------------------------------|---------------------|----------------------------------|---------------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Trade and other receivables | | | | |
| Trade receivables | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 320 | 191 |
| Siam Wellness Lab Co., Ltd. | - | - | 7 | 122 |
| Siam Wellness Education Co., Ltd. | - | - | - | 45 |
| Blooming Co., Ltd. | 2 | 150 | - | - |
| Cyberprint Co., Ltd. | 49 | 109 | 24 | 32 |
| B.U. Enterprise Co., Ltd. | 2 | 13 | - | - |
| | <u>53</u> | <u>272</u> | <u>351</u> | <u>390</u> |
| Other receivables | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | - | 61 |
| Directors | - | 12 | - | - |
| Total | <u>53</u> | <u>284</u> | <u>351</u> | <u>451</u> |
| Short-term loans and interest receivable | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | - | - |
| Short-term loans | - | - | 5,000 | - |
| Interest receivable | - | - | 23 | - |
| | <u>-</u> | <u>-</u> | <u>5,023</u> | <u>-</u> |
| Trade and other payables | | | | |
| Trade payables | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 112 | 356 |
| Siam Wellness Lab Co., Ltd. | - | - | 1,575 | 2,020 |
| Siam Wellness Education Co., Ltd. | - | - | 287 | - |
| Blooming Co., Ltd. | 703 | 974 | 635 | 871 |
| B.U. Enterprise Co., Ltd. | 65 | 155 | 48 | 106 |
| Cyberprint Co., Ltd. | 354 | 382 | 247 | 55 |
| Asian Fortune Property Co., Ltd. | 77 | 56 | 77 | 56 |
| Rarinjinda Ordinary Partnership | - | 72 | - | - |
| | <u>1,199</u> | <u>1,639</u> | <u>2,981</u> | <u>3,464</u> |
| Other payables | | | | |
| Accrued interest from directors | - | 359 | - | - |
| Advance from directors | 362 | 890 | 276 | 486 |
| | <u>362</u> | <u>1,249</u> | <u>276</u> | <u>486</u> |
| Total | <u>1,561</u> | <u>2,888</u> | <u>3,257</u> | <u>3,950</u> |

Janus

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Movement of short-term loan and interest receivable from related persons during the year ended December 31, 2014 are as follows:

| | In Thousand Baht | | |
|-----------------------------------|-------------------------------|--------------|----------------------|
| | Separate Financial Statements | | |
| December 31, 2013 | Increase | Decrease | December 31, 2014 |
| Siam Wellness Education Co., Ltd. | | | |
| Short-term loan | - | 500 | (500) |
| Interest receivable | - | 9 | (9) |
| | <u>509</u> | <u>(509)</u> | <u>-</u> |
| Siam Wellness Resort Co., Ltd. | | | |
| Short-term loan | - | 5,000 | - |
| Interest receivable | - | 23 | - |
| | <u>5,023</u> | <u>-</u> | <u>5,023</u> |

Movement of short-term loan and interest expenses from related persons during the year ended December 31, 2014 are as follows:

| | In Thousand Baht | | |
|--------------------------------|-------------------------------|-----------------|----------------------|
| | Separate Financial Statements | | |
| December 31, 2013 | Increase | Decrease | December 31, 2014 |
| Siam Wellness Resort Co., Ltd. | | | |
| Short-term loan | - | 15,000 | (15,000) |
| Accrued interest | - | 178 | (178) |
| | <u>15,178</u> | <u>(15,178)</u> | <u>-</u> |

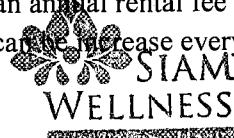
Significant agreements with related parties

1. On January 1, 2013, the Company entered into a lease agreement with Rarinjinda Ordinary Partnership (Formerly Rarinjinda, A Body of Persons) for the period of 30 years, due in December 2042 and such agreement is renewable by a formal notice letter not less than 3 years before term due of agreement. Under the agreement, the Company committed to pay an annual rental fee amounting to approximately Baht 2.9 million and not more than 15% of rental fee can be increased every 3 years.

Furthermore, on January 1, 2013, the Company made a sublease agreement with Siam Wellness Resort Co., Ltd. for the period of 30 years, due in December, 2042 and such agreement is renewable by a formal notice letter 3 years before term due of agreement. Under the agreement, Siam Wellness Resort Co., Ltd. committed to pay an annual rental fee amounting to approximately Baht 1.9 million and not more than 15% of rental fee can be increase every 3 years.

Under the lease and sublease agreements, assets which the Company and the subsidiary build or modify will be transferred the rights to Rarinjinda Ordinary Partnership on maturity date.

2. On January 1, 2013, the Company entered into a head office rental agreement with a related person for the period of 3 years due in December 2015 and such agreement is renewable twice for every 3 years. Under the agreement, the Company committed to pay an annual rental fee amounting to approximately Baht 1.3 million and not more than 15% of rental fee can be increase every 3 years.



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

Furthermore, on January 1, 2013, the Company made sublease agreements with Siam Wellness Lab Co., Ltd. and Siam Wellness Education Co., Ltd. ("sublessees") for the period of 3 years, due in December, 2015 and such agreements are renewable twice for every 3 years. Under the agreements, the sublessees committed to pay an annual rental fee amounting to approximately Baht 0.7 million.

3. On January 23, 2014, the Company has entered into rental agreements for employees with a related person for the period of 3 years, due in December 2016, and such agreements are renewable by a formal notice letter not less than 2 months before term due of agreements. Under the agreements, the Company committed to pay an annual rental fee amounting to approximately Baht 0.3 million.

4. On February 1, 2014, the Company has entered into a rental and service agreement with Asian Fortune Property Co., Ltd. for the period of 3 years, due in January 2017 and such agreement is renewable twice for every 3 years. Under the agreement, the Company committed to pay an annual rental and service fees amounting to approximately Baht 6 million.

7. CASH AND CASH EQUIVALENTS

| | In Thousand Baht | | | |
|---------------|-----------------------------------|--------|-------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Cash | 2,629 | 3,323 | 2,257 | 2,835 |
| Cash in banks | 101,410 | 16,310 | 87,562 | 9,997 |
| Total | 104,039 | 19,633 | 89,819 | 12,832 |

As at December 31, 2014 and 2013 the Company and its subsidiaries have bank deposits in saving accounts carried interests 0.35% - 0.38% p.a. and 0.55% - 0.63% p.a. respectively. (Separate financial statements : interests at 0.35% - 0.38% p.a. and 0.55% - 0.63% p.a. respectively).

8. CURRENT INVESTMENTS

| | In Thousand Baht | | | |
|--|-----------------------------------|------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Deposits at financial institution - fixed accounts | 100,000 | - | 100,000 | - |

Deposits at financial institution - fixed account was 4 months term, bearing interest rates at 2.90% p.a.



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

9. TRADE AND OTHER RECEIVABLES

| | In Thousand Baht | | | |
|--------------------------------------|-----------------------------------|-------|-------------------------------|-------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Related parties | | | | |
| Trade receivables | 53 | 272 | 351 | 390 |
| Other receivables | - | 12 | - | 61 |
| | 53 | 284 | 351 | 451 |
| Less Allowance for doubtful accounts | - | - | - | - |
| Net | 53 | 284 | 351 | 451 |
| Other parties | | | | |
| Trade receivables | 3,189 | 5,489 | 949 | 719 |
| Other receivables | 5,557 | 1,323 | 5,107 | 1,135 |
| | 8,746 | 6,812 | 6,056 | 1,854 |
| Less Allowance for doubtful accounts | (344) | (743) | (240) | (237) |
| Net | 8,402 | 6,069 | 5,816 | 1,617 |
| Total | 8,455 | 6,353 | 6,167 | 2,068 |

Trade receivables-related parties are classified by aging as at December 31, 2014 and 2013 as follows:

| | In Thousand Baht | | | |
|--------------------------------------|-----------------------------------|------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Not yet due | 51 | 272 | 351 | 390 |
| Over due | | | | |
| Less than 3 months | 2 | - | - | - |
| Over 3 - 6 months | - | - | - | - |
| Over 6 - 12 months | - | - | - | - |
| Over 12 months | - | - | - | - |
| Total | 53 | 272 | 351 | 390 |
| Less Allowance for doubtful accounts | - | - | - | - |
| Net | 53 | 272 | 351 | 390 |

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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

Trade receivables - other parties are classified by aging as at December 31, 2014 and 2013 as follows:

| | In Thousand Baht | | | |
|--------------------------------------|-----------------------------------|--------------|-------------------------------|------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Not yet due | 1,996 | 3,820 | 469 | 708 |
| Over due | | | | |
| Less than 3 months | 956 | 658 | 364 | 10 |
| Over 3 - 6 months | 126 | 306 | 109 | - |
| Over 6 - 12 months | 6 | 397 | 6 | 1 |
| Over 12 months | 105 | 308 | 1 | - |
| Total | 3,189 | 5,489 | 949 | 719 |
| Less Allowance for doubtful accounts | (108) | (506) | (4) | - |
| Net | <u>3,081</u> | <u>4,983</u> | <u>945</u> | <u>719</u> |

| | In Thousand Baht | | | |
|---|-----------------------------------|------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Bad debt and doubtful accounts (Reversal) | (150) | 743 | 3 | 237 |

10. INVENTORIES

| | In Thousand Baht | | | |
|--|-----------------------------------|--------------|-------------------------------|--------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Finished goods | 1,920 | 2,304 | 2,880 | 2,164 |
| Supplies | 4,704 | 5,375 | 4,623 | 5,314 |
| Food and beverage | 337 | 307 | - | - |
| Others | 1,590 | 1,800 | - | - |
| Total | 8,551 | 9,786 | 7,503 | 7,478 |
| Less Allowance for decline in value of inventories | (1,068) | (307) | (617) | (135) |
| Net | <u>7,483</u> | <u>9,479</u> | <u>6,886</u> | <u>7,343</u> |

The cost of inventories which is recognized as an expense and included in cost of sales for the years ended December 31, 2014 and 2013, amounted to Baht 35.2 million and Baht 29.9 million, respectively. (Separate financial statements: Baht 24.3 million and Baht 20.8 million, respectively).

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นายพันธุ์ พูลวัฒนาภรณ์



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Movement of the allowance for decline in value of inventories for the years ended December 31, 2014 and 2013 are as follows :

| | In Thousand Baht | | | |
|---|-----------------------------------|------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Balance as at January 1, | 307 | - | 135 | - |
| Add Loss on decline in value of inventories | 761 | 307 | 482 | 135 |
| Balance as at December 31. | 1,068 | 307 | 617 | 135 |

11. INVESTMENT IN SUBSIDIARIES

| Name of the Companies | Type of business | Percentage of direct and indirect Holdings (%) | | In Thousand Baht | |
|-----------------------------------|---------------------------------------|--|-------|------------------|---------|
| | | 2014 | 2013 | At Cost | 2013 |
| Siam Wellness Lab Co., Ltd. | Manufacturer and sale of spa products | 99.98 | 99.98 | 2,000 | 2,000 |
| Siam Wellness Education Co., Ltd. | Thai massage school | 99.97 | 99.97 | 1,000 | 1,000 |
| Siam Wellness Resort Co., Ltd. | Hotel and restaurant operations | 99.98 | 99.98 | 98,705 | 98,705 |
| | | | | 101,705 | 101,705 |

At the Board of Directors' Meeting No. 2/2013 held on March 8, 2013 and the Extraordinary Shareholders' Meeting No. 2/2013 held on March 29, 2013, approved to acquire Siam Wellness Resort Co., Ltd. (Formerly Rarinjinda Co., Ltd.) operating in hotel and restaurant business by shares swapped in the proportion of 1:1. The Company increased its share capital of Baht 60 million by issuing new 600,000 common shares at Baht 100.0 par value for the purpose of shares swapped as mentioned. Fair value of such increase of share capital was Baht 164.5 per share, totaling of Baht 98.7 million. As at March 31, 2013, the Company has 99.98% holdings of Siam Wellness Resort Co., Ltd. In addition, former shareholders of Siam Wellness Resort Co., Ltd. are the same group of shareholders of the Company. The acquisition was thus considered to be a business combination under common control.

Net assets of Siam Wellness Resort Co., Ltd. at acquisition date (March 31, 2013) are as follows:

| | In Thousand Baht |
|---|------------------|
| Cash and cash equivalents | 4,846 |
| Trade and other receivables | |
| Related parties | 882 |
| Other parties | 4,505 |
| Inventories | 700 |
| Other current assets | 85 |
| Building improvements and equipment - net | 73,630 |
| Deferred tax assets | 573 |
| Other non-current assets | 4 |
| Total assets | <u>85,225</u> |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

In Thousand Baht

| | |
|---|---------------|
| Short - term loan from financial institutions | 25,000 |
| Trade and other payables | |
| Related parties | 3,352 |
| Other parties | 3,016 |
| Other current liabilities | 148 |
| Employee benefit obligations | 283 |
| Other non-current liabilities | 305 |
| Total liabilities | <u>32,104</u> |
| Identifiable assets and liabilities | 53,121 |
| Difference from business combination | 45,584 |
| The purchase consideration | <u>98,705</u> |

The Company recognized the difference from business combination as surplus on business combination under common control in other components of shareholders' equity.

12. LEASEHOLD RIGHTS ON LAND

| | <u>In Thousand Baht</u> |
|--|---|
| | <u>Consolidated and Separate Financial Statements</u> |
| <u>At cost</u> | |
| Balance as at January 1, 2013 | 4,753 |
| Acquisition | 550 |
| Written-off | (990) |
| Balance as at December 31, 2013 | <u>4,313</u> |
| Acquisition | 64 |
| Transfer in/(out) | 1,824 |
| Written-off | - |
| Balance as at December 31, 2014 | <u>6,201</u> |
| <u>Amortization</u> | |
| Balance as at January 1, 2013 | 950 |
| Amortization for the year | 643 |
| Written-off | (990) |
| Balance as at December 31, 2013 | <u>603</u> |
| Amortization for the year | 957 |
| Written-off | - |
| Balance as at December 31, 2014 | <u>1,560</u> |
| <u>Net book value</u> | |
| December 31, 2013 | <u>3,710</u> |
| December 31, 2014 | <u>4,641</u> |
| <u>Amortization included in the statements of comprehensive income for the years</u> | |
| 2013 | <u>642</u> |
| 2014 | <u>957</u> |

Amendments

ปรับปรุง ประจำปีงบประมาณ



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

13. PROPERTY, PLANT AND EQUIPMENT

| | In Thousand Baht | | | | | | |
|---|-----------------------------------|---------------------|---|--|----------|-----------------------------|----------|
| | Consolidated Financial Statements | | | | | | |
| | Revaluation basis | | Cost basis | | | | |
| | Land | Land improvement | Building and building improvement | Furniture, fixtures and equipment | Vehicles | Construction in progress | Total |
| Cost | | | | | | | |
| Balance as at January 1, 2013 | 52,542 | 2,776 | 278,022 | 81,968 | 9,553 | 22,835 | 447,696 |
| Additions | 1,989 | - | 8,393 | 8,667 | 4,074 | 36,390 | 59,513 |
| Revaluations | 651 | - | - | - | - | - | 651 |
| Disposals/ written-off | - | (92) | (6,302) | (23,938) | - | - | (30,332) |
| Transfers in (out) | - | - | 53,139 | 1,453 | - | (54,592) | - |
| Balance as at December 31, 2013 | 55,182 | 2,684 | 333,252 | 68,150 | 13,627 | 4,633 | 477,528 |
| Additions | 1,963 | - | 8,822 | 10,165 | 958 | 69,301 | 91,209 |
| Revaluations | 2,797 | - | - | - | - | - | 2,797 |
| Disposals/ written-off | - | - | (2,773) | (4,540) | - | - | (7,313) |
| Transfers in (out) | - | - | 67,259 | 2,803 | - | (70,062) | - |
| Balance as at December 31, 2014 | 59,942 | 2,684 | 406,560 | 76,578 | 14,585 | 3,872 | 564,221 |
| Accumulated depreciation | | | | | | | |
| Balance as at January 1, 2013 | - | 2,707 | 108,334 | 67,384 | 6,164 | - | 184,589 |
| Depreciation charge for the year | - | 32 | 12,718 | 6,126 | 1,610 | - | 20,486 |
| Disposals/ written-off | - | (92) | (576) | (23,864) | - | - | (24,532) |
| Balance as at December 31, 2013 | - | 2,647 | 120,476 | 49,646 | 7,774 | - | 180,543 |
| Depreciation charge for the year | - | 19 | 18,077 | 6,921 | 1,872 | - | 26,889 |
| Disposals/ written-off | - | - | (1,001) | (4,290) | - | - | (5,291) |
| Balance as at December 31, 2014 | - | 2,666 | 137,552 | 52,277 | 9,646 | - | 202,141 |
| Allowance for impairment loss | | | | | | | |
| Balance as at January 1, 2013 | - | - | 5,638 | - | - | - | 5,638 |
| Disposals/ written-off | - | - | (5,638) | - | - | - | (5,638) |
| Balance as at December 31, 2013 | - | - | - | - | - | - | - |
| Impairment loss for the year | - | - | - | - | - | 2,565 | 2,565 |
| Balance as at December 31, 2014 | - | - | - | - | - | 2,565 | 2,565 |
| Net book value | | | | | | | |
| At December 31, 2013 | 55,182 | 37 | 212,776 | 18,504 | 5,853 | 4,633 | 296,985 |
| At December 31, 2014 | 59,942 | 18 | 269,008 | 24,301 | 4,939 | 1,307 | 359,515 |
| Depreciations included in the statements of comprehensive income for the years | | | | | | | |
| 2013 | | | | | | | 20,486 |
| 2014 | | | | | | | 26,889 |

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จังหวัดเชียงใหม่



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

| | In Thousand Baht | | | | | |
|---|-------------------------------|--------------------------|-----------------------------------|----------|--------------------------|----------|
| | Separate Financial Statements | | | | | |
| | Revaluation basis | Cost basis | | | | |
| | Land | Building and improvement | Furniture, fixtures and equipment | Vehicles | Construction in progress | Total |
| Cost | | | | | | |
| Balance as at January 1, 2013 | 52,542 | 164,752 | 60,288 | 7,805 | 22,835 | 308,222 |
| Additions | 1,989 | 7,294 | 7,760 | 4,074 | 36,389 | 57,506 |
| Revaluations | 651 | - | - | - | - | 651 |
| Disposals/ written-off | - | (6,147) | (23,462) | - | - | (29,609) |
| Transfers in (out) | - | 53,139 | 1,453 | - | (54,592) | - |
| Balance as at December 31, 2013 | 55,182 | 219,038 | 46,039 | 11,879 | 4,632 | 336,770 |
| Additions | 1,963 | 8,622 | 9,223 | 958 | 69,301 | 90,067 |
| Revaluations | 2,797 | - | - | - | - | 2,797 |
| Disposals/ written-off | - | (2,773) | (4,540) | - | - | (7,313) |
| Transfers in (out) | - | 67,259 | 2,803 | - | (70,062) | - |
| Balance as at December 31, 2014 | 59,942 | 292,146 | 53,525 | 12,837 | 3,871 | 422,321 |
| Accumulated depreciation | | | | | | |
| Balance as at January 1, 2013 | - | 64,557 | 50,680 | 4,864 | - | 120,101 |
| Depreciation charge for the year | - | 9,078 | 3,909 | 1,459 | - | 14,446 |
| Disposals/ written-off | - | (508) | (23,426) | - | - | (23,934) |
| Balance as at December 31, 2013 | - | 73,127 | 31,163 | 6,323 | - | 110,613 |
| Depreciation charge for the year | - | 14,981 | 5,431 | 1,766 | - | 22,178 |
| Disposals/ written-off | - | (1,001) | (4,290) | - | - | (5,291) |
| Balance as at December 31, 2014 | - | 87,107 | 32,304 | 8,089 | - | 127,500 |
| Allowance for impairment loss | | | | | | |
| Balance as at January 1, 2013 | - | 5,638 | - | - | - | 5,638 |
| Disposals/ written-off | - | (5,638) | - | - | - | (5,638) |
| Balance as at December 31, 2013 | - | - | - | - | - | - |
| Impairment loss for the year | - | - | - | - | 2,565 | 2,565 |
| Balance as at December 31, 2014 | - | - | - | - | 2,565 | 2,565 |
| Net book value | | | | | | |
| At December 31, 2013 | 55,182 | 145,911 | 14,876 | 5,556 | 4,632 | 226,157 |
| At December 31, 2014 | 59,942 | 205,039 | 21,221 | 4,748 | 1,306 | 292,256 |
| Depreciations included in the statements of comprehensive income for the years | | | | | | |
| 2013 | | | | | | 14,446 |
| 2014 | | | | | | 22,178 |

The Company arranged for an independent professional value to appraise the value of its land in 2014 and 2013. Land were revalued using the market approach. The detail of such land carried on the revaluation basis is as follows:



Original cost
Surplus from revaluation
Revalued amount

| | In Thousand Baht | |
|--------------------------|--|--------|
| | Consolidated and Separate Financial Statements | |
| | 2014 | 2013 |
| Original cost | 17,899 | 15,937 |
| Surplus from revaluation | 42,043 | 39,245 |
| Revalued amount | 59,942 | 55,182 |

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นายกุล วงศ์สุวรรณ

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Depreciations included in

| | In Thousand Baht | | | |
|--------------------------|-----------------------------------|--------|-------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Cost of sale and service | 23,923 | 17,535 | 19,330 | 11,608 |
| Administrative expenses | 2,966 | 2,951 | 2,848 | 2,838 |
| Total | 26,889 | 20,486 | 22,178 | 14,446 |

As at December 31, 2014 and 2013, certain building and equipment have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 88.5 million and Baht 84.9 million, respectively. (Separate Financial Statements : Baht 52.7 million and Baht 55.4 million, respectively).

As at December 31, 2014 and 2013, the Company acquired motor vehicles under financial lease contracts, with net book value amounting to approximately Baht 2.2 million and Baht 2.8 million, respectively.

The Company mortgaged their land and structures there on at net book value as at December 31, 2014 and 2013 totaling Baht 78.5 million and Baht 66.4 million, respectively, of such assets pledged as collaterals for bank overdraft and long term loan from banks as described in notes 14 and 17 to the financial statements.

14. • SHORT- TERM LOAN FROM FINANCIAL INSTITUTIONS

| | In Thousand Baht | | | |
|-------------------|-----------------------------------|--------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Short - term loan | - | 16,000 | - | - |

The Company had credit lines of bank overdrafts and other credit facility from a local financial institution totaling of Baht 3 million and other collateral of Baht 10 million, which were secured by mortgaged of land and structures thereon of the Company and the Company's director.

15. TRADE AND OTHER PAYABLES

| | In Thousand Baht | | | |
|--------------------------|-----------------------------------|--------|-------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Related parties | | | | |
| Trade payables | 1,200 | 1,732 | 2,981 | 3,464 |
| Other payables | 362 | 1,156 | 276 | 486 |
| | 1,562 | 2,888 | 3,257 | 3,950 |
| Other parties | | | | |
| Trade payables | 11,304 | 11,982 | 9,366 | 9,055 |
| Accrued salary and bonus | 7,313 | 5,688 | 7,123 | 5,521 |
| Advance received | 7,482 | 5,381 | 5,794 | 4,382 |
| Other payables | 13,314 | 10,024 | 11,906 | 8,116 |
| | 39,413 | 33,075 | 34,189 | 27,074 |
| Total | 40,975 | 35,963 | 37,446 | 31,024 |



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

16. LIABILITIES UNDER FINANCIAL LEASE CONTRACTS

| | In Thousand Baht | |
|---|---|-------|
| | Consolidated and Separate Financial Statements | |
| | 2014 | 2013 |
| Liabilities under financial lease contracts | 1,878 | 2,427 |
| Less Deferred interest | (168) | (275) |
| | 1,710 | 2,152 |
| Less Current portion | (468) | (443) |
| Net | 1,242 | 1,709 |

As at December 31, 2014 and 2013, the Company has liabilities under financial lease contracts with the period of payment as follows:

| | In Thousand Baht | | | | | |
|------------------------------------|---------------------------------------|----------------------|--|---------------------------------------|--|--|
| | Consolidated Financial Statements | | | and Separate Financial Statements | | |
| | 2014 | | 2013 | | Present value of minimum lease payment | |
| | Future minimum lease payment | Deferred interest | Present value of minimum lease payment | Future minimum lease payment | Deferred interest | Present value of minimum lease payment |
| Payment due 1 year | 550 | (82) | 468 | 549 | (106) | 443 |
| Payment due over 1 year to 5 years | 1,328 | (86) | 1,242 | 1,878 | (169) | 1,709 |
| Total | 1,878 | (168) | 1,710 | 2,427 | (275) | 2,152 |

17. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

| | In Thousand Baht | | | |
|----------------------|--------------------------------------|--------|----------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Long-term loans | 57,049 | 66,300 | 57,049 | 66,300 |
| Less Current portion | 12,240 | 13,200 | 12,240 | 13,200 |
| Net | 44,809 | 53,100 | 44,809 | 53,100 |

In December 2012, the Company entered into a loan agreement with a local financial institution of Baht 25.5 million. On December 28, 2012, the Company received a portion of loan amounting to Baht 20 million and the remaining amount of Baht 5.5 million received on January 10, 2013. Such loan bears interest at MLR-1.25 % p.a.. Interest is for monthly repayable and loan is repayable for 72 monthly installments at Baht 350,000 starting from January 2013 to 2018. Such loan is secured by guarantee of the Company's directors, mortgage of land and structures thereon of the Company, fixed deposit and fund account of a director.

In December 2013, the Company entered into a loan agreement with a local financial institution of Baht 80.0 million. On December 19, 2013. the company received a portion of loan amounting to Baht 45.0 million. Such loan bears interest at MLR – 1.30% p.a. Interest is for monthly repayable and loan is repayable for 60 monthly installments at Baht 750,000, starting from January 2014 to 2018. Such loan is secured by guarantee of the Company's directors and mortgaged of land and structures there on of the Company.



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Notes to Financial Statements (Continued)

December 31, 2014

In August 2014, the Company entered into a loan agreement with a local financial institution of Baht 65.0 million, bears interest at MLR – 1.40% p.a. and interest is for monthly repayable. The Company received a portion of loan amounting to Baht 45.5 million and loan is repayable for 60 monthly installments at Baht 767,000 starting from October 2014 to 2019. Such loans are secured by a guarantee of the Company's directors and mortgaged of land and structures thereon of the Company.

The loan agreements contain covenant that, among other things, require the Company to maintain certain debt to equity and debt service coverage ratios according to the agreements.

18. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit liabilities in statements of financial position as at December 31, 2014 and 2013 are as follows:

| | In Thousand Baht | | | |
|------------------------------|-----------------------------------|-------|-------------------------------|-------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Post-employment benefits | | | | |
| Legal severance payment plan | 3,760 | 1,996 | 3,210 | 1,521 |

Movement in the present value of the defined benefit obligations for the years ended December 31, 2014 and 2013 are as follows:

| | In Thousand Baht | | | |
|--|-----------------------------------|---------|-------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Defined benefit obligations as at January 1, | 1,996 | 3,863 | 1,521 | 3,613 |
| Benefits paid by the plan | - | - | - | - |
| Current service costs and interest | 1,240 | 1,049 | 1,012 | 886 |
| Gain on the curtailment of defined benefit plan | - | (2,045) | - | (2,045) |
| Actuarial (gain)losses in the statement of comprehensive income | 524 | (871) | 677 | (933) |
| Defined benefit obligations as at December 31, | 3,760 | 1,996 | 3,210 | 1,521 |

Expenses recognized in the statements of comprehensive income for the years ended December 31, 2014 and 2013 are as follows:

| | In Thousand Baht | | | |
|------------------------|-----------------------------------|-------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Current service costs | 1,092 | 929 | 896 | 784 |
| Interest on obligation | 148 | 120 | 116 | 102 |
| Total | 1,240 | 1,049 | 1,012 | 886 |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

The above expense recognized in the statements of comprehensive income is recognized in the following line items for the years ended December 31, 2014 and 2013.

| | In Thousand Baht | | | |
|--------------------------------|-----------------------------------|------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Cost of services | 464 | 108 | 331 | 201 |
| Administrative expenses | 305 | 407 | 242 | 169 |
| Managements' benefits expenses | 323 | 414 | 323 | 414 |
| Total | 1,092 | 929 | 896 | 784 |

Principal actuarial assumptions at the reporting date as at December 31, 2014 and 2013:

| | Consolidated Financial Statements | | Separate Financial Statements | |
|------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | (Percentage) | (Percentage) | (Percentage) | (Percentage) |
| Discount rate | 4.01 - 4.46 | 4.76 - 4.95 | 4.06 - 4.19 | 4.79 |
| Salary increase rate | 5.00 | 5.00 | 5.00 | 5.00 |
| Employee turnover rate | 1.82 - 5.88 | 1.82 - 5.88 | 1.82 | 1.82 |
| Mortality rate | 100 | 100 | 100 | 100 |
| * | (Thai Mortality Ordinary Table 2008) |

19. INCOME TAX

The Company and its subsidiaries have income tax income (expenses) for the years ended December 31, 2014 and 2013 as follows:

| | In Thousand Baht | | | |
|---|-----------------------------------|-----------------|-------------------------------|-----------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Current income tax expenses: | | | | |
| Current income tax expenses for the years | (7,834) | (13,358) | (5,104) | (12,132) |
| Deferred tax: | | | | |
| Income tax income (expense) relating to origination and reversal of temporary differences | 1,154 | (2,134) | 1,174 | (1,061) |
| Income tax expense reported in the statement of comprehensive income | (6,680) | (15,492) | (3,930) | (13,193) |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Reconciliation of effective tax rate for the years ended December 31, 2014 and 2013 as follows:

| | In Thousand Baht | | | |
|--|-----------------------------------|---------|----------|----------|
| | Consolidated Financial Statements | | | |
| | 2014 | 2013 | Rate (%) | Amount |
| Accounting profit (loss) before tax | | | 39,927 | 75,712 |
| Income tax by applicable tax rate | 0 - 20 | (7,845) | 0 - 20 | (15,316) |
| Effect to income tax from tax-exempt incomes and non-deductible expenses | | 11 | | 1,958 |
| The recognition and reversal of temporary differences | | 1,154 | | (2,134) |
| Income tax expenses reported in the statement of comprehensive income | 17 | (6,680) | 20 | (15,492) |

| | In Thousand Baht | | | |
|--|-------------------------------|---------|----------|----------|
| | Separate Financial Statements | | | |
| | 2014 | 2013 | Rate (%) | Amount |
| Accounting profit (loss) before tax | | | 25,663 | 65,327 |
| Income tax by applicable tax rate | 20 | (5,133) | 20 | (13,065) |
| Effect to income tax from tax-exempt incomes and non-deductible expenses | | 29 | | 933 |
| The recognition and reversal of temporary differences | | 1,174 | | (1,061) |
| Income tax expenses reported in the statement of comprehensive income | 15 | (3,930) | 20 | (13,193) |

Deferred tax assets (liabilities) as at December 31, 2014 and 2013 are as follows:

| | In Thousand Baht | | | |
|--------------------------|----------------------|---------|----------|----------------------|
| | Consolidated | | Separate | |
| | Financial Statements | 2014 | 2013 | Financial Statements |
| Deferred tax assets | | 209 | 260 | - |
| Deferred tax liabilities | | (6,497) | (7,247) | (6,497) (7,247) |
| Net | | (6,288) | (6,987) | (6,497) (7,247) |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

The components of deferred tax assets (liabilities) as at December 31, 2014 and 2013 are as follows:

| | In Thousand Baht | | | |
|---|--------------------------------------|----------------|----------------------------------|----------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Deferred tax assets | | | | |
| Allowance for doubtful accounts | 69 | 148 | 48 | 47 |
| Allowance for decline in value of inventories | 200 | 61 | 123 | 27 |
| Impairment loss on assets | 513 | - | 513 | - |
| Employee benefit obligations | 746 | 399 | 642 | 304 |
| Others | 592 | 254 | 585 | 224 |
| Total | 2,120 | 862 | 1,911 | 602 |
| Deferred tax liabilities | | | | |
| Surplus on revaluation of assets | (8,408) | (7,849) | (8,408) | (7,849) |
| Net | (6,288) | (6,987) | (6,497) | (7,247) |

The amount of income tax relating to each component of other comprehensive income for the years ended December 31, 2014 and 2013 are as follows :

| | In Thousand Baht | | | |
|---|--------------------------------------|------------|----------------------------------|------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Deferred tax relating to | | | | |
| Gain on revaluation of land | 559 | 130 | 559 | 130 |
| Gain (Loss) on actuarial from employee benefit plan | (103) | 174 | (135) | 187 |
| Total | 456 | 304 | 424 | 317 |

20. SHARE CAPITAL

| | In Thousand Baht / In Thousand shares | | | | | | | |
|---------------------------|---|---------------------|---------------------|--------|-------|---------------------|---------------------|--------|
| | Consolidated Financial Statements and Separate Financial Statements | | | | | | | |
| | 2014 | Par value (Baht) | Number of Shares | Amount | 2013 | Par value (Baht) | Number of Shares | Amount |
| Share capital | | | | | | | | |
| As at January 1, | | | | | | | | |
| - Common shares | 100.00 | 1,000 | 100,000 | 100.00 | 400 | 40,000 | | |
| Decrease par value | 0.25 | 400,000 | 100,000 | - | - | - | | |
| Increase of share capital | 0.25 | 170,000 | 42,500 | 100.00 | 600 | 60,000 | | |
| As at December 31, | | | | | | | | |
| - Common shares | 0.25 | 570,000 | 142,500 | 100.00 | 1,000 | 100,000 | | |

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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

In Thousand Baht / In Thousand shares

| | Consolidated Financial Statements and Separate Financial Statements | | | | | |
|---|---|---------------------|---------|---------------------|---------------------|---------|
| | 2014 | | | 2013 | | |
| | Par value (Baht) | Number of Shares | Amount | Par value (Baht) | Number of Shares | Amount |
| Issued and fully paid-up share capital | | | | | | |
| As at January 1, | | | | | | |
| - Common shares | 100.00 | 1,000 | 100,000 | 100.00 | 400 | 40,000 |
| Decrease par value | 0.25 | 400,000 | 100,000 | - | - | - |
| Increase of share capital | 0.25 | 170,000 | 42,500 | 100.00 | 600 | 60,000 |
| As at December 31, | | | | | | |
| - Common shares | 0.25 | 570,000 | 142,500 | 100.00 | 1,000 | 100,000 |

At the Extraordinary Shareholders' Meeting No. 2/2013 held on March 29, 2013, the shareholders had a resolution to increase registered capital of the Company of Baht 60,000,000 from Baht 40,000,000 (divided into 400,000 shares at Baht 100.00 par value) to Baht 100,000,000 (divided into 1,000,000 shares at Baht 100.00 par value). The Company registered the increase of its share capital with the Department of Business Development, Ministry of Commerce on March 29, 2013.

At the Extraordinary Shareholders' Meeting No.1/2014 held on May 7, 2014, the shareholders had a resolution to change authorized share capital from 1,000,000 shares at Baht 100.00 par value to 400,000,000 shares at Baht 0.25 par value and increase its authorized share capital Baht 100,000,000 to Baht 142,500,000 by issuing new common shares 170,000,000 shares at Baht 0.25 par value. Then, after its increase in authorized share capital, its authorized share capital will be Baht 142,500,000, divided into 570,000,000 common shares at Baht 0.25 par value. The Company registered such changes with the Department of Business Development, Ministry of Commerce on May 8, 2014.

On October 20 - 22, 2014, the Company offered 170.0 million common shares, with a par value of Baht 0.25 each, at a offering price of Baht 1.70 each through Initial Public Offering. The net amount received from share subscription was Baht 282.7 million (less the subscription expenses of Baht 6.3 million.) The Company recognized premium on share capital of Baht 240.2 million. The Market for Alternative Investment (MAI) approved the 570.0 million common shares with a par value of Baht 0.25 each as listed securities to be traded, effective from October 31, 2014.



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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

21. PREMIUM ON SHARE AND LEGAL RESERVE

Premium on share capital

Premium on share capital is share subscription monies received in excess of the par value of the shares. Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act. B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

22. DIVIDENDS

At the Shareholders' Meeting held on April 19, 2014, the shareholders has a resolution to approve for payment of dividends for the year 2013 of Baht 40 per share totaling of Baht 40 million and appropriated for legal reserve for the year 2013 amounting to Baht 3.7 million.

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

23. EXPENSES BY NATURE

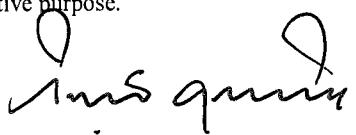
| | In Thousand Baht | | | |
|---|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Changes in inventories | 1,234 | (1,679) | (25) | (1,813) |
| Purchase of inventories | 38,127 | 37,902 | 32,672 | 29,766 |
| Depreciation and amortization | 27,846 | 21,128 | 23,134 | 15,088 |
| Impairment loss on assets | 2,565 | - | 2,565 | - |
| Employee expenses | 106,497 | 79,704 | 90,800 | 65,637 |
| Management benefit expenses | 16,408 | 8,746 | 16,408 | 8,746 |
| Rental expense | 45,350 | 35,567 | 46,557 | 35,548 |
| Public utility | 11,699 | 10,347 | 10,808 | 9,483 |
| Maintenance and decorate locations expenses | 7,295 | 5,831 | 7,979 | 5,831 |
| Advertising and promotion expenses | 12,210 | 3,659 | 12,470 | 3,160 |
| Laundry expenses | 5,680 | 4,321 | 5,680 | 4,321 |
| Consulting fees | 3,977 | 1,313 | 3,480 | 2,434 |
| Finance cost | 5,532 | 4,002 | 5,209 | 2,807 |
| Other expenses | 19,011 | 39,380 | 13,243 | 31,182 |
| Total | <u>303,431</u> | <u>250,221</u> | <u>270,980</u> | <u>212,190</u> |

24. EARNINGS PER SHARE

The calculation of earnings per share for the years ended December 31, 2014 and 2013, were based on the profit for the years attributable to equity holders of the parent company and the number of common shares outstanding during the years as follow:

| | In Thousand Baht/ Thousand shares | | | |
|---|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Profit attributable to equity holders of the parent company | <u>33,247</u> | <u>57,325</u> | <u>21,733</u> | <u>52,134</u> |
| Weighted average number of common shares* outstanding | | | | |
| Issued common share at January 1, | 400,000 | 160,000 | 400,000 | 160,000 |
| Effect of common share issued | <u>30,274</u> | <u>182,795</u> | <u>30,274</u> | <u>182,795</u> |
| Total | <u>430,274</u> | <u>342,795</u> | <u>430,274</u> | <u>342,795</u> |
| Earnings per share (Baht) | <u>0.08</u> | <u>0.17</u> | <u>0.05</u> | <u>0.15</u> |

* Weighted average number of common shares outstanding in 2013 were adjusted based on the change of par value of Baht 100.00 per share to Baht 0.25 per share for comparative purpose.



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SIAM
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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

25. AGREEMENTS

The Company has lease and service agreements covering its office space and related service for spa business for a period of 2 years to 3 years and certain agreements can be renewed for twice in every 3 years and three times in every 3 years which total annual rental and services fee for approximately Baht 58.6 million. Under the terms of the agreements as at December 31, 2014 and 2013, the Company deposited the sum of approximately Baht 14.5 million and Baht 11.4 million respectively with the lesser. This deposit, shown as part of "Non-current assets", is refundable upon the expiration of the agreements.

26. PROVIDENT FUNDS

The Company and its employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Company and its employees contribute to the funds monthly at the rate of 3 percent of basic salary. The funds, which are managed by AIA Company Limited, will be paid to employees upon termination in accordance with the funds' rules. During the year ended December 31, 2014 and 2013, the Company contributed Baht 0.5 million and Baht 0.2 million, respectively.

27. SEGMENT FINANCIAL 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 decision about the allocation of resources to the segment and assess its performance.

Segment results and operating assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise other income, selling and administrative expenses, finance cost and income tax expenses and corporate common assets and liabilities.

Business segments

The Company and its subsidiaries have 3 business segments including segment of (1) spa service (2) sales of spa products and healthy products and (3) hotel and restaurant.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (loss) for the year, as included in the internal management reports that are reviewed by the Company and its subsidiaries.

Geographic segments

Management considers that the Company and its subsidiaries operate in a single geographic area, mainly in Thailand, and has, therefore, only one major geographic segment.

Major Customer

The Company has no major customer because its business is the sale and service to minor customers.

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The financial information segregate by segment of the Company and its subsidiaries for the years ended December 31, 2014 and 2013 are as follows:

| | In Million Baht | | | | | | | | | |
|---|---|--------------|-------------------------|-----------|-------------|-----------|-------------|------------|--------------|------------|
| | For the years ended December 31, | | | | | | | | | |
| | Sales of spa products and healthy products | | Hotel and restaurant | | Elimination | | | | Consolidated | |
| | Spa services | Spa services | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Revenues from external customer | 271 | 246 | 14 | 22 | 53 | 52 | - | - | 338 | 320 |
| Internal – segment revenues | 2 | 9 | 10 | - | - | - | (12) | (9) | - | - |
| Total Revenues | <u>273</u> | <u>255</u> | <u>24</u> | <u>22</u> | <u>53</u> | <u>52</u> | <u>(12)</u> | <u>(9)</u> | <u>338</u> | <u>320</u> |
| Profit from operation | 81 | 100 | 10 | 17 | 22 | 16 | - | - | 113 | 133 |
| Revenues and expenses which have not been allocated : | | | | | | | | | | |
| Other income | | | | | | | | | 5 | 6 |
| Selling expenses | | | | | | | | | (18) | (20) |
| Administrative expenses | | | | | | | | | (38) | (30) |
| Management benefit expenses | | | | | | | | | (16) | (9) |
| Finance costs | | | | | | | | | (6) | (4) |
| Profit before income tax | | | | | | | | | 40 | 76 |
| Income tax expenses | | | | | | | | | (7) | (16) |
| Profit for the year | | | | | | | | | 33 | 60 |
| Other comprehensive profit (loss) - net of tax | | | | | | | | | | |
| Gain on revaluation of land | | | | | | | | | 3 | 1 |
| Loss on actuarial from employee benefit plan | | | | | | | | | (1) | - |
| Total comprehensive income for the year | | | | | | | | | <u>35</u> | <u>61</u> |

The segment assets of the Company and its subsidiaries as at December 31, 2014 and 2013 are as follows:

| | In Million Baht | | | | | | | |
|--------------------------------|--|------|----------------------|------|-------------|-------|--------------|------|
| | Spa services and sales of spa products and healthy products* | | Hotel and restaurant | | Elimination | | Consolidated | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Property, plant and equipments | 293 | 226 | 67 | 71 | - | - | 360 | 297 |
| Other assets | 339 | 150 | 12 | 8 | (110) | (106) | 241 | 52 |
| Total assets | 632 | 376 | 79 | 79 | (110) | (106) | 601 | 349 |

* Spa services business has using assets jointly with sales of spa products and healthy products business.

28 DISCLOSURE OF FINANCIAL INSTRUMENTS

28.1 Financial risk management

The Company and its subsidiaries' financial instruments principally comprise cash and cash equivalents, trade and other receivables, and investments. The financial risks associated with these financial instruments and how they are managed is described below.

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Mrs. Garry



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Notes to Financial Statements (Continued)

December 31, 2014

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Management manages the risk by adopting appropriate credit control policies and procedures. The Company and its subsidiaries do not expect to incur material financial losses in excess of the allowance for doubtful accounts they have already provided.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at financial institutions and loans. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at December 31, 2014 and 2013 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the re-pricing date (if this occurs before the maturity date) are summarized as follows:

| In Thousand Baht | | | | | | |
|---|-------------------------|-------------------------------|---------------|--------------|-------------------------|-------------------------------------|
| Consolidated Financial Statements | | | | | | |
| Outstanding balance as at December 31, 2014 | | | | | | |
| | Fixed interest rates | Floating interest rate within | | | Non-interest bearing | Effective interest rate (% p.a.) |
| | | 1 year | 2-5 years | Total | | |
| Financial Assets | | | | | | |
| Cash and cash equivalents | - | 101,410 | - | 2,629 | 104,039 | 0.35 - 0.38 |
| Current investment | 100,000 | - | - | - | 100,000 | 2.90 |
| Total | 100,000 | 101,410 | - | 2,629 | 204,039 | |
| Financial Liabilities | | | | | | |
| Liabilities under financial lease contracts | - | 468 | 1,242 | - | 1,710 | 5.46 |
| Long-term loan from financial institution | - | 12,240 | 44,809 | - | 57,049 | MLR - 1.30 to MLR - 1.40 |
| Total | - | 12,708 | 46,051 | - | 58,759 | |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

| In Thousand Baht | | | | | | |
|---|----------------------------|-------------------------------|---------------|-------------------------|----------------|-------------------------------------|
| Consolidated Financial Statements | | | | | | |
| Outstanding balance as at December 31, 2013 | | | | | | |
| | Fixed interest rates | Floating interest rate within | | Non-interest bearing | Total | Effective interest rate (% p.a.) |
| | | 1 year | 2-5 years | | | |
| Financial Assets | | | | | | |
| Cash and cash equivalents | - | 15,828 | - | 3,805 | 19,633 | 0.55 – 0.63 |
| Financial Liabilities | | | | | | |
| Short-term loan from financial institution | - | 16,000 | - | - | 16,000 | FCD + 1.25 |
| Liabilities under financial lease contracts | - | 443 | 1,709 | - | 2,152 | 5.46 |
| Long-term loan from financial institution | - | 13,200 | 53,100 | - | 66,300 | MLR – 1.25 and MLR – 1.30 |
| Total | - | 29,643 | 54,809 | - | 84,452 | |
| In Thousand Baht | | | | | | |
| Separate Financial Statements | | | | | | |
| Outstanding balance as at December 31, 2014 | | | | | | |
| | Fixed interest rates | Floating interest rate within | | Non-interest bearing | Total | Effective interest rate (% p.a.) |
| | | 1 year | 2-5 years | | | |
| Financial Assets | | | | | | |
| Cash and cash equivalents | - | 87,562 | - | 2,257 | 89,819 | 0.35 - 0.38 |
| Current investment | 100,000 | - | - | - | 100,000 | 2.90 |
| Short-term loan to related party | - | 5,000 | - | - | 5,000 | MLR-1.05 |
| Total | 100,000 | 92,562 | - | 2,257 | 194,819 | |
| Financial Liabilities | | | | | | |
| Liabilities under financial lease contracts | - | 468 | 1,242 | - | 1,710 | 5.46 |
| Long-term loan from financial institution | - | 12,240 | 44,809 | - | 57,049 | MLR - 1.30 to MLR - 1.40 |
| Total | - | 12,708 | 46,051 | - | 58,759 | |

Janis Aruny

ปะเน่ย จันทร์ วงศ์



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

| In Thousand Baht | | | | | | |
|---|----------------------|-------------------------------|-----------|----------------------|--------|----------------------------------|
| Separate Financial Statements | | | | | | |
| Outstanding balance as at December 31, 2013 | | | | | | |
| | Fixed interest rates | Floating interest rate within | | Non-interest bearing | Total | Effective interest rate (% p.a.) |
| | | 1 year | 2-5 years | | | |
| Financial Assets | | | | | | |
| Cash and cash equivalents | - | 9,627 | - | 3,205 | 12,832 | 0.55 – 0.63 |
| Financial Liabilities | | | | | | |
| Liabilities under financial lease contracts | - | 443 | 1,709 | - | 2,152 | 5.46 |
| Long-term loan from financial institution | - | 13,200 | 53,100 | - | 66,300 | MLR – 1.25 and MLR – 1.30 |
| Total | - | 13,643 | 54,809 | - | 68,452 | |

28.2 Fair value of financial instruments

Accounting policies and disclosure of the Company and its subsidiaries requires that the fair value of financial assets and liabilities and non-financial. Fair value is the amount the buyer and seller agree to exchange an asset or a liability settled while both sides have a knowledgeable and willing to reciprocate and the market price independently of the characteristics of those who are not related. The purpose of the measurement and / or disclosure of fair value is determined by the following method. More information about the assumptions in determining fair values is disclosed in the notes associated with the assets and liabilities.

The fair value of cash equivalents, trade and other receivables, short-term loan to related party, other current assets, short-term loan from financial institution, trade and other payables, current portion of long-term loans, current portion of liabilities under financial leases contracts, income tax payable and other current liabilities, have carrying values approximates fair values because these monetary assets and monetary liabilities will be due in a short period.

Long - term portion of liabilities under financial leases contracts and long - term loan are not practicable to estimate the proper fair values without incurring excessive costs.

28.3 Capital management

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

The Company and its subsidiaries manage its capital position by maintaining an appropriate debt-to-equity ratio. As at December 31, 2014, the Company and its subsidiaries' debt-to-equity ratio was 0.24 : 1 (2013: 0.70:1) and the Company's debt to equity ratio was 0.22 : 1 (2013: 0.49:1).

ป.ก. จ. ๑๒๓๘๙๖



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

29. COMMITMENT AND CONTINGENT LIABILITIES

As at December 31, 2014 and 2013, the Company and its subsidiaries had

29.1 commitments relating to lease agreement in respect of the lease of service locations and equipments and were committed to pay the rent as follows:

| Payable within | In Million Baht | | | |
|----------------|-----------------------------------|------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| 1 year | 58 | 15 | 58 | 15 |
| 2 - 5 years | 75 | 21 | 75 | 21 |
| Over 5 years | 69 | 72 | 69 | 72 |
| Total | 202 | 108 | 202 | 108 |

29.2 contingent liability for letter of guarantee issued by bank of approximately Baht 4.2 million and Baht 1.5 million respectively for electricity usage, lease of service locations and others.

29.3 commitments relating to construction agreements remaining amount of Baht 12.3 million and Baht 10.6 million, respectively.

30. RECLASSIFICATION OF ACCOUNTS

The Company has reclassified the comparative statement of financial position as at December 31, 2013 and January 1, 2013 and the related statement of comprehensive income for the year ended December 31, 2013 to conform with the presentation for the statement of financial position as at December 31, 2014 and the statement of comprehensive income for the year ended December 31, 2014 as follows:

| Statement of financial position | In Thousand Baht | | | | | |
|---------------------------------|-----------------------------------|--------------|------------------------|------------------------|-------------------------|-----------------------|
| | Consolidated Financial Statements | | | | | |
| | As at December 31, 2013 | | As at January 31, 2013 | | As at December 31, 2013 | |
| | As previously reported | Reclassified | As currently reported | As previously reported | Reclassified | As currently reported |
| Deferred tax assets | 862 | (602) | 260 | 3,171 | (1,850) | 1,321 |
| Deferred tax liabilities | 7,849 | (602) | 7,247 | 7,718 | (1,850) | 5,868 |

| Statement of financial position | In Thousand Baht | | | | | |
|---------------------------------|-------------------------------|--------------|------------------------|------------------------|-------------------------|-----------------------|
| | Separate Financial Statements | | | | | |
| | As at December 31, 2013 | | As at January 31, 2013 | | As at December 31, 2013 | |
| | As previously reported | Reclassified | As currently reported | As previously reported | Reclassified | As currently reported |
| Deferred tax assets | 602 | (602) | - | 1,850 | (1,850) | - |
| Deferred tax liabilities | 7,849 | (602) | 7,247 | 7,718 | (1,850) | 5,868 |



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED



Siam Wellness Group Public Company Limited [SPA]
483 Soi Suthiporn, Prachasongkroh Road, DinDaeng, Bangkok 10400 THAILAND
Tel: +662 641 6619-20 Fax: +662 641 6621
www.siamwellnessgroup.com

**SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Financial Statements

For the Year Ended December 31, 2014

and Report of Independent Auditor

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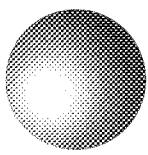
BPR AUDIT AND ADVISORY CO., LTD.

Independent Auditors

กฤษณะ จารุวนะชาติ



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED



บริษัท บีพีอาร์ ออดิท แอนด์ แอคไวเชอร์ จำกัด

BPR AUDIT AND ADVISORY CO., LTD.

152 อาคารชาร์เตอร์ สแควร์ ชั้น 12 เอ ห้อง 08 ถนนสاثโนร์ แขวงสีลม เขตบางรัก กรุงเทพฯ 10500 ประเทศไทย โทร. 02-6345398 แฟกซ์. 02-6345399
152 Chartered Square Bldg, 12A Floor, Suite 08, North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand Tel. (+662) 6345398 Fax. (+662) 6345399 www.bpraudit.co.th

REPORT OF INDEPENDENT AUDITOR

To the Shareholders and Board of Directors of Siam Wellness Group Public Company Limited

I have audited the accompanying consolidated financial statements of Siam Wellness Group Public Company Limited and its subsidiaries, which comprises the consolidated statement of financial position as at December 31, 2014, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. I have also audited the financial statements of Siam Wellness Group Public Company Limited which comprises the statement of financial position as at December 31, 2014, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The 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 determine 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 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.

วันที่ ๑๖ พฤษภาคม พ.ศ.๒๕๕๗

SIAM
WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

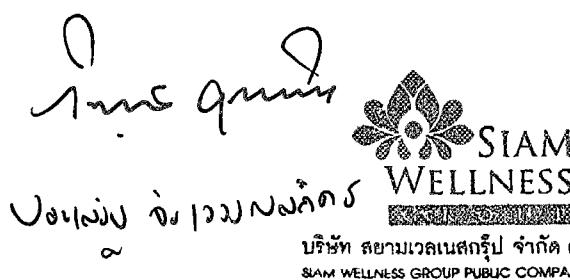
Opinion

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Siam Wellness Group Public Company Limited and its subsidiaries as at December 31, 2014, and their financial performance and their cash flows for the year then ended and the financial position of Siam Wellness Group Public Company Limited as at December 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standard.

Boonlert K.

(Mr. Boonlert Kaewphanpurk)
Certified Public Accountant
Registration No. 4165

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
February 25, 2015



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

ASSETS

| Notes | In Baht | | | | | |
|--|-----------------------------------|----------------------|--------------------------------------|-------------------------------|----------------------|--------------------------------------|
| | Consolidated Financial Statements | | | Separate Financial Statements | | |
| | December 31, 2014 | December 31, 2013 | January 1, 2013 "Reclassified" | December 31, 2014 | December 31, 2013 | January 1, 2013 "Reclassified" |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents | 7 | 104,039,050 | 19,633,011 | 60,164,598 | 89,819,388 | 12,831,997 |
| Current investment | 8 | 100,000,000 | - | - | 100,000,000 | - |
| Trade and other receivables | | | | | | |
| - Related parties | 6,9 | 52,691 | 283,951 | 1,278,310 | 351,241 | 450,819 |
| - Other parties | 9 | 8,402,061 | 6,068,965 | 5,014,462 | 5,816,142 | 1,617,595 |
| Short term loan and interest receivable to related party | 6 | - | - | - | 5,023,425 | - |
| Inventories | 10 | 7,482,996 | 9,478,582 | 7,353,980 | 6,886,145 | 7,343,148 |
| Other current assets | | 1,028,453 | 663,226 | 691,287 | 991,664 | 539,403 |
| Total Current Assets | | 221,005,251 | 36,127,735 | 74,502,637 | 208,888,005 | 56,833,216 |
| NON-CURRENT ASSETS | | | | | | |
| Deposit at financial institution pledged as collateral | | - | - | 360,000 | - | - |
| Investment in subsidiaries | 11 | - | - | - | 101,705,460 | 101,705,460 |
| Leasehold rights on land | 12 | 4,641,544 | 3,710,483 | 3,802,710 | 4,641,544 | 3,710,482 |
| Property, plant and equipment | 13 | 359,514,875 | 296,985,092 | 257,468,965 | 292,255,606 | 226,157,011 |
| Deferred tax assets | 19 | 208,745 | 260,255 | 1,320,566 | - | - |
| Other non-current assets | | | | | | |
| - Deposits and retentions | 25 | 14,520,942 | 11,367,871 | 8,671,575 | 14,520,942 | 11,367,871 |
| - Others | | 964,435 | 268,607 | 349,616 | 964,435 | 264,418 |
| Total Non-Current Assets | | 379,850,541 | 312,592,308 | 271,973,432 | 414,087,987 | 343,205,242 |
| TOTAL ASSETS | | 600,855,792 | 348,720,043 | 346,476,069 | 622,975,992 | 365,988,204 |
| | | | | | | 255,495,788 |



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

สยามเวลเนสกรุ๊ป

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

LIABILITIES AND SHAREHOLDERS' EQUITY

| Notes | In Baht | | | | | |
|---|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|--------------------|
| | Consolidated Financial Statements | | | Separate Financial Statements | | |
| | December 31, 2014 | December 31, 2013 | January 1, 2013 | December 31, 2014 | December 31, 2013 | January 1, 2013 |
| CURRENT LIABILITIES | | | | | | |
| Short - term loan from financial institutions | 14 | - | 16,000,000 | - | - | - |
| Trade and other payables | | | | | | |
| - Related parties | 6,15 | 1,561,387 | 2,887,983 | 7,370,144 | 3,256,888 | 3,949,946 |
| - Other parties | 15 | 39,413,238 | 33,075,140 | 38,850,358 | 34,189,029 | 27,073,554 |
| Current portion of liabilities under financial lease contracts | 16 | 467,835 | 443,024 | - | 467,835 | 443,024 |
| * Current portion of long-term loan from financial institutions | 17 | 12,240,000 | 13,200,000 | 4,200,000 | 12,240,000 | 13,200,000 |
| Income tax payable | | 2,662,024 | 9,186,197 | 6,507,310 | 1,068,119 | 8,451,685 |
| Other current liabilities | | 39,187 | 141,056 | 316,446 | 12,032 | 12,227 |
| Total Current Liabilities | | 56,383,671 | 74,933,400 | 57,244,258 | 51,233,903 | 53,130,436 |
| NON-CURRENT LIABILITIES | | | | | | |
| Liabilities under financial lease contracts-net of current portion | 16 | 1,241,641 | 1,709,476 | - | 1,241,641 | 1,709,476 |
| Long-term loans from related parties | | - | - | 171,415,111 | - | - |
| Long-term loan from financial institution - net of current portion | 17 | 44,809,000 | 53,100,000 | 15,800,000 | 44,809,000 | 53,100,000 |
| Employee benefit obligations | 18 | 3,760,414 | 1,995,874 | 3,862,575 | 3,210,420 | 1,520,807 |
| Deferred tax liabilities | 19 | 6,496,771 | 7,246,928 | 5,868,459 | 6,496,771 | 7,246,928 |
| Other non-current liabilities | | 5,200,696 | 4,534,601 | 3,524,560 | 4,770,726 | 4,196,381 |
| Total Non-Current Liabilities | | 61,508,522 | 68,586,879 | 200,470,705 | 60,528,558 | 67,773,592 |
| TOTAL LIABILITIES | | 117,892,193 | 143,520,279 | 257,714,963 | 111,762,461 | 120,904,028 |
| SHAREHOLDERS' EQUITY | | | | | | |
| Share capital - common shares | | | | | | |
| Authorized share capital - 570,000,000 shares, Baht 0.25 par value in 2014, 1,000,000 shares, Baht 100 par value in 2013 and 400,000 shares, Baht 100 per value in 2012 | | 142,500,000 | 100,000,000 | 40,000,000 | 142,500,000 | 100,000,000 |
| Issued and fully paid-up share capital - 570,000,000 shares, Baht 0.25 par value in 2014, 1,000,000 shares, Baht 100 par value in 2013 and 400,000 shares, Baht 100 per value in 2012 | 20 | 142,500,000 | 100,000,000 | 40,000,000 | 142,500,000 | 100,000,000 |
| Premium on share | 21 | 278,905,854 | 38,706,000 | - | 278,905,854 | 38,706,000 |
| Retained earnings | | | | | | |
| - Appropriated for legal reserve | | 4,836,092 | - | - | 4,836,092 | - |
| - Unappropriated | | 69,313,297 | 81,323,394 | 23,301,109 | 51,337,270 | 74,981,847 |
| Other components of shareholders' equity | | (12,592,164) | (14,830,150) | 30,232,394 | 33,634,315 | 31,396,329 |
| Equity attributable to the equity holders of the parent company | | 482,963,079 | 205,199,244 | 93,533,503 | 511,213,531 | 245,084,176 |
| Non-controlling interests | | 520 | 520 | (4,772,397) | - | - |
| TOTAL SHAREHOLDERS' EQUITY | | 482,963,599 | 205,199,764 | 88,761,106 | 511,213,531 | 245,084,176 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 600,855,792 | 348,720,043 | 346,476,069 | 622,975,992 | 365,988,204 |
| | | | | | | 255,495,788 |



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2014

| Notes | In Baht | | | |
|--|-----------------------------------|--------------------|-------------------------------|--------------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| REVENUES | 6 | | | |
| Revenue from sales | 38,192,411 | 40,562,310 | 13,703,279 | 11,043,095 |
| Revenue from services | 300,220,952 | 279,184,403 | 271,641,591 | 255,325,325 |
| Other income | 4,945,061 | 6,186,348 | 11,297,549 | 11,149,180 |
| Total Revenues | 343,358,424 | 325,933,061 | 296,642,419 | 277,517,600 |
| EXPENSES | 6, 23 | | | |
| Costs of sales | 24,900,977 | 26,598,976 | 8,693,995 | 7,852,357 |
| Costs of services | 200,442,839 | 159,746,795 | 193,120,251 | 150,630,237 |
| Selling expenses | 18,333,016 | 20,614,091 | 15,792,649 | 18,121,255 |
| Administrative expenses | 37,814,458 | 30,662,054 | 31,755,764 | 24,181,589 |
| Management benefit expenses | 16,408,169 | 8,597,143 | 16,408,169 | 8,597,143 |
| Finance cost | 5,531,906 | 4,002,210 | 5,208,710 | 2,807,828 |
| Total Expenses | 303,431,365 | 250,221,269 | 270,979,538 | 212,190,409 |
| Profit before income tax | 39,927,059 | 75,711,792 | 25,662,881 | 65,327,191 |
| Income tax expense | (6,679,896) | (15,491,568) | (3,929,553) | (13,193,319) |
| PROFIT FOR THE YEAR | 33,247,163 | 60,220,224 | 21,733,328 | 52,133,872 |
| Other comprehensive income (loss) - net of tax | | | | |
| Gain on revaluation of land | 2,797,483 | 651,546 | 2,797,483 | 651,546 |
| Gain (Loss) on actuarial from employee benefit plan | (524,751) | 871,247 | (677,266) | 933,559 |
| Income tax relating to components of other comprehensive income | (455,914) | (304,559) | (424,044) | (317,021) |
| TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR | 35,063,981 | 61,438,458 | 23,429,501 | 53,401,956 |
| Profit for the year attributable to : | | | | |
| Equity holders of the parent company | 33,247,163 | 57,325,288 | 21,733,328 | 52,133,872 |
| Non-controlling interests | - | 2,894,936 | - | - |
| | 33,247,163 | 60,220,224 | 21,733,328 | 52,133,872 |
| Comprehensive income for the year attributable to : | | | | |
| Equity holders of the parent company | 35,063,981 | 58,543,522 | 23,429,501 | 53,401,956 |
| Non-controlling interests | - | 2,894,936 | - | - |
| | 35,063,981 | 61,438,458 | 23,429,501 | 53,401,956 |
| Earnings per share for profit for the year attributable to equity holders to the parent company | 24 | 0.08 | 0.17 | 0.05 |
| | | | | 0.15 |

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

காலனிகளை விடுவது



**บริษัทฯ ศัยนาการและน้ำดื่ม จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED**

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2014

| Notes | In Baht | | | | | | Other components of shareholders' equity | |
|---|--|---------------------|-------------------|-----------------------------------|----------------|--|--|--|
| | Separate Financial Statements | | | | | | | |
| | Issued and fully paid-up share capital | Premium on share | Retained earnings | Appropriated for legal reserve | Unappropriated | Surplus on revaluation of assets | | |
| | 40,000,000 | - | - | - | 22,101,128 | 30,875,092 | 30,875,092 | |
| Balance as at January 1, 2013 | | | | | | | 92,976,220 | |
| Transaction with owners, recorded directly in shareholders' equity | | | | | | | | |
| Increase in share capital | 20 | 60,000,000 | - | - | - | - | 60,000,000 | |
| Premium on share from investing in subsidiary under common control | | | 38,706,000 | - | - | - | 38,706,000 | |
| Total transactions with owners, recorded directly in shareholders' equity | | 60,000,000 | 38,706,000 | - | - | - | 98,706,000 | |
| Comprehensive income (loss) for the year | | | | | | | | |
| Profit for the year | | - | - | 52,133,872 | - | 521,237 | 521,237 | |
| Other comprehensive income | | - | - | 746,847 | - | 521,237 | 1,268,084 | |
| Total comprehensive income (loss) for the year | | - | - | 52,880,719 | - | 521,237 | 53,401,956 | |
| Balance as at December 31, 2013 | | 100,000,000 | 38,706,000 | - | 74,981,847 | 31,396,329 | 245,084,176 | |
| Balance as at January 1, 2014 | | 100,000,000 | 38,706,000 | - | 74,981,847 | 31,396,329 | 31,396,329 | |
| Transaction with owners, recorded directly in shareholders' equity | | | | | | | | |
| Increase in share capital | 20 | 42,500,000 | 240,199,854 | - | - | - | 282,699,854 | |
| Dividends paid | 22 | - | - | (40,000,000) | - | - | (40,000,000) | |
| Appropriated for legal reserve | 21,22 | - | - | 4,836,092 | (4,836,092) | - | - | |
| Total transactions with owners, recorded directly in shareholders' equity | | 42,500,000 | 240,199,854 | 4,836,092 | (44,836,092) | - | - | |
| Comprehensive income (loss) for the year | | | | | | | | |
| Profit for the year | | - | - | - | 21,733,328 | - | 21,733,328 | |
| Other comprehensive income (loss) | | - | - | (541,813) | - | 2,237,986 | 2,237,986 | |
| Total comprehensive income (loss) for the year | | - | - | 21,191,515 | - | 2,237,986 | 1,696,173 | |
| Balance as at December 31, 2014 | | 142,500,000 | 278,905,854 | 4,836,092 | 51,337,270 | 33,634,315 | 23,429,501 | |

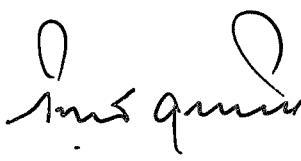


บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

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

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

| | In Baht | | | |
|--|-----------------------------------|--------------------|-------------------------------|-------------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before income tax | 39,927,059 | 75,711,792 | 25,662,881 | 65,327,191 |
| Adjustments for | | | | |
| Depreciation and amortization | 27,846,111 | 21,127,762 | 23,134,483 | 15,088,361 |
| Bad debts and doubtful accounts | (149,897) | 742,255 | 3,489 | 236,655 |
| Loss on decline in value of inventories | 761,673 | 306,562 | 481,723 | 135,031 |
| Impairment loss on fixed assets | 2,565,416 | - | 2,565,416 | - |
| Loss on sales and written-off of fixed assets | 335,908 | 158,357 | 335,908 | 33,426 |
| Loss on written-off withholding tax | 64 | - | - | - |
| Gain on the curtailment of defined benefit plan | - | (2,044,636) | - | (2,044,636) |
| Provisions for employee benefit obligations | 1,091,994 | 929,257 | 896,561 | 783,743 |
| Finance cost | 5,531,906 | 4,002,210 | 5,208,710 | 2,807,828 |
| Interest income | (434,738) | (219,346) | (444,578) | (152,027) |
| Profit from operating activities before changes in operating assets and liabilities | 77,475,496 | 100,714,213 | 57,844,593 | 82,215,572 |
| Decrease (Increase) in operating assets | | | | |
| Trade and other receivables | | | | |
| - Related parties | 231,260 | 994,559 | 99,578 | 2,076,252 |
| - Other parties | (1,968,743) | (1,819,442) | (3,987,516) | (11,662) |
| Inventories | 1,233,913 | (2,431,164) | (24,720) | (1,813,118) |
| Other current assets | (365,227) | 28,060 | (452,261) | (37,241) |
| Other non - current assets | (5,672,875) | (2,615,286) | (5,677,065) | (2,614,287) |
| Increase (Decrease) in operating liabilities | | | | |
| Trade and other payables | | | | |
| - Related parties | (883,937) | 304,806 | (693,058) | (1,545,569) |
| - Other parties | 2,778,098 | (5,775,218) | 3,555,476 | (6,820,779) |
| Other current liabilities | (101,868) | (175,410) | (193) | (47,283) |
| Other non-current liabilities | 577,344 | 937,155 | 485,594 | 882,655 |
| Cash generated from operations | 73,303,461 | 90,162,273 | 51,150,428 | 72,284,540 |
| Interest paid | (5,738,018) | (8,596,347) | (5,004,173) | (5,398,259) |
| Income tax paid | (14,358,629) | (10,655,775) | (12,487,320) | (9,947,412) |
| Net Cash Provided by Operating Activities | 53,206,814 | 70,910,151 | 33,658,935 | 56,938,869 |



**SIAM
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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2014

| | In Baht | | | |
|--|--|---------------------|--------------------------------------|---------------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 220,217 | 219,346 | 206,632 | 152,027 |
| Increase in current investment | (100,000,000) | - | (100,000,000) | - |
| Increase in deposit pledged as collateral | - | 360,000 | - | 360,000 |
| Purchases of leasehold right on land | (63,936) | (550,000) | (63,936) | (550,000) |
| Increase short term loan to related parties | - | - | (5,500,000) | - |
| Proceeds from in short term loan to related parties | - | - | 500,000 | - |
| Proceeds from sales of fixed assets | 1,686,543 | 1,869 | 1,686,543 | 1,869 |
| Purchases of property, plant and equipment | (87,649,428) | (56,310,342) | (86,506,612) | (54,304,691) |
| Net Cash Used in Investing Activities | (185,806,604) | (56,279,127) | (189,677,373) | (54,340,795) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Increase (Decrease) in short-term loan from financial institution | (16,000,000) | 16,000,000 | - | - |
| Increase in liabilities under financial lease contracts | (443,025) | (1,047,500) | (443,025) | (1,047,500) |
| Increase in long-term loans from related parties | - | 11,684,889 | - | 11,684,889 |
| Repayments of long-term loans from related parties | - | (183,100,000) | - | (93,000,000) |
| Increase in long-term loan from financial institution | 80,500,000 | 50,500,000 | 80,500,000 | 50,500,000 |
| Repayments of long-term loan from financial institution | (89,751,000) | (4,200,000) | (89,751,000) | (4,200,000) |
| Cash received from increase share capital of non-controlling interests | - | 55,000,000 | - | - |
| Proceeds from issue of common shares | 42,500,000 | - | 42,500,000 | - |
| Proceeds from premium on share | 246,500,000 | - | 246,500,000 | - |
| Transaction costs for issue of common shares | (6,300,146) | - | (6,300,146) | - |
| Dividends paid | (40,000,000) | - | (40,000,000) | - |
| Net Cash Provided by (Used in) Financing Activities | 217,005,829 | (55,162,611) | 233,005,829 | (36,062,611) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 84,406,039 | (40,531,587) | 76,987,391 | (33,464,537) |
| Cash and cash equivalents at beginning of year | 19,633,011 | 60,164,598 | 12,831,997 | 46,296,534 |
| NET CASH AND CASH EQUIVALENTS AT END OF YEAR | 104,039,050 | 19,633,011 | 89,819,388 | 12,831,997 |

Supplementary disclosures of cash flow information

Non-cash items

- During the years 2014 and 2013, the Company had gain on revaluation of land amounting to Baht 2.8 million and Baht 0.6 million, respectively.
- During the year 2014, the Company has increase in property, plant and equipment from trade and other payables totaling Baht 3.5 million.
- During the year 2013, the Company acquired vehicle under financial lease contract amounting to Baht 3.2 million.
- During the year 2013, the Company purchased investment in subsidiary which paid by the increase of share capital of the Company, 600,000 common shares at Baht 100.00 par value, totaling of Baht 60.0 million. Fair value of such increase of share capital was Baht 164.5 per share, totaling of Baht 98.7 million.




สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements

December 31, 2014

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the directors on February 25, 2014.

1. GENERAL INFORMATION

Siam Wellness Group Public Company Limited ("the Company") was incorporated as limited company under the laws of Thailand on November 28, 2001 and its registered head office is at 483, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Bangkok, Thailand and as at December 31, 2014, the Company has a total of 13 branches in Bangkok and upcountry (December 31, 2013: 11 branches).

The Company registered in the Stock Exchange of Thailand on October 31, 2014 and its common shares had been approved to be listed in the MAI (MAI : Market of Alternative Investment).

The Company operates in Thailand and principally engages in massage for health.

2. BASIS OF FINANCIAL STATEMENT PRESENTATION

2.1 The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretation and guidelines promulgated by the Federation of Accounting Professions ("FAP"), applicable rules and regulation of Thai Securities and Exchange Commission.

The financial statements are presented in Thai Baht which is the Company and its subsidiaries' functional currency unless otherwise stated. They are prepared on the historical cost basis except as disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements as at December 31, 2014 and 2013, include the accounts of Siam Wellness Group Public Company Limited and its subsidiaries as follows:

| Name of Companies | Type of business | In Thousand Baht | | Percentage of direct and indirect holdings (%) | |
|----------------------------------|---|-----------------------|--------|--|-------|
| | | Paid-up share capital | | 2014 | 2013 |
| | | 2014 | 2013 | | |
| Siam Wellness Lab Co.,Ltd. | Manufacturing and distributing spa products | 1,000 | 1,000 | 99.98 | 99.98 |
| Siam Wellness Education Co.,Ltd. | A school for Thai massage | 1,000 | 1,000 | 99.97 | 99.97 |
| Siam Wellness Resort Co.,Ltd. | Hotel and restaurant operations | 60,000 | 60,000 | 99.98 | 99.98 |

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วันที่ ๒๖ มกราคม พ.ศ.๒๕๖๘



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

- b) The Management prepared the consolidated financial statements by acquisition method for all business combinations other than those with entities under common control. Acquisition from entities under common control are accounted for using a method similar to the pooling of interest method and in accordance with Guidelines issued by the Securities and exchange commission.
- c) 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.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

3. APPLICATION OF NEW ACCOUNTING STANDARDS, FINANCIAL REPORTING STANDARD AND ACCOUNTING STANDARD INTERPRETATION

The Federation of Accounting Professions has issued notifications, already published in the Royal Gazette, mandating the use of accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations as follows:

- a) Accounting standard, financial reporting standard and interpretations which were effective.

| Accounting Standards: | Effective date | |
|-----------------------|---|-----------------|
| TAS 1 (Revised 2012) | Presentation of Financial Statements | January 1, 2014 |
| TAS 7 (Revised 2012) | Statement of Cash Flows | January 1, 2014 |
| TAS 12 (Revised 2012) | Income Taxes | January 1, 2014 |
| TAS 17 (Revised 2012) | Leases | January 1, 2014 |
| TAS 18 (Revised 2012) | Revenues | January 1, 2014 |
| TAS 19 (Revised 2012) | Employee Benefits | January 1, 2014 |
| TAS 21 (Revised 2012) | The Effects of Changes in Foreign Exchange Rate | January 1, 2014 |
| TAS 24 (Revised 2012) | Related Party Disclosures | January 1, 2014 |
| TAS 28 (Revised 2012) | Investment in Associates | January 1, 2014 |
| TAS 31 (Revised 2012) | Interests in Joint Venture | January 1, 2014 |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

| | | Effective date |
|--|--|-----------------|
| TAS 34 (Revised 2012) | Interim Financial Reporting | January 1, 2014 |
| TAS 38 (Revised 2012) | Intangible Assets | January 1, 2014 |
| Financial Reporting Standards: | | |
| TFRS 2 (Revised 2012) | Share - Based Payments | January 1, 2014 |
| TFRS 3 (Revised 2012) | Business Combinations | January 1, 2014 |
| TFRS 4 | Insurance Contracts | January 1, 2016 |
| TFRS 5 (Revised 2012) | Non - current Assets Held for Sale and Discontinued Operations | January 1, 2014 |
| TFRS 8 (Revised 2012) | Operating Segments | January 1, 2014 |
| Accounting Standard Interpretations: | | |
| TSIC 15 | Operating Leases-Incentives | January 1, 2014 |
| TSIC 27 | Evaluating the Substance of Transactions Involving the Legal Form of a Lease | January 1, 2014 |
| TSIC 29 | Service Concession Arrangements: Disclosures | January 1, 2014 |
| TSIC 32 | Intangible Assets-Web Site Costs | January 1, 2014 |
| Financial Reporting Standard Interpretations: | | |
| TFRIC 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities | January 1, 2014 |
| TFRIC 4 | Determining whether an Arrangement contains a Lease | January 1, 2014 |
| TFRIC 5 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds | January 1, 2014 |
| TFRIC 7 | Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies | January 1, 2014 |
| TFRIC 10 | Interim Financial Reporting and Impairment | January 1, 2014 |
| TFRIC 12 | Service Concession Arrangements | January 1, 2014 |
| TFRIC 13 | Customer Loyalty Programmes | January 1, 2014 |
| TFRIC 17 | Distributions of Non-cash Assets to Owners | January 1, 2014 |
| TFRIC 18 | Transfer of Assets from Customers | January 1, 2014 |

The revised accounting standard, revised financial reporting standards and related interpretations have no significant impact to the Company and its subsidiaries.

Mr. Arun



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

b) New accounting standard, financial reporting standard and interpretations issued not yet effective

| | Effective date |
|-------------------------------|--|
| Accounting Standard: | |
| TAS 1 (revised 2014) | Presentation of Financial Statements |
| TAS 2 (revised 2014) | Inventories |
| TAS 7 (revised 2014) | Statement of Cash Flows |
| TAS 8 (revised 2014) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2014) | Events after the Reporting Period |
| TAS 11 (revised 2014) | Construction Contracts |
| TAS 12 (revised 2014) | Income Taxes |
| TAS 16 (revised 2014) | Property, Plant and Equipment |
| TAS 17 (revised 2014) | Leases |
| TAS 18 (revised 2014) | Revenue |
| TAS 19 (revised 2014) | Employee Benefits |
| TAS 20 (revised 2014) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (revised 2014) | The Effects of Changes in Foreign Exchange Rates |
| TAS 23 (revised 2014) | Borrowing Costs |
| TAS 24 (revised 2014) | Related Party Disclosures |
| TAS 26 (revised 2014) | Accounting and Reporting by Retirement Benefit Plans |
| TAS 27 (revised 2014) | Separate Financial Statements |
| TAS 28 (revised 2014) | Investments in Associates and Joint Ventures |
| TAS 29 (revised 2014) | Financial Reporting in Hyperinflationary Economies |
| TAS 33 (revised 2014) | Earnings per Share |
| TAS 34 (revised 2014) | Interim Financial Reporting |
| TAS 36 (revised 2014) | Impairment of Assets |
| TAS 37 (revised 2014) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (revised 2014) | Intangible Assets |
| TAS 40 (revised 2014) | Investment Property |
| Financial Reporting Standard: | |
| TFRS 2 (revised 2014) | Share-based Payment |
| TFRS 3 (revised 2014) | Business Combinations |
| TFRS 4 (revised 2014) | Insurance Contracts |
| TFRS 5 (revised 2014) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 6 (revised 2014) | Exploration for and Evaluation of Mineral Resources |
| TFRS 8 (revised 2014) | Operating Segments |



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

| | | Effective date |
|--|--|-----------------|
| TFRS 10 | Consolidated Financial Statements | January 1, 2015 |
| TFRS 11 | Joint Arrangements | January 1, 2015 |
| TFRS 12 | Disclosure of Interests in Other Entities | January 1, 2015 |
| TFRS 13 | Fair Value Measurement | January 1, 2015 |
| Accounting Standard Interpretations: | | |
| TSIC 10 (revised 2014) | Government Assistance - No Specific Relation to Operating Activities | January 1, 2015 |
| TSIC 15 (revised 2014) | Operating Leases - Incentives | January 1, 2015 |
| TSIC 25 (revised 2014) | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders | January 1, 2015 |
| TSIC 27 (revised 2014) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease | January 1, 2015 |
| TSIC 29 (revised 2014) | Service Concession Arrangements: Disclosures | January 1, 2015 |
| TSIC 31 (revised 2014) | Revenue - Barter Transactions Involving Advertising Services | January 1, 2015 |
| * TSIC 32 (revised 2014) | Intangible Assets - Web Site Costs | January 1, 2015 |
| Financial Reporting Standard Interpretations: | | |
| TFRIC 1 (revised 2014) | Changes in Existing Decommissioning, Restoration and Similar Liabilities | January 1, 2015 |
| TFRIC 4 (revised 2014) | Determining whether an Arrangement contains a Lease | January 1, 2015 |
| TFRIC 5 (revised 2014) | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds | January 1, 2015 |
| TFRIC 7 (revised 2014) | Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies | January 1, 2015 |
| TFRIC 10 (revised 2014) | Interim Financial Reporting and Impairment | January 1, 2015 |
| TFRIC 12 (revised 2014) | Service Concession Arrangements | January 1, 2015 |
| TFRIC 13 (revised 2014) | Customer Loyalty Programmes | January 1, 2015 |
| TFRIC 14 | TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | January 1, 2015 |
| TFRIC 15 (revised 2014) | Agreements for the Construction of Real Estate | January 1, 2015 |
| TFRIC 17 (revised 2014) | Distributions of Non-cash Assets to Owners | January 1, 2015 |
| TFRIC 18 (revised 2014) | Transfers of Assets from Customers | January 1, 2015 |
| TFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine | January 1, 2015 |

นายกิตติ์ พูลวัฒนา



บริษัท สยามเวลส์เพอร์ฟูร์ม จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

The Company and its subsidiaries have made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRSs, and expects that there will be no material impact on the financial statements in the period of initial application.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dated of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Non-monetary assets and liabilities measured at cost in a foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the date of the transactions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand, cash in-transit, cheque in-transit, deposits at financial institutions and fixed deposit and current investment with a maturity period not over 3 months since it is acquired except for cash at bank held as collateral.

Current Investment

Current Investment consists of investment in fixed deposit with a maturity period over 3 months but less than 1 year.

Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts. The Company and its subsidiaries allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of the existing receivables. Bad debts are written off when incurred.

Inventories

Inventories are stated at the lower of cost (first in–first out basis) and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to sell.

Investment

Investment in subsidiaries

Investment in subsidiaries is accounted for using the cost method less allowance for impairment loss (if any). The devaluation of investment is present as impairment loss of investment, which reflected in the statement of comprehensive income.

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

Property, Plant and Equipment and Depreciation

Land is stated at revaluation cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company and its subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company and its subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

Construction-in-progress represents assets under construction and is stated at cost less impairment loss (if any). This includes cost of construction and other direct costs. Construction-in-progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

| | |
|---------------------------------------|-----------------------------------|
| Land improvement | 5 years |
| Buildings and building on rental land | 20 years and a period of lease |
| Building improvement | 5, 20 years and a period of lease |
| Furniture, fixture and equipment | 5 years |
| Vehicles | 5 years |

No depreciation is provided on land and construction-in-progress.

Leasehold rights on land

Leasehold right on land is stated at cost less accumulated depreciation and allowance for impairment (if any). Amortization is charged to the statement of comprehensive income on a straight-line basis over a period of lease.

Impairment of Assets

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

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of comprehensive income.

Calculation of recoverable amount

The recoverable amount of other assets is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Trade and Other Payables

Trade and other payables are stated at cost.

Provisions

A provision is recognized in the statement of financial position when the Company and its subsidiaries has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Employee benefits

Short-term employee benefits

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

The Company and their employees have jointly established a provident fund as approved by the Ministry of Finance in accordance with the Provident Fund (B.E. 2530). Contributions are made to the fund by both employees at the rate of 3 percent of salary and the Company at the rate of 3 percent of salary. Provident fund contributions is recorded as expenses in the year incurred.

Post-employment benefits

Defined benefit plans

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



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

The obligation under the defined benefit plans 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 on a regular basis. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognized on a straight-line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of defined benefit obligations are recognized when the curtailment or settlement occurs.

Actuarial gains and losses arising from post-employment benefits and other long-term employee benefits arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bond.

Long-term leases

Where the Company and its subsidiaries are the lessee

Leases of property or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. The property or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the determination takes place.

Where the Company and its subsidiaries are the lessor

Assets leased out under operating leases are included in property and equipment in the statements of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property and equipment owned by the Company and its subsidiaries. Rental income is recognised on a straight-line basis over the lease term.

Surplus on business combination under common control

Surplus on business combination under common control arises from the merger of businesses under the common control of the ultimate majority shareholder of the Company. The surplus represents the difference between the cost of the combination and carrying amounts of net identifiable assets at the date of combination. The Company recognizes the difference arising from common control transactions under shareholders' equity until disposal of the investment.

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Revenues

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sales of goods and services rendered

Revenue from sales is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Service income is recognized as services are rendered.

Interest income

Interest income is recognized in the statement of comprehensive income as it accrues.

Expenses

Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income on a straight line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease payments made.

Finance costs

Interest expenses and similar costs are charged to the statement of comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Significant accounting estimates and assumptions

The preparation of financial statements in conformity with financial reporting standard at times 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:

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.

Impairment of investments

The Company treats investment in subsidiaries and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the Management.

Property, Plant and Equipment and Depreciation

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

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

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Post-employment benefits under defined benefit plans

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

Earnings per Share

Earnings per share is calculated by dividing the profit for the year attributable to the equity holders of the parent company by the weighted average number of common shares outstanding during the year.

5. CHANGE IN ACCOUNTING

During the year 2013, the Company and its subsidiary changed in estimate useful lives of certain assets which is building improvements of a service branch and hotel from 20 years to 30 years and restaurant from 10 years to 30 years. Such change effected are summarized as follows:

| | In Thousand Baht | |
|--|-----------------------------------|-------------------------------|
| | Consolidated Financial Statements | Separate Financial Statements |
| Statements of comprehensive income for the year ended December 31, 2013 | | |
| Increase in profit attributable to equity holders of the parent company | 4,913 | 2,430 |
| Increase in profit attributable to non-controlling interests | 813 | - |
| Increase in earnings per share to equity holders of the parent company* (Baht) | 0.01 | 0.01 |

*Earnings per share calculated by weighted average number of common shares outstanding in 2013 adjusted based on the change of par value of Baht 100.00 per share to Baht 0.25 per share.

6. RELATED PARTY TRANSACTIONS

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related companies. Related parties are those parties controlled by the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the Company.

Types of relationship of related parties are as follows:

| Name of Related parties | Type of business | Type of relationship |
|-----------------------------------|--|----------------------|
| Siam Wellness Lab Co., Ltd. | Manufacturer and sale of spa products | A subsidiary |
| Siam Wellness Education Co., Ltd. | A school for Thai massage | A subsidiary |
| Siam Wellness Resort Co.,Ltd. | Hotel and restaurant operations | A subsidiary |
| Blooming Co., Ltd. | Sale of gift , a blessed card and a notebook | Co shareholders |
| B.U. Enterprise Co., Ltd. | Properties rental | Co shareholders |
| Cyberprint Co., Ltd. | Printing business | Co shareholders |
| Asian Fortune Property Co., Ltd. | Real estate development | Co shareholders |
| Rarinjinda Ordinary Partnership | Properties rental | Co directors |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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Pricing policies for each transaction are described as follows:

| Transactions | Pricing policies |
|----------------------------------|--------------------------------|
| Revenues from services | Market price |
| Revenues from sales | Market price |
| Revenues from rental and utility | Contract price |
| Other income | Actual price |
| Interest income | MLR - 1.05% p.a. |
| Purchases and services | Market price |
| Service expenses | Contract price |
| Rental and utility expenses | Contract price |
| Commission expenses | Contract price |
| Interest expenses | Fixed deposit rate +1.50% p.a. |

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2014 and 2013 are summarized as follows:

| | In Thousand Baht | | | |
|---|--------------------------------------|------------|----------------------------------|--------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Revenues from services | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 456 | 238 |
| Cyberprint Co., Ltd. | 46 | 83 | 24 | 7 |
| Blooming Co., Ltd. | 3 | - | 3 | - |
| | 49 | 83 | 483 | 245 |
| Revenues from sales | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 4 | - |
| Siam Wellness Lab Co., Ltd. | - | - | 5 | 3 |
| Siam Wellness Education Co., Ltd. | - | - | 1 | - |
| Cyberprint Co., Ltd. | 38 | 102 | - | - |
| B.U. Enterprise Co., Ltd. | 4 | 20 | - | - |
| Blooming Co., Ltd. | 92 | 158 | 9 | 13 |
| | 134 | 280 | 19 | 16 |
| Other income | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 679 | 170 |
| Siam Wellness Lab Co., Ltd. | - | - | 959 | 240 |
| Siam Wellness Education Co., Ltd. | - | - | 121 | 30 |
| Cyberprint Co., Ltd. | - | 91 | - | 91 |
| | - | 91 | 1,759 | 531 |
| Revenues from rental and utility | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 4,971 | 4,576 |
| Siam Wellness Lab Co., Ltd. | - | - | 394 | 357 |
| Siam Wellness Education Co., Ltd. | - | - | 347 | 314 |
| | - | - | 5,712 | 5,247 |

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 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

| | In Thousand Baht | | | |
|------------------------------------|-----------------------------------|-------|-------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Interest income | | | | |
| Siam Wellness Education Co., Ltd. | - | - | 13 | - |
| Siam Wellness Resort Co., Ltd. | - | - | 36 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | | | 49 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Purchases and services | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 2,624 | 1,715 |
| Siam Wellness Lab Co., Ltd. | - | - | 9,706 | 8,974 |
| Siam Wellness Education Co., Ltd. | - | - | 2,218 | - |
| Blooming Co., Ltd. | 6,000 | 5,319 | 5,661 | 4,949 |
| B.U. Enterprise Co., Ltd. | 697 | 800 | 494 | 644 |
| Cyberprint Co., Ltd. | 695 | 1,008 | 453 | 510 |
| Workprint Co., Ltd. | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 7,392 | 7,127 | 21,156 | 16,792 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Rental and Utility expenses | | | | |
| Rarinjinda Ordinary Partnership | 2,894 | 2,833 | 2,894 | 2,833 |
| Asian Fortune Property Co., Ltd. | 5,765 | 5,299 | 5,765 | 5,299 |
| B.U. Enterprise Co., Ltd. | - | - | - | - |
| Related persons | 1,732 | 1,467 | 1,732 | 1,467 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 10,391 | 9,599 | 10,391 | 9,599 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Interest expenses | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 178 | - |
| Director and related persons | - | 1,566 | - | 1,207 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | - | 1,566 | 178 | 1,207 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Management benefit expenses for the years ended December 31, 2014 and 2013 are as follows:

| | In Thousand Baht | | | |
|------------------------------------|-----------------------------------|--------------|-------------------------------|--------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Management benefit expenses | | | | |
| Short-term employee benefits | 16,085 | 8,183 | 16,085 | 8,183 |
| Post-employment benefits | 323 | 414 | 323 | 414 |
| Total | 16,408 | 8,597 | 16,408 | 8,597 |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

Balances as at December 31, 2014, and 2013 with related parties are as follows:

| | In Thousand Baht | | | |
|---|--------------------------------------|---------------------|----------------------------------|---------------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Trade and other receivables | | | | |
| Trade receivables | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 320 | 191 |
| Siam Wellness Lab Co., Ltd. | - | - | 7 | 122 |
| Siam Wellness Education Co., Ltd. | - | - | - | 45 |
| Blooming Co., Ltd. | 2 | 150 | - | - |
| Cyberprint Co., Ltd. | 49 | 109 | 24 | 32 |
| B.U. Enterprise Co., Ltd. | 2 | 13 | - | - |
| | <u>53</u> | <u>272</u> | <u>351</u> | <u>390</u> |
| Other receivables | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | - | 61 |
| Directors | - | 12 | - | - |
| Total | <u>53</u> | <u>284</u> | <u>351</u> | <u>451</u> |
| Short-term loans and interest receivable | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | - | - |
| Short-term loans | - | - | 5,000 | - |
| Interest receivable | - | - | 23 | - |
| | <u>-</u> | <u>-</u> | <u>5,023</u> | <u>-</u> |
| Trade and other payables | | | | |
| Trade payables | | | | |
| Siam Wellness Resort Co., Ltd. | - | - | 112 | 356 |
| Siam Wellness Lab Co., Ltd. | - | - | 1,575 | 2,020 |
| Siam Wellness Education Co., Ltd. | - | - | 287 | - |
| Blooming Co., Ltd. | 703 | 974 | 635 | 871 |
| B.U. Enterprise Co., Ltd. | 65 | 155 | 48 | 106 |
| Cyberprint Co., Ltd. | 354 | 382 | 247 | 55 |
| Asian Fortune Property Co., Ltd. | 77 | 56 | 77 | 56 |
| Rarinjinda Ordinary Partnership | - | 72 | - | - |
| | <u>1,199</u> | <u>1,639</u> | <u>2,981</u> | <u>3,464</u> |
| Other payables | | | | |
| Accrued interest from directors | - | 359 | - | - |
| Advance from directors | 362 | 890 | 276 | 486 |
| | <u>362</u> | <u>1,249</u> | <u>276</u> | <u>486</u> |
| Total | <u>1,561</u> | <u>2,888</u> | <u>3,257</u> | <u>3,950</u> |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Movement of short-term loan and interest receivable from related persons during the year ended December 31, 2014 are as follows:

| | In Thousand Baht | | | |
|--|-------------------------------|--------------|--------------|----------------------|
| | Separate Financial Statements | | | |
| | December 31, 2013 | Increase | Decrease | December 31, 2014 |
| Siam Wellness Education Co., Ltd. | | | | |
| Short-term loan | - | 500 | (500) | - |
| Interest receivable | - | 9 | (9) | - |
| | <u>-</u> | <u>509</u> | <u>(509)</u> | <u>-</u> |
| Siam Wellness Resort Co., Ltd. | | | | |
| Short-term loan | - | 5,000 | - | 5,000 |
| Interest receivable | - | 23 | - | 23 |
| | <u>-</u> | <u>5,023</u> | <u>-</u> | <u>5,023</u> |

Movement of short-term loan and interest expenses from related persons during the year ended December 31, 2014 are as follows:

| | In Thousand Baht | | | |
|---------------------------------------|-------------------------------|---------------|-----------------|----------------------|
| | Separate Financial Statements | | | |
| | December 31, 2013 | Increase | Decrease | December 31, 2014 |
| Siam Wellness Resort Co., Ltd. | | | | |
| Short-term loan | - | 15,000 | (15,000) | - |
| Accrued interest | - | 178 | (178) | - |
| | <u>-</u> | <u>15,178</u> | <u>(15,178)</u> | <u>-</u> |

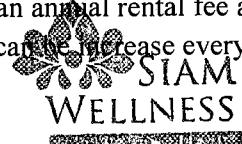
Significant agreements with related parties

1. On January 1, 2013, the Company entered into a lease agreement with Rarinjinda Ordinary Partnership (Formerly Rarinjinda, A Body of Persons) for the period of 30 years, due in December 2042 and such agreement is renewable by a formal notice letter not less than 3 years before term due of agreement. Under the agreement, the Company committed to pay an annual rental fee amounting to approximately Baht 2.9 million and not more than 15% of rental fee can be increased every 3 years.

Furthermore, on January 1, 2013, the Company made a sublease agreement with Siam Wellness Resort Co., Ltd. for the period of 30 years, due in December, 2042 and such agreement is renewable by a formal notice letter 3 years before term due of agreement. Under the agreement, Siam Wellness Resort Co., Ltd. committed to pay an annual rental fee amounting to approximately Baht 1.9 million and not more than 15% of rental fee can be increase every 3 years.

Under the lease and sublease agreements, assets which the Company and the subsidiary build or modify will be transferred the rights to Rarinjinda Ordinary Partnership on maturity date.

2. On January 1, 2013, the Company entered into a head office rental agreement with a related person for the period of 3 years due in December 2015 and such agreement is renewable twice for every 3 years. Under the agreement, the Company committed to pay an annual rental fee amounting to approximately Baht 1.3 million and not more than 15% of rental fee can be increase every 3 years.



SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements (Continued)****December 31, 2014**

Furthermore, on January 1, 2013, the Company made sublease agreements with Siam Wellness Lab Co., Ltd. and Siam Wellness Education Co., Ltd. ("sublessees") for the period of 3 years, due in December, 2015 and such agreements are renewable twice for every 3 years. Under the agreements, the sublessees committed to pay an annual rental fee amounting to approximately Baht 0.7 million.

3. On January 23, 2014, the Company has entered into rental agreements for employees with a related person for the period of 3 years, due in December 2016, and such agreements are renewable by a formal notice letter not less than 2 months before term due of agreements. Under the agreements, the Company committed to pay an annual rental fee amounting to approximately Baht 0.3 million.

4. On February 1, 2014, the Company has entered into a rental and service agreement with Asian Fortune Property Co., Ltd. for the period of 3 years, due in January 2017 and such agreement is renewable twice for every 3 years. Under the agreement, the Company committed to pay an annual rental and service fees amounting to approximately Baht 6 million.

7. CASH AND CASH EQUIVALENTS

| | In Thousand Baht | | | |
|---------------|--------------------------------------|---------------|----------------------------------|---------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Cash | 2,629 | 3,323 | 2,257 | 2,835 |
| Cash in banks | 101,410 | 16,310 | 87,562 | 9,997 |
| Total | <u>104,039</u> | <u>19,633</u> | <u>89,819</u> | <u>12,832</u> |

As at December 31, 2014 and 2013 the Company and its subsidiaries have bank deposits in saving accounts carried interests 0.35% - 0.38% p.a. and 0.55% - 0.63% p.a. respectively. (Separate financial statements : interests at 0.35% - 0.38% p.a. and 0.55% - 0.63% p.a. respectively).

8. CURRENT INVESTMENTS

| | In Thousand Baht | | | |
|--|--------------------------------------|----------|----------------------------------|----------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Deposits at financial institution - fixed accounts | <u>100,000</u> | <u>-</u> | <u>100,000</u> | <u>-</u> |

Deposits at financial institution - fixed account was 4 months term, bearing interest rates at 2.90% p.a.



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Notes to Financial Statements (Continued)
December 31, 2014

9. TRADE AND OTHER RECEIVABLES

| | In Thousand Baht | | | |
|--------------------------------------|-----------------------------------|-------|-------------------------------|-------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Related parties | | | | |
| Trade receivables | 53 | 272 | 351 | 390 |
| Other receivables | - | 12 | - | 61 |
| | 53 | 284 | 351 | 451 |
| Less Allowance for doubtful accounts | - | - | - | - |
| Net | 53 | 284 | 351 | 451 |
| Other parties | | | | |
| Trade receivables | 3,189 | 5,489 | 949 | 719 |
| Other receivables | 5,557 | 1,323 | 5,107 | 1,135 |
| | 8,746 | 6,812 | 6,056 | 1,854 |
| Less Allowance for doubtful accounts | (344) | (743) | (240) | (237) |
| Net | 8,402 | 6,069 | 5,816 | 1,617 |
| Total | 8,455 | 6,353 | 6,167 | 2,068 |

Trade receivables-related parties are classified by aging as at December 31, 2014 and 2013 as follows:

| | In Thousand Baht | | | |
|--------------------------------------|-----------------------------------|------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Not yet due | 51 | 272 | 351 | 390 |
| Over due | | | | |
| Less than 3 months | 2 | - | - | - |
| Over 3 - 6 months | - | - | - | - |
| Over 6 - 12 months | - | - | - | - |
| Over 12 months | - | - | - | - |
| Total | 53 | 272 | 351 | 390 |
| Less Allowance for doubtful accounts | - | - | - | - |
| Net | 53 | 272 | 351 | 390 |

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Notes to Financial Statements (Continued)
December 31, 2014

Trade receivables - other parties are classified by aging as at December 31, 2014 and 2013 as follows:

| | In Thousand Baht | | | |
|--------------------------------------|-----------------------------------|-------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Not yet due | 1,996 | 3,820 | 469 | 708 |
| Over due | | | | |
| Less than 3 months | 956 | 658 | 364 | 10 |
| Over 3 - 6 months | 126 | 306 | 109 | - |
| Over 6 - 12 months | 6 | 397 | 6 | 1 |
| Over 12 months | 105 | 308 | 1 | - |
| Total | 3,189 | 5,489 | 949 | 719 |
| Less Allowance for doubtful accounts | (108) | (506) | (4) | - |
| Net | 3,081 | 4,983 | 945 | 719 |

| | In Thousand Baht | | | |
|---|-----------------------------------|------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Bad debt and doubtful accounts (Reversal) | (150) | 743 | 3 | 237 |

10. INVENTORIES

| | In Thousand Baht | | | |
|--|-----------------------------------|-------|-------------------------------|-------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Finished goods | 1,920 | 2,304 | 2,880 | 2,164 |
| Supplies | 4,704 | 5,375 | 4,623 | 5,314 |
| Food and beverage | 337 | 307 | - | - |
| Others | 1,590 | 1,800 | - | - |
| Total | 8,551 | 9,786 | 7,503 | 7,478 |
| Less Allowance for decline in value of inventories | (1,068) | (307) | (617) | (135) |
| Net | 7,483 | 9,479 | 6,886 | 7,343 |

The cost of inventories which is recognized as an expense and included in cost of sales for the years ended December 31, 2014 and 2013, amounted to Baht 35.2 million and Baht 29.9 million, respectively. (Separate financial statements: Baht 24.3 million and Baht 20.8 million, respectively).

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

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Notes to Financial Statements (Continued)

December 31, 2014

Movement of the allowance for decline in value of inventories for the years ended December 31, 2014 and 2013 are as follows :

| | In Thousand Baht | | | |
|---|-----------------------------------|------------|-------------------------------|------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Balance as at January 1, | 307 | - | 135 | - |
| Add Loss on decline in value of inventories | 761 | 307 | 482 | 135 |
| Balance as at December 31, | <u>1,068</u> | <u>307</u> | <u>617</u> | <u>135</u> |

11. INVESTMENT IN SUBSIDIARIES

| Name of the Companies | Type of business | Percentage of direct and indirect Holdings (%) | | In Thousand Baht | |
|-----------------------------------|---------------------------------------|--|-------|------------------|----------------|
| | | 2014 | 2013 | 2014 | 2013 |
| Siam Wellness Lab Co., Ltd. | Manufacturer and sale of spa products | 99.98 | 99.98 | 2,000 | 2,000 |
| Siam Wellness Education Co., Ltd. | Thai massage school | 99.97 | 99.97 | 1,000 | 1,000 |
| Siam Wellness Resort Co., Ltd. | Hotel and restaurant operations | 99.98 | 99.98 | <u>98,705</u> | <u>98,705</u> |
| | | | | <u>101,705</u> | <u>101,705</u> |

At the Board of Directors' Meeting No. 2/2013 held on March 8, 2013 and the Extraordinary Shareholders' Meeting No. 2/2013 held on March 29, 2013, approved to acquire Siam Wellness Resort Co., Ltd. (Formerly Rarinjinda Co., Ltd.) operating in hotel and restaurant business by shares swapped in the proportion of 1:1. The Company increased its share capital of Baht 60 million by issuing new 600,000 common shares at Baht 100.0 par value for the purpose of shares swapped as mentioned. Fair value of such increase of share capital was Baht 164.5 per share, totaling of Baht 98.7 million. As at March 31, 2013, the Company has 99.98% holdings of Siam Wellness Resort Co., Ltd. In addition, former shareholders of Siam Wellness Resort Co., Ltd. are the same group of shareholders of the Company. The acquisition was thus considered to be a business combination under common control.

Net assets of Siam Wellness Resort Co., Ltd. at acquisition date (March 31, 2013) are as follows:

| | In Thousand Baht |
|---|------------------|
| Cash and cash equivalents | 4,846 |
| Trade and other receivables | |
| Related parties | 882 |
| Other parties | 4,505 |
| Inventories | 700 |
| Other current assets | 85 |
| Building improvements and equipment - net | 73,630 |
| Deferred tax assets | 573 |
| Other non-current assets | 4 |
| Total assets | <u>85,225</u> |



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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2014

| | <u>In Thousand Baht</u> |
|---|-------------------------|
| Short - term loan from financial institutions | 25,000 |
| Trade and other payables | |
| Related parties | 3,352 |
| Other parties | 3,016 |
| Other current liabilities | 148 |
| Employee benefit obligations | 283 |
| Other non-current liabilities | 305 |
| Total liabilities | <u>32,104</u> |
| Identifiable assets and liabilities | 53,121 |
| Difference from business combination | 45,584 |
| The purchase consideration | <u>98,705</u> |

The Company recognized the difference from business combination as surplus on business combination under common control in other components of shareholders' equity.

12. LEASEHOLD RIGHTS ON LAND

| | <u>In Thousand Baht</u> |
|---|---|
| | <u>Consolidated and Separate Financial Statements</u> |
| <u>At cost</u> | |
| Balance as at January 1, 2013 | 4,753 |
| Acquisition | 550 |
| Written-off | <u>(990)</u> |
| Balance as at December 31, 2013 | 4,313 |
| Acquisition | 64 |
| Transfer in/(out) | 1,824 |
| Written-off | - |
| Balance as at December 31, 2014 | <u>6,201</u> |
| <u>Amortization</u> | |
| Balance as at January 1, 2013 | 950 |
| Amortization for the year | 643 |
| Written-off | <u>(990)</u> |
| Balance as at December 31, 2013 | 603 |
| Amortization for the year | 957 |
| Written-off | - |
| Balance as at December 31, 2014 | <u>1,560</u> |
| <u>Net book value</u> | |
| December 31, 2013 | 3,710 |
| December 31, 2014 | <u>4,641</u> |
| <u>Amortization included in the statements of comprehensive income for the years</u> | |
| 2013 | 642 |
| 2014 | <u>957</u> |

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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

13. PROPERTY, PLANT AND EQUIPMENT

In Thousand Baht

Consolidated Financial Statements

| | Revaluation basis | | Cost basis | | | | Total |
|---|-------------------|------------------|-----------------------------------|-----------------------------------|----------|--------------------------|----------|
| | Land | Land improvement | Building and building improvement | Furniture, fixtures and equipment | Vehicles | Construction in progress | |
| | | | | | | | |
| <u>Cost</u> | | | | | | | |
| Balance as at January 1, 2013 | 52,542 | 2,776 | 278,022 | 81,968 | 9,553 | 22,835 | 447,696 |
| Additions | 1,989 | - | 8,393 | 8,667 | 4,074 | 36,390 | 59,513 |
| Revaluations | 651 | - | - | - | - | - | 651 |
| Disposals/ written-off | - | (92) | (6,302) | (23,938) | - | - | (30,332) |
| Transfers in (out) | - | - | 53,139 | 1,453 | - | (54,592) | - |
| Balance as at December 31, 2013 | 55,182 | 2,684 | 333,252 | 68,150 | 13,627 | 4,633 | 477,528 |
| Additions | 1,963 | - | 8,822 | 10,165 | 958 | 69,301 | 91,209 |
| Revaluations | 2,797 | - | - | - | - | - | 2,797 |
| Disposals/ written-off | - | - | (2,773) | (4,540) | - | - | (7,313) |
| Transfers in (out) | - | - | 67,259 | 2,803 | - | (70,062) | - |
| Balance as at December 31, 2014 | 59,942 | 2,684 | 406,560 | 76,578 | 14,585 | 3,872 | 564,221 |
| <u>Accumulated depreciation</u> | | | | | | | |
| Balance as at January 1, 2013 | - | 2,707 | 108,334 | 67,384 | 6,164 | - | 184,589 |
| Depreciation charge for the year | - | 32 | 12,718 | 6,126 | 1,610 | - | 20,486 |
| Disposals/ written-off | - | (92) | (576) | (23,864) | - | - | (24,532) |
| Balance as at December 31, 2013 | - | 2,647 | 120,476 | 49,646 | 7,774 | - | 180,543 |
| Depreciation charge for the year | - | 19 | 18,077 | 6,921 | 1,872 | - | 26,889 |
| Disposals/ written-off | - | - | (1,001) | (4,290) | - | - | (5,291) |
| Balance as at December 31, 2014 | - | 2,666 | 137,552 | 52,277 | 9,646 | - | 202,141 |
| <u>Allowance for impairment loss</u> | | | | | | | |
| Balance as at January 1, 2013 | - | - | 5,638 | - | - | - | 5,638 |
| Disposals/ written-off | - | - | (5,638) | - | - | - | (5,638) |
| Balance as at December 31, 2013 | - | - | - | - | - | - | - |
| Impairment loss for the year | - | - | - | - | - | - | 2,565 |
| Balance as at December 31, 2014 | - | - | - | - | - | - | 2,565 |
| <u>Net book value</u> | | | | | | | |
| At December 31, 2013 | 55,182 | 37 | 212,776 | 18,504 | 5,853 | 4,633 | 296,985 |
| At December 31, 2014 | 59,942 | 18 | 269,008 | 24,301 | 4,939 | 1,307 | 359,515 |
| Depreciations included in the statements of comprehensive income for the years | | | | | | | |
| 2013 | | | | | | | 20,486 |
| 2014 | | | | | | | 26,889 |

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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

| | In Thousand Baht | | | | | |
|---|-------------------------------|------------|--------------------------|-----------------------------------|----------|----------|
| | Separate Financial Statements | | | | | |
| | Revaluation basis | Cost basis | | | | |
| | | Land | Building and improvement | Furniture, fixtures and equipment | Vehicles | Total |
| Cost | | | | | | |
| Balance as at January 1, 2013 | | 52,542 | 164,752 | 60,288 | 7,805 | 22,835 |
| Additions | | 1,989 | 7,294 | 7,760 | 4,074 | 36,389 |
| Revaluations | | 651 | - | - | - | 651 |
| Disposals/ written-off | | - | (6,147) | (23,462) | - | (29,609) |
| Transfers in (out) | | - | 53,139 | 1,453 | - | (54,592) |
| Balance as at December 31, 2013 | | 55,182 | 219,038 | 46,039 | 11,879 | 4,632 |
| Additions | | 1,963 | 8,622 | 9,223 | 958 | 69,301 |
| Revaluations | | 2,797 | - | - | - | 2,797 |
| Disposals/ written-off | | - | (2,773) | (4,540) | - | (7,313) |
| Transfers in (out) | | - | 67,259 | 2,803 | - | (70,062) |
| Balance as at December 31, 2014 | | 59,942 | 292,146 | 53,525 | 12,837 | 3,871 |
| Accumulated depreciation | | | | | | |
| Balance as at January 1, 2013 | | - | 64,557 | 50,680 | 4,864 | - |
| Depreciation charge for the year | | - | 9,078 | 3,909 | 1,459 | - |
| Disposals/ written-off | | - | (508) | (23,426) | - | (23,934) |
| Balance as at December 31, 2013 | | - | 73,127 | 31,163 | 6,323 | - |
| Depreciation charge for the year | | - | 14,981 | 5,431 | 1,766 | - |
| Disposals/ written-off | | - | (1,001) | (4,290) | - | (5,291) |
| Balance as at December 31, 2014 | | - | 87,107 | 32,304 | 8,089 | - |
| Allowance for impairment loss | | | | | | |
| Balance as at January 1, 2013 | | - | 5,638 | - | - | - |
| Disposals/ written-off | | - | (5,638) | - | - | (5,638) |
| Balance as at December 31, 2013 | | - | - | - | - | - |
| Impairment loss for the year | | - | - | - | - | 2,565 |
| Balance as at December 31, 2014 | | - | - | - | - | 2,565 |
| Net book value | | | | | | |
| At December 31, 2013 | | 55,182 | 145,911 | 14,876 | 5,556 | 4,632 |
| At December 31, 2014 | | 59,942 | 205,039 | 21,221 | 4,748 | 1,306 |
| Depreciations included in the statements of comprehensive income for the years | | | | | | |
| 2013 | | | | | | 14,446 |
| 2014 | | | | | | 22,178 |

The Company arranged for an independent professional value to appraise the value of its land in 2014 and 2013. Land were revalued using the market approach. The detail of such land carried on the revaluation basis is as follows:

Original cost
Surplus from revaluation
Revalued amount



| In Thousand Baht | |
|--|---------------|
| Consolidated and Separate Financial Statements | |
| 2014 | 2013 |
| 17,899 | 15,937 |
| 42,043 | 39,245 |
| 59,942 | 55,182 |

*Mr. Arun
Managing Director*

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Depreciations included in

| | In Thousand Baht | | | |
|--------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Cost of sale and service | 23,923 | 17,535 | 19,330 | 11,608 |
| Administrative expenses | 2,966 | 2,951 | 2,848 | 2,838 |
| Total | <u>26,889</u> | <u>20,486</u> | <u>22,178</u> | <u>14,446</u> |

As at December 31, 2014 and 2013, certain building and equipment have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 88.5 million and Baht 84.9 million, respectively. (Separate Financial Statements : Baht 52.7 million and Baht 55.4 million, respectively).

As at December 31, 2014 and 2013, the Company acquired motor vehicles under financial lease contracts, with net book value amounting to approximately Baht 2.2 million and Baht 2.8 million, respectively.

The Company mortgaged their land and structures there on at net book value as at December 31, 2014 and 2013 totaling Baht 78.5 million and Baht 66.4 million, respectively, of such assets pledged as collaterals for bank overdraft and long term loan from banks as described in notes 14 and 17 to the financial statements.

14. • SHORT- TERM LOAN FROM FINANCIAL INSTITUTIONS

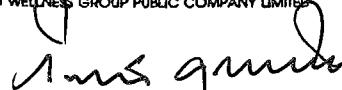
| | In Thousand Baht | | | |
|-------------------|-----------------------------------|---------------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Short - term loan | - | <u>16,000</u> | - | - |

The Company had credit lines of bank overdrafts and other credit facility from a local financial institution totaling of Baht 3 million and other collateral of Baht 10 million, which were secured by mortgaged of land and structures thereon of the Company and the Company's director.

15. TRADE AND OTHER PAYABLES

| | In Thousand Baht | | | |
|--------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Related parties | | | | |
| Trade payables | 1,200 | 1,732 | 2,981 | 3,464 |
| Other payables | <u>362</u> | <u>1,156</u> | <u>276</u> | <u>486</u> |
| | <u>1,562</u> | <u>2,888</u> | <u>3,257</u> | <u>3,950</u> |
| Other parties | | | | |
| Trade payables | 11,304 | 11,982 | 9,366 | 9,055 |
| Accrued salary and bonus | 7,313 | 5,688 | 7,123 | 5,521 |
| Advance received | 7,482 | 5,381 | 5,794 | 4,382 |
| Other payables | <u>13,314</u> | <u>10,024</u> | <u>11,906</u> | <u>8,116</u> |
| | <u>39,413</u> | <u>33,075</u> | <u>34,189</u> | <u>27,074</u> |
| Total | <u>40,975</u> | <u>35,963</u> | <u>37,446</u> | <u>31,024</u> |

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED



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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

16. LIABILITIES UNDER FINANCIAL LEASE CONTRACTS

| | In Thousand Baht | |
|---|---|--------------|
| | Consolidated and Separate Financial Statements | |
| | 2014 | 2013 |
| Liabilities under financial lease contracts | 1,878 | 2,427 |
| Less Deferred interest | (168) | (275) |
| | 1,710 | 2,152 |
| Less Current portion | (468) | (443) |
| Net | <u>1,242</u> | <u>1,709</u> |

As at December 31, 2014 and 2013, the Company has liabilities under financial lease contracts with the period of payment as follows:

| | In Thousand Baht | | | | | |
|------------------------------------|-----------------------------------|--|---------------------------------------|-----------------------------------|--|---------------------------------------|
| | Consolidated Financial Statements | | | and Separate Financial Statements | | |
| | 2014 | Present value of minimum lease payment | Future minimum lease payment | 2013 | Present value of minimum lease payment | Future minimum lease payment |
| * Payment due 1 year | 550 | (82) | 468 | 549 | (106) | 443 |
| Payment due over 1 year to 5 years | 1,328 | (86) | 1,242 | 1,878 | (169) | 1,709 |
| Total | <u>1,878</u> | <u>(168)</u> | <u>1,710</u> | <u>2,427</u> | <u>(275)</u> | <u>2,152</u> |

17. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

| | In Thousand Baht | | | |
|----------------------|--------------------------------------|---------------|----------------------------------|---------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Long-term loans | 57,049 | 66,300 | 57,049 | 66,300 |
| Less Current portion | 12,240 | 13,200 | 12,240 | 13,200 |
| Net | <u>44,809</u> | <u>53,100</u> | <u>44,809</u> | <u>53,100</u> |

In December 2012, the Company entered into a loan agreement with a local financial institution of Baht 25.5 million. On December 28, 2012, the Company received a portion of loan amounting to Baht 20 million and the remaining amount of Baht 5.5 million received on January 10, 2013. Such loan bears interest at MLR-1.25 % p.a.. Interest is for monthly repayable and loan is repayable for 72 monthly installments at Baht 350,000 starting from January 2013 to 2018. Such loan is secured by guarantee of the Company's directors, mortgage of land and structures thereon of the Company, fixed deposit and fund account of a director.

In December 2013, the Company entered into a loan agreement with a local financial institution of Baht 80.0 million. On December 19, 2013, the company received a portion of loan amounting to Baht 45.0 million. Such loan bears interest at MLR – 1.30% p.a. Interest is for monthly repayable and loan is repayable for 60 monthly installments at Baht 750,000, starting from January 2014 to 2018. Such loan is secured by guarantee of the Company's directors and mortgaged of land and structures there on of the Company.



นายสมศักดิ์ สยามเวลเนสกรุ๊ป

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

In August 2014, the Company entered into a loan agreement with a local financial institution of Baht 65.0 million, bears interest at MLR – 1.40% p.a. and interest is for monthly repayable. The Company received a portion of loan amounting to Baht 45.5 million and loan is repayable for 60 monthly installments at Baht 767,000 starting from October 2014 to 2019. Such loans are secured by a guarantee of the Company's directors and mortgaged of land and structures thereon of the Company.

The loan agreements contain covenant that, among other things, require the Company to maintain certain debt to equity and debt service coverage ratios according to the agreements.

18. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit liabilities in statements of financial position as at December 31, 2014 and 2013 are as follows:

| | In Thousand Baht | | | |
|------------------------------|-----------------------------------|-------|-------------------------------|-------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Post-employment benefits | | | | |
| Legal severance payment plan | 3,760 | 1,996 | 3,210 | 1,521 |

Movement in the present value of the defined benefit obligations for the years ended December 31, 2014 and 2013 are as follows:

| | In Thousand Baht | | | |
|--|-----------------------------------|---------|-------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Defined benefit obligations as at January 1, | 1,996 | 3,863 | 1,521 | 3,613 |
| Benefits paid by the plan | - | - | - | - |
| Current service costs and interest | 1,240 | 1,049 | 1,012 | 886 |
| Gain on the curtailment of defined benefit plan | - | (2,045) | - | (2,045) |
| Actuarial (gain)losses in the statement of comprehensive income | 524 | (871) | 677 | (933) |
| Defined benefit obligations as at December 31, | 3,760 | 1,996 | 3,210 | 1,521 |

Expenses recognized in the statements of comprehensive income for the years ended December 31, 2014 and 2013 are as follows:

| | In Thousand Baht | | | |
|------------------------|-----------------------------------|-------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Current service costs | 1,092 | 929 | 896 | 784 |
| Interest on obligation | 148 | 120 | 116 | 102 |
| Total | 1,240 | 1,049 | 1,012 | 886 |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

The above expense recognized in the statements of comprehensive income is recognized in the following line items for the years ended December 31, 2014 and 2013.

| | In Thousand Baht | | | |
|--------------------------------|-----------------------------------|------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Cost of services | 464 | 108 | 331 | 201 |
| Administrative expenses | 305 | 407 | 242 | 169 |
| Managements' benefits expenses | 323 | 414 | 323 | 414 |
| Total | 1,092 | 929 | 896 | 784 |

Principal actuarial assumptions at the reporting date as at December 31, 2014 and 2013:

| | Consolidated Financial Statements | | Separate Financial Statements | |
|------------------------|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | (Percentage) | (Percentage) | (Percentage) | (Percentage) |
| Discount rate | 4.01 - 4.46 | 4.76 - 4.95 | 4.06 - 4.19 | 4.79 |
| Salary increase rate | 5.00 | 5.00 | 5.00 | 5.00 |
| Employee turnover rate | 1.82 - 5.88 | 1.82 - 5.88 | 1.82 | 1.82 |
| Mortality rate | 100 * (Thai Mortality Ordinary Table 2008) |

19. INCOME TAX

The Company and its subsidiaries have income tax income (expenses) for the years ended December 31, 2014 and 2013 as follows:

| | In Thousand Baht | | | |
|---|-----------------------------------|-----------------|-------------------------------|-----------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Current income tax expenses: | | | | |
| Current income tax expenses for the years | (7,834) | (13,358) | (5,104) | (12,132) |
| Deferred tax: | | | | |
| Income tax income (expense) relating to origination and reversal of temporary differences | 1,154 | (2,134) | 1,174 | (1,061) |
| Income tax expense reported in the statement of comprehensive income | (6,680) | (15,492) | (3,930) | (13,193) |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Reconciliation of effective tax rate for the years ended December 31, 2014 and 2013 as follows:

| In Thousand Baht | | | |
|---|----------------|----------------|-----------------|
| Consolidated Financial Statements | | | |
| 2014 | | 2013 | |
| Rate (%) | Amount | Rate (%) | Amount |
| | <u>39,927</u> | | <u>75,712</u> |
| Income tax by applicable tax rate 0 - 20 | (7,845) | 0 - 20 | (15,316) |
| Effect to income tax from tax-exempt incomes and non-deductible expenses | 11 | | 1,958 |
| The recognition and reversal of temporary differences | 1,154 | | (2,134) |
| Income tax expenses reported in the statement of comprehensive income | <u>17</u> | <u>(6,680)</u> | <u>20</u> |
| | <u>(6,680)</u> | <u>20</u> | <u>(15,492)</u> |

| In Thousand Baht | | | |
|---|----------------|----------------|-----------------|
| Separate Financial Statements | | | |
| 2014 | | 2013 | |
| Rate (%) | Amount | Rate (%) | Amount |
| | <u>25,663</u> | | <u>65,327</u> |
| Income tax by applicable tax rate 20 | (5,133) | 20 | (13,065) |
| Effect to income tax from tax-exempt incomes and non-deductible expenses | 29 | | 933 |
| The recognition and reversal of temporary differences | 1,174 | | (1,061) |
| Income tax expenses reported in the statement of comprehensive income | <u>15</u> | <u>(3,930)</u> | <u>20</u> |
| | <u>(3,930)</u> | <u>20</u> | <u>(13,193)</u> |

Deferred tax assets (liabilities) as at December 31, 2014 and 2013 are as follows:

| In Thousand Baht | | | | | |
|--------------------------|----------------|----------------------|------|----------------|----------------|
| Consolidated | | Separate | | | |
| Financial Statements | | Financial Statements | | | |
| 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Deferred tax assets | 209 | 260 | | - | - |
| Deferred tax liabilities | (6,497) | (7,247) | | (6,497) | (7,247) |
| Net | <u>(6,288)</u> | <u>(6,987)</u> | | <u>(6,497)</u> | <u>(7,247)</u> |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

The components of deferred tax assets (liabilities) as at December 31, 2014 and 2013 are as follows:

| | In Thousand Baht | | | |
|---|--------------------------------------|---------|----------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Deferred tax assets | | | | |
| Allowance for doubtful accounts | 69 | 148 | 48 | 47 |
| Allowance for decline in value of inventories | 200 | 61 | 123 | 27 |
| Impairment loss on assets | 513 | - | 513 | - |
| Employee benefit obligations | 746 | 399 | 642 | 304 |
| Others | 592 | 254 | 585 | 224 |
| Total | 2,120 | 862 | 1,911 | 602 |
| Deferred tax liabilities | | | | |
| Surplus on revaluation of assets | (8,408) | (7,849) | (8,408) | (7,849) |
| Net | (6,288) | (6,987) | (6,497) | (7,247) |

The amount of income tax relating to each component of other comprehensive income for the years ended December 31, 2014 and 2013 are as follows :

| | In Thousand Baht | | | |
|---|--------------------------------------|------|----------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Deferred tax relating to | | | | |
| Gain on revaluation of land | 559 | 130 | 559 | 130 |
| Gain (Loss) on actuarial from employee benefit plan | (103) | 174 | (135) | 187 |
| Total | 456 | 304 | 424 | 317 |

20. SHARE CAPITAL

| | In Thousand Baht / In Thousand shares | | | | | |
|---------------------------|---|---------------------|---------|---------------------|---------------------|---------|
| | Consolidated Financial Statements and Separate Financial Statements | | | | | |
| | 2014 | | 2013 | | | |
| | Par value (Baht) | Number of Shares | Amount | Par value (Baht) | Number of Shares | Amount |
| Share capital | | | | | | |
| As at January 1, | | | | | | |
| - Common shares | 100.00 | 1,000 | 100,000 | 100.00 | 400 | 40,000 |
| Decrease par value | 0.25 | 400,000 | 100,000 | - | - | - |
| Increase of share capital | 0.25 | 170,000 | 42,500 | 100.00 | 600 | 60,000 |
| As at December 31, | | | | | | |
| - Common shares | 0.25 | 570,000 | 142,500 | 100.00 | 1,000 | 100,000 |

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คงเหลือ จำนวนเงิน



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

| In Thousand Baht / In Thousand shares | | | | | |
|---|---------------------|---------|---------------------|---------------------|--------|
| Consolidated Financial Statements and Separate Financial Statements | | | | | |
| 2014 | | | 2013 | | |
| Par value (Baht) | Number of Shares | Amount | Par value (Baht) | Number of Shares | Amount |
| Issued and fully paid-up share capital | | | | | |
| As at January 1, | | | | | |
| - Common shares | 100.00 | 1,000 | 100.00 | 400 | 40,000 |
| Decrease par value | 0.25 | 400,000 | 100,000 | - | - |
| Increase of share capital | 0.25 | 170,000 | 42,500 | 100.00 | 600 |
| As at December 31, | | | | | |
| - Common shares | 0.25 | 570,000 | 142,500 | 100.00 | 1,000 |
| | | | | | |

At the Extraordinary Shareholders' Meeting No. 2/2013 held on March 29, 2013, the shareholders had a resolution to increase registered capital of the Company of Baht 60,000,000 from Baht 40,000,000 (divided into 400,000 shares at Baht 100.00 par value) to Baht 100,000,000 (divided into 1,000,000 shares at Baht 100.00 par value). The Company registered the increase of its share capital with the Department of Business Development, Ministry of Commerce on March 29, 2013.

At the Extraordinary Shareholders' Meeting No.1/2014 held on May 7, 2014, the shareholders had a resolution to change authorized share capital from 1,000,000 shares at Baht 100.00 par value to 400,000,000 shares at Baht 0.25 par value and increase its authorized share capital Baht 100,000,000 to Baht 142,500,000 by issuing new common shares 170,000,000 shares at Baht 0.25 par value. Then, after its increase in authorized share capital, its authorized share capital will be Baht 142,500,000, divided into 570,000,000 common shares at Baht 0.25 par value. The Company registered such changes with the Department of Business Development, Ministry of Commerce on May 8, 2014.

On October 20 - 22, 2014, the Company offered 170.0 million common shares, with a par value of Baht 0.25 each, at a offering price of Baht 1.70 each through Initial Public Offering. The net amount received from share subscription was Baht 282.7 million (less the subscription expenses of Baht 6.3 million.) The Company recognized premium on share capital of Baht 240.2 million. The Market for Alternative Investment (MAI) approved the 570.0 million common shares with a par value of Baht 0.25 each as listed securities to be traded, effective from October 31, 2014.



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

21. PREMIUM ON SHARE AND LEGAL RESERVE

Premium on share capital

Premium on share capital is share subscription monies received in excess of the par value of the shares. Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act. B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

22. DIVIDENDS

At the Shareholders' Meeting held on April 19, 2014, the shareholders has a resolution to approve for payment of dividends for the year 2013 of Baht 40 per share totaling of Baht 40 million and appropriated for legal reserve for the year 2013 amounting to Baht 3.7 million.

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

23. EXPENSES BY NATURE

| | In Thousand Baht | | | |
|---|-----------------------------------|---------|-------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Changes in inventories | 1,234 | (1,679) | (25) | (1,813) |
| Purchase of inventories | 38,127 | 37,902 | 32,672 | 29,766 |
| Depreciation and amortization | 27,846 | 21,128 | 23,134 | 15,088 |
| Impairment loss on assets | 2,565 | - | 2,565 | - |
| Employee expenses | 106,497 | 79,704 | 90,800 | 65,637 |
| Management benefit expenses | 16,408 | 8,746 | 16,408 | 8,746 |
| Rental expense | 45,350 | 35,567 | 46,557 | 35,548 |
| Public utility | 11,699 | 10,347 | 10,808 | 9,483 |
| Maintenance and decorate locations expenses | 7,295 | 5,831 | 7,979 | 5,831 |
| Advertising and promotion expenses | 12,210 | 3,659 | 12,470 | 3,160 |
| Laundry expenses | 5,680 | 4,321 | 5,680 | 4,321 |
| Consulting fees | 3,977 | 1,313 | 3,480 | 2,434 |
| Finance cost | 5,532 | 4,002 | 5,209 | 2,807 |
| Other expenses | 19,011 | 39,380 | 13,243 | 31,182 |
| Total | 303,431 | 250,221 | 270,980 | 212,190 |

24.* EARNINGS PER SHARE

The calculation of earnings per share for the years ended December 31, 2014 and 2013, were based on the profit for the years attributable to equity holders of the parent company and the number of common shares outstanding during the years as follow:

| | In Thousand Baht/ Thousand shares | | | |
|---|-----------------------------------|---------|-------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Profit attributable to equity holders of the parent company | 33,247 | 57,325 | 21,733 | 52,134 |
| Weighted average number of common shares* outstanding | | | | |
| Issued common share at January 1, | 400,000 | 160,000 | 400,000 | 160,000 |
| Effect of common share issued | 30,274 | 182,795 | 30,274 | 182,795 |
| Total | 430,274 | 342,795 | 430,274 | 342,795 |
| Earnings per share (Baht) | 0.08 | 0.17 | 0.05 | 0.15 |

* Weighted average number of common shares outstanding in 2013 were adjusted based on the change of par value of Baht 100.00 per share to Baht 0.25 per share for comparative purpose.

Amrit Gurung

กฤษณะ จันทร์สกุล



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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

25. AGREEMENTS

The Company has lease and service agreements covering its office space and related service for spa business for a period of 2 years to 3 years and certain agreements can be renewed for twice in every 3 years and three times in every 3 years which total annual rental and services fee for approximately Baht 58.6 million. Under the terms of the agreements as at December 31, 2014 and 2013, the Company deposited the sum of approximately Baht 14.5 million and Baht 11.4 million respectively with the lesser. This deposit, shown as part of "Non-current assets", is refundable upon the expiration of the agreements.

26. PROVIDENT FUNDS

The Company and its employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Company and its employees contribute to the funds monthly at the rate of 3 percent of basic salary. The funds, which are managed by AIA Company Limited, will be paid to employees upon termination in accordance with the funds' rules. During the year ended December 31, 2014 and 2013, the Company contributed Baht 0.5 million and Baht 0.2 million, respectively.

27. SEGMENT FINANCIAL 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 decision about the allocation of resources to the segment and assess its performance.

Segment results and operating assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise other income, selling and administrative expenses, finance cost and income tax expenses and corporate common assets and liabilities.

Business segments

The Company and its subsidiaries have 3 business segments including segment of (1) spa service (2) sales of spa products and healthy products and (3) hotel and restaurant.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (loss) for the year, as included in the internal management reports that are reviewed by the Company and its subsidiaries.

Geographic segments

Management considers that the Company and its subsidiaries operate in a single geographic area, mainly in Thailand, and has, therefore, only one major geographic segment.

Major Customer

The Company has no major customer because its business is the sale and service to minor customers.



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Notes to Financial Statements (Continued)

December 31, 2014

The financial information segregate by segment of the Company and its subsidiaries for the years ended December 31, 2014 and 2013 are as follows:

| | In Million Baht | | | | | | | | | |
|---|----------------------------------|------|--|------|----------------------|------|-------------|------|--------------|------|
| | For the years ended December 31, | | | | | | | | | |
| | Spa services | | Sales of spa products and healthy products | | Hotel and restaurant | | Elimination | | Consolidated | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Revenues from external customer | 271 | 246 | 14 | 22 | 53 | 52 | - | - | 338 | 320 |
| Internal – segment revenues | 2 | 9 | 10 | - | - | - | (12) | (9) | - | - |
| Total Revenues | 273 | 255 | 24 | 22 | 53 | 52 | (12) | (9) | 338 | 320 |
| Profit from operation | 81 | 100 | 10 | 17 | 22 | 16 | - | - | 113 | 133 |
| Revenues and expenses which have not been allocated : | | | | | | | | | | |
| Other income | | | | | | | | | 5 | 6 |
| Selling expenses | | | | | | | | | (18) | (20) |
| Administrative expenses | | | | | | | | | (38) | (30) |
| Management benefit expenses | | | | | | | | | (16) | (9) |
| Finance costs | | | | | | | | | (6) | (4) |
| Profit before income tax | | | | | | | | | 40 | 76 |
| Income tax expenses | | | | | | | | | (7) | (16) |
| Profit for the year | | | | | | | | | 33 | 60 |
| Other comprehensive profit (loss) - net of tax | | | | | | | | | 3 | 1 |
| Gain on revaluation of land | | | | | | | | | | |
| Loss on actuarial from employee benefit plan | | | | | | | | | (1) | - |
| Total comprehensive income for the year | | | | | | | | | 35 | 61 |

The segment assets of the Company and its subsidiaries as at December 31, 2014 and 2013 are as follows :

| | In Million Baht | | | | | | | |
|--------------------------------|--|------|----------------------|------|-------------|-------|--------------|------|
| | Spa services and sales of spa products and healthy products* | | Hotel and restaurant | | Elimination | | Consolidated | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Property, plant and equipments | 293 | 226 | 67 | 71 | - | - | 360 | 297 |
| Other assets | 339 | 150 | 12 | 8 | (110) | (106) | 241 | 52 |
| Total assets | 632 | 376 | 79 | 79 | (110) | (106) | 601 | 349 |

* Spa services business has using assets jointly with sales of spa products and healthy products business.

28. DISCLOSURE OF FINANCIAL INSTRUMENTS

28.1 Financial risk management

The Company and its subsidiaries' financial instruments principally comprise cash and cash equivalents, trade and other receivables, and investments. The financial risks associated with these financial instruments and how they are managed is described below.

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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Management manages the risk by adopting appropriate credit control policies and procedures. The Company and its subsidiaries do not expect to incur material financial losses in excess of the allowance for doubtful accounts they have already provided.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at financial institutions and loans. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at December 31, 2014 and 2013 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the re-pricing date (if this occurs before the maturity date) are summarized as follows:

| In Thousand Baht | | | | | | |
|---|-------------------------|-------------------------------|---------------|-------------------------|----------------|-------------------------------------|
| Consolidated Financial Statements | | | | | | |
| Outstanding balance as at December 31, 2014 | | | | | | |
| | Fixed interest rates | Floating interest rate within | | | | Effective interest rate (% p.a.) |
| | | 1 year | 2-5 years | Non-interest bearing | Total | |
| Financial Assets | | | | | | |
| Cash and cash equivalents | - | 101,410 | - | 2,629 | 104,039 | 0.35 - 0.38 |
| Current investment | 100,000 | - | - | - | 100,000 | 2.90 |
| Total | 100,000 | 101,410 | - | 2,629 | 204,039 | |
| Financial Liabilities | | | | | | |
| Liabilities under financial lease contracts | - | 468 | 1,242 | - | 1,710 | 5.46 |
| Long-term loan from financial institution | - | 12,240 | 44,809 | - | 57,049 | MLR - 1.30 to MLR - 1.40 |
| Total | - | 12,708 | 46,051 | - | 58,759 | |

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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

| In Thousand Baht | | | | | | |
|---|-------------------------|-------------------------------|---------------|-------------------------|---------------|-------------------------------------|
| Consolidated Financial Statements | | | | | | |
| Outstanding balance as at December 31, 2013 | | | | | | |
| | Fixed interest rates | Floating interest rate within | | Non-interest bearing | Total | Effective interest rate (% p.a.) |
| | | 1 year | 2-5 years | | | |
| Financial Assets | | | | | | |
| Cash and cash equivalents | - | 15,828 | - | 3,805 | 19,633 | 0.55 – 0.63 |
| Financial Liabilities | | | | | | |
| Short-term loan from financial institution | - | 16,000 | - | - | 16,000 | FCD + 1.25 |
| Liabilities under financial lease contracts | - | 443 | 1,709 | - | 2,152 | 5.46 |
| Long-term loan from financial institution | - | 13,200 | 53,100 | - | 66,300 | MLR – 1.25 and MLR – 1.30 |
| Total | - | 29,643 | 54,809 | - | 84,452 | |

| In Thousand Baht | | | | | | |
|---|-------------------------|-------------------------------|---------------|-------------------------|----------------|-------------------------------------|
| Separate Financial Statements | | | | | | |
| Outstanding balance as at December 31, 2014 | | | | | | |
| | Fixed interest rates | Floating interest rate within | | Non-interest bearing | Total | Effective interest rate (% p.a.) |
| | | 1 year | 2-5 years | | | |
| Financial Assets | | | | | | |
| Cash and cash equivalents | - | 87,562 | - | 2,257 | 89,819 | 0.35 - 0.38 |
| Current investment | 100,000 | - | - | - | 100,000 | 2.90 |
| Short-term loan to related party | - | 5,000 | - | - | 5,000 | MLR-1.05 |
| Total | 100,000 | 92,562 | - | 2,257 | 194,819 | |
| Financial Liabilities | | | | | | |
| Liabilities under financial lease contracts | - | 468 | 1,242 | - | 1,710 | 5.46 |
| Long-term loan from financial institution | - | 12,240 | 44,809 | - | 57,049 | MLR - 1.30 to MLR - 1.40 |
| Total | - | 12,708 | 46,051 | - | 58,759 | |



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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

| In Thousand Baht | | | | | | |
|---|----------------------|-------------------------------|---------------|----------------------|---------------|----------------------------------|
| Separate Financial Statements | | | | | | |
| Outstanding balance as at December 31, 2013 | | | | | | |
| | Fixed interest rates | Floating interest rate within | | Non-interest bearing | Total | Effective interest rate (% p.a.) |
| | | 1 year | 2-5 years | | | |
| Financial Assets | | | | | | |
| Cash and cash equivalents | - | 9,627 | - | 3,205 | 12,832 | 0.55 – 0.63 |
| Financial Liabilities | | | | | | |
| Liabilities under financial lease contracts | - | 443 | 1,709 | - | 2,152 | 5.46 |
| Long-term loan from financial institution | - | 13,200 | 53,100 | - | 66,300 | MLR – 1.25 and MLR – 1.30 |
| Total | - | 13,643 | 54,809 | - | 68,452 | |

28.2 Fair value of financial instruments

Accounting policies and disclosure of the Company and its subsidiaries requires that the fair value of financial assets and liabilities and non-financial. Fair value is the amount the buyer and seller agree to exchange an asset or a liability settled while both sides have a knowledgeable and willing to reciprocate and the market price independently of the characteristics of those who are not related. The purpose of the measurement and / or disclosure of fair value is determined by the following method. More information about the assumptions in determining fair values is disclosed in the notes associated with the assets and liabilities.

The fair value of cash equivalents, trade and other receivables, short-term loan to related party, other current assets, short-term loan from financial institution, trade and other payables, current portion of long-term loans, current portion of liabilities under financial leases contracts, income tax payable and other current liabilities, have carrying values approximates fair values because these monetary assets and monetary liabilities will be due in a short period.

Long - term portion of liabilities under financial leases contracts and long - term loan are not practicable to estimate the proper fair values without incurring excessive costs.

28.3 Capital management

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

The Company and its subsidiaries manage its capital position by maintaining an appropriate debt-to-equity ratio. As at December 31, 2014, the Company and its subsidiaries' debt-to-equity ratio was 0.24 : 1 (2013: 0.70:1) and the Company's debt to equity ratio was 0.22 : 1 (2013: 0.49:1).

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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2014

29. COMMITMENT AND CONTINGENT LIABILITIES

As at December 31, 2014 and 2013, the Company and its subsidiaries had

29.1 commitments relating to lease agreement in respect of the lease of service locations and equipments and were committed to pay the rent as follows:

| Payable within | In Million Baht | | | |
|----------------|-----------------------------------|------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2014 | 2013 | 2014 | 2013 |
| 1 year | 58 | 15 | 58 | 15 |
| 2 - 5 years | 75 | 21 | 75 | 21 |
| Over 5 years | 69 | 72 | 69 | 72 |
| Total | 202 | 108 | 202 | 108 |

29.2 contingent liability for letter of guarantee issued by bank of approximately Baht 4.2 million and Baht 1.5 million respectively for electricity usage, lease of service locations and others.

29.3 commitments relating to construction agreements remaining amount of Baht 12.3 million and Baht 10.6 million, respectively.

30. RECLASSIFICATION OF ACCOUNTS

The Company has reclassified the comparative statement of financial position as at December 31, 2013 and January 1, 2013 and the related statement of comprehensive income for the year ended December 31, 2013 to conform with the presentation for the statement of financial position as at December 31, 2014 and the statement of comprehensive income for the year ended December 31, 2014 as follows:

| | In Thousand Baht | | | | | |
|--|-----------------------------------|--------------|------------------------|------------------------|------------------------|-----------------------|
| | Consolidated Financial Statements | | | | | |
| | As at December 31, 2013 | | As at January 31, 2013 | | As at January 31, 2013 | |
| | As previously reported | Reclassified | As currently reported | As previously reported | Reclassified | As currently reported |
| Statement of financial position | | | | | | |
| Deferred tax assets | 862 | (602) | 260 | 3,171 | (1,850) | 1,321 |
| Deferred tax liabilities | 7,849 | (602) | 7,247 | 7,718 | (1,850) | 5,868 |
| | | | | | | |
| In Thousand Baht | | | | | | |
| Separate Financial Statements | | | | | | |
| | As at December 31, 2013 | | | As at January 31, 2013 | | |
| | As previously reported | Reclassified | As currently reported | As previously reported | Reclassified | As currently reported |
| | | | | | | |
| Statement of financial position | | | | | | |
| Deferred tax assets | 602 | (602) | - | 1,850 | (1,850) | - |
| Deferred tax liabilities | 7,849 | (602) | 7,247 | 7,718 | (1,850) | 5,868 |



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

**Profile of the nominated persons being proposed
for director's appointment**



Name Mrs. Pranee Suphawatanakiat

Age 57

Position Chairman

Date of Appointment 7 March 2013

Education Bachelor of Political Science, Ramkamhaeng University

Training from Institute of Directors (IOD)

| Course | Year |
|--------------------------------------|------|
| Director Accreditation Program (DAP) | 2013 |
| Role of the chairman Program (RCP) | 2014 |

Work Experience

| Period | Position | Company | Business Type |
|----------------|--------------------------------|--|-------------------|
| 2013 - Present | Chairman Director | Siam Wellness Group Public Company Limited | Spa |
| 1989 - Present | Director Executive Director | B.U. Enterprises Company Limited | Service Apartment |
| 2010 - Present | Director Executive Director | Asian Fortune Property Company Limited | Real Estate |
| 2013- Present | Director Executive Director | Cyberprint Group Company Limited | Printing |
| 2013- Present | Director Executive Director | Utsahajit Holding Company Limited | Holding Company |
| 2010 – 2013 | Director Executive Director | Cyberprint Company Limited | Printing |
| 2010 – 2013 | Director Executive Director | Srisiam Print & Pack Company Limited | Printing |
| 2005 – 2013 | Director Executive Director | C.P.I. Interprint Company Limited | Printing |

Current Position Chairman, Siam Wellness Group Public Company Limited

Other Position

Public Company None

Other Companies 4 companies

- Director and Executive Director, B.U. Enterprise Company Limited
- Director and Executive Director, Asian Fortune Property Company Limited
- Director and Executive Director, Cyberprint Group Company Limited
- Director and Executive Director, Utsahajit Holding Company Limited

Other companies that may have conflict of interest none

Specialization Political Science

Attendance to Meeting 10 / 10 (From January 1 – December 31, 2014)

**Profile of the nominated persons being proposed
for director's appointment**



Name Mr. Polchet Likittanasombat

Age 47

Position Director / Independent Director / Chairman of the Audit Committee

Date of Appointment 2 March 2013

Education Bachelor of Electrical Engineering, King Mongkut's Institute of Technology Ladkrabang
Master of Business Administration, Chulalongkorn University

Training from Institute of Directors (IOD)

| Course | Year |
|--------------------------------------|------|
| Director Certification Program (DCP) | 2006 |
| Audit Committee Program (ACP) | 2013 |

Other Training Course

- Corporate Governance for Capital Market Intermediaries, IOD and SEC

Work Experience

| Period | Position | Company | Business Type |
|---|---|---|------------------|
| 2013 - Present | Independent Director Chairman of the Audit Committee | Siam Wellness Group Public Company Limited | Spa |
| 2013 - Present | Director Executive Director | International Research Corporation Public Company Limited | ICT |
| 6 June 2014 – Present 2013 - 6 June 2014 | Director Executive Director Advisor to the Board | AEC Securities Public Company Limited | Securities |
| 2014 – Present | Director | AAMC Asset Management Company Limited | Asset Management |
| 2010 | Deputy Director Advisor to Chairman | Public Warehouse Organization | State Enterprise |

| Period | Position | Company | Business Type |
|---------------|--|--|----------------------|
| 2008-2009 | Executive Director Member of subcommittee for Organizational Development and Assessment | Forest Industry Organization | State Enterprise |
| 2003 – 2008 | Director, Government Policy Development | Small and Medium Enterprises | State Services |
| 2003 – 2008 | Director | Thai Aviation Industries Company Limited | Aviation Maintenance |
| 2003 – 2008 | Director | Thai Snacks Industries Company Limited | Thai Snacks |

Current Position Chairman of the Audit Committee and Independent Director, Siam Wellness Group Public Company Limited

Other Position

Public Company 2 companies

- Director and Executive Director, International Research Corporation Public Company Limited
- Director and Executive Director, AEC Securities Public Company Limited

Other Companies 1 company

- Director, AAMC Asset Management Company Limited

Other companies that may have conflict of interest none

Specialization Business Administration and Engineering

Conflict of Interest

Holding shares in the company None

Other conflict in the past 2 years

- is not an Executive Director, employee or advisor that receives full-time salary
- is not the professional advisor of the company (such as Auditor or Legal Advisor)
- does not have special relationship with the company that prevents from acting independently

Attendance to Meeting 8 / 10 (From January 1 – December 31, 2014)

**Profile of the nominated persons being proposed
for director's appointment**



Name M.R. Pensiri Chakrabandhu

Age 50

Position Director / Independent Director / Audit Committee

Date of Appointment 2 March 2013

Education Bachelor of Education, Srinakharinviroj Pathumwan
Master of Environmental Technology Management, Mahidol University

Training from Institute of Directors (IOD)

| Course | Year |
|--------------------------------------|------|
| Director Accreditation Program (DAP) | 2013 |

Other Training Course

- Human Resources and Institutional Development, Chaipattana Foundation and Naresuan University

Work Experience

| Period | Position | Company | Business Type |
|----------------|---|--|-------------------------|
| 2013 - Present | Independent Director Audit Committee | Siam Wellness Group Public Company Limited | Spa |
| 2013 – Present | Director of Special Projects | Chaipattana Foundation | Non-Profit Organization |
| 2007 – 2013 | Director of Special Activities | | |
| 2005 - 2007 | Project Co-ordinator | | |

Current Position Independent Director and Audit Committee, Siam Wellness Group Public Company Limited

Other Position

Public Company None

Other Companies 1 company

- Director of Special Project, Chaipattana Foundation

Other companies that may have conflict of interest none

Specialization Environmental Technology Management

Conflict of Interest

Holding shares in the company None

Other conflict in the past 2 years

- is not an Executive Director, employee or advisor that receives full-time salary
- is not the professional advisor of the company (such as Auditor or Legal Advisor)
- does not have special relationship with the company that prevents from acting independently

Attendance to Meeting 9 / 10 (From January 1 – December 31, 2014)

Profile of the Auditor

Name: **Ms. Sumana Punpongsanon**

Audit Firm: EY Office Limited

CPA No.: 5872

Period of Work: 20 years

Position: Audit Partner, Assurance

Qualification:

- Certified Public Accountant (Thailand)
- Approved auditor of the Thai Securities and Exchange Commission and the Stock Exchange of Thailand
- Member of the Accounting Education and Technology Committee of the Federation of Accounting Professions

Education:

- Bachelor's degree in accounting from Chulalongkorn University
- Master's degree in accounting from Chulalongkorn University

Work Experience:

- Experience serving a wide variety of audit clients, including those in finance and securities, real estate and manufacturing businesses. These clients include SET-listed companies and multi-national corporations
- Conducted for merger or acquisition purposes, including the accounting due diligence of the troubled finance companies suspended by the authorities during the 1997 financial crisis

Other Conflict of Interest:

- None -

Telephone Number and E-mail:

Tel.: +66 2264 0777

Fax: +66 2264 0789-90

E-mail: Sumana.Punpongsanon@th.ey.com

Profile of the Auditor



Name: **Mr. Sophon Permsirivallop**

Audit Firm: EY Office Limited

CPA No.: 3182

Period of Work: Over 30 years

Position: Audit Partner

Qualification:

- Member of Professional Development Committee of Federation of Accounting Professions
- Partner with responsibility for professional staff development at the Thailand Office.
- Certified Public Accountant (Thailand)

Education:

- Bachelor's degree in Accounting from Chulalongkorn University
- Master of Management degree from Sasin of Chulalongkorn University

Work Experience:

- Served clients wide range of fields, and has experience with real estate and construction, manufacturing and trading companies. For the past years however, he has built up a large portfolio of experience in the insurance industry, both audit and due diligence work. Most of his non-insurance related recent work has been for larger companies, and he currently serves various SET-listed and multinational clients.

Other Conflict of Interest:

- None -

Telephone Number and E-mail:

Tel.: +66 2264 0777

Fax: +66 2264 0789-90

E-mail: Sophon.Permsirivallop@th.ey.com

Profile of the Auditor

Name: **Ms. Rungnapa Lertsuwankul**

Audit Firm: EY Office Limited

CPA No.: 3516

Period of Work: About 30 years

Position: Audit Partner

Qualification:

- Member of the Auditing Standards Committee of the Federation of Accounting Professions
- Member of the Federation of Accounting Professions' subcommittee on practical testing related to the audit profession
- Lecturer in accounting and auditing topics at various educational institutions such as Chulalongkorn University, Thammasat University, Khon Kaen University and Chiang Mai University
- Certified Public Accountant (Thailand)
- Approved auditor of the Thai Securities and Exchange Commission and the Stock Exchange of Thailand

Education:

- Bachelor's degree in Accountancy from Chulalongkorn University
- Master of Business Administration from Thammasat University

Work Experience:

- Lead wide range of audit assignments for numerous large corporations in a variety of industries; comprising both SET-listed companies and multinational clients with cross-border businesses
- Management advisory, due diligence and SET listing engagements

Other Conflict of Interest:

- None -

Telephone Number and E-mail:

Tel.: +66 2264 0777

Fax: +66 2264 0789-90

E-mail: Rungnapa.Lertsuwankul@th.ey.com

Profile of the Auditor

Name: **Ms. Pimjai Manitkajohnkit**

Audit Firm: EY Office Limited

CPA No.: 4521

Period of Work: Over 20 years

Position: Audit Partner

Qualification:

- Certified Public Accountant (Thailand)

Education:

- Bachelor's degree in Accounting (with second honors) from Thammasat University
- Master's degree in Accounting from Thammasat University

Work Experience:

- Lead wide range of audit assignments for numerous large corporations in a variety of industries; comprising both SET-listed companies and multinational clients with cross-border businesses. Her areas of particular expertise are construction and real estate business, trading, manufacturing, transportation and public utility concession
- Work quite extensively on management advisory, due diligence and SET listing engagements

Other Conflict of Interest:

- None -

Telephone Number and E-mail:

Tel.: +66 2264 0777

Fax: +66 2264 0789-90

E-mail: Pimjai.Manitkajohnkit@th.ey.com

Profile of the Auditor



Name: **Mrs. Gingkarn Atsawarangsalit**

Audit Firm: EY Office Limited

CPA No.: 4496

Period of Work: 25 years

Position: Audit Partner

Qualification:

- Member of EY IFRS network within EY Global Telecommunications Centre
- Certified Public Accountant (Thailand)
- Approved auditor by the Securities and Exchange Commission of Thailand

Education:

- Bachelor degree in an accounting (with second honors) from Chulalongkorn University
- Master of Business Administration degree from Kasetsart University

Work Experience:

- Regular audits, due diligence reviews, bond offerings and rendering of advisory services especially for telecommunication clients
- Special expertise in audit work related to the retail, automotive manufacturing, product manufacturing and telecommunications. Her clients have included SET-listed companies and a large number of multinational
- Service audit and related engagements for international requirements of the review of IFRS reporting packages of IFRS adopted companies, engagement for Sarbanes-Oxley Act Section 404 implementation projects for the telecommunication company, engagement for the J-SOX internal control attestation procedure for automotive manufacturing company and consultant to initial public offerings and compliance review under regulatory requirement, Rule 144A for the telecommunication company

Other Conflict of Interest:

- None -

Telephone Number and E-mail:

Tel.: +66 2264 0777

Fax: +66 2264 0789-90

E-mail: Gingkarn.Atsawarangsalit@th.ey.com

Profile of the Auditor

Name: **Mr. Chayapol Suppasedtanon**

Audit Firm: EY Office Limited

CPA No.: 3972

Period of Work: 25 years

Position: Audit Partner

Qualification:

- Certified Public Accountant (Thailand)

Education:

- Accounting graduate of Chiang Mai University
- Master's degree in business administration from Ramkhamhaeng University

Work Experience:

- In over 25 years of extensive experience of auditing, with a varied portfolio of both Thai and multinational clients, including comprehensive exposure in the real estate and construction, manufacturing, livestock, property fund, foods and beverage, restaurant and trading sectors. Serves various SET-listed and multinational clients
- Extensive involvement in due diligence exercises, and management consultancy work in a wide range of industries

Other Conflict of Interest:

- None -

Telephone Number and E-mail:

Tel.: +66 2264 0777

Fax: +66 2264 0789-90

E-mail: Chayapol.Suppasedtanon.ey.com

Profile of the Auditor

Name: **Ms. Rosaporn Decharom**

Audit Firm: EY Office Limited

CPA No.: 5659

Period of Work: Over 20 years

Position: Audit Partner

Qualification:

- Certified Public Accountant (Thailand)
- Approved auditor of the Thai Securities and Exchange Commission and the Stock Exchange of Thailand

Education:

- Bachelor's degree in Accounting (with second honors) from Thammasat University
- Master's degree in Accounting from Thammasat University

Work Experience:

- Lead wide range of audit assignments for numerous large corporations in a variety of industries; comprising both SET-listed companies and multinational clients with cross-border businesses. Her areas of particular expertise are construction and real estate business, trading, manufacturing, transportation and public utility concession
- Experience of due diligence exercises conducted for merger or acquisition purposes, including the accounting due diligence of the troubled finance companies suspended by the authorities during the 1997 financial crisis
- Management advisory, due diligence and SET listing engagements

Other Conflict of Interest:

- None -

Telephone Number and E-mail:

Tel.: +66 2264 0777

Fax: +66 2264 0789-90

E-mail: Rosaporn.Decharom@th.ey.com

Proxy Form A (General Form)

Place _____

Date ____ Month _____ B.E. _____

1. I/We _____ Nationality _____

Residing at No. _____ Road _____ Tambol/Kwaeng _____

Amphur/Khet _____ Province _____ Post Code _____

2. As a shareholder of Siam Wellness Group Public Company Limited, holding a total number of
 _____ share(s) and shall hold _____ number of vote(s) as follows:

Ordinary share _____ share(s) and shall hold _____ number of votes

Preference share _____ share(s) and shall hold _____ number of votes

3. Hereby appoint

(1) Name _____ Age _____ year

Residing at No. _____ Road _____ Tambol/Kwaeng _____

Amphur/Khet _____ Province _____ Post Code _____ or

(2) Name _____ Age _____ year

Residing at No. _____ Road _____ Tambol/Kwaeng _____

Amphur/Khet _____ Province _____ Post Code _____ or

(3) Name _____ Age _____ year

Residing at No. _____ Road _____ Tambol/Kwaeng _____

Amphur/Khet _____ Province _____ Post Code _____

As my/our proxy to attend and vote on my/our behalf in the 2015 Annual General Meeting of Shareholders
 on Monday, March 30, 2015 at 14.00 hours at Mandarin C Room, 1st Floor, Mandarin Hotel Bangkok, No.
 662 Rama 4 Rd., Bangrak, Bangkok or at any adjournment thereof to any other date, time and venue.

Any act of the proxy holder performed at the meeting shall be deemed as my/our act.

Signed _____ Grantor

(_____)

Signed _____ Proxy holder

(_____)

Signed _____ Proxy holder

(_____)

Signed _____ Proxy holder

(_____)

Remark: A shareholder shall assign a proxy to only one proxy holder to attend and vote in the meeting.

He/She cannot split his/her shares and assign to several proxy holders for splitting votes.

Proxy Form B (voting is clearly and definitely specified)

Place _____

Date ____ Month _____ B.E. _____

1. I/We _____ Nationality _____

Residing at No. _____ Road _____ Tambol/Kwaeng _____

Amphur/Khet _____ Province _____ Post Code _____

2. As a shareholder of Siam Wellness Group Public Company Limited, holding a total number of
_____ share(s) and shall hold _____ number of vote(s) as follows:

Ordinary share _____ share(s) and shall hold _____ number of votes

Preference share _____ share(s) and shall hold _____ number of votes

3. Hereby appoint

(1) Name _____ Age _____ year

Residing at No. _____ Road _____ Tambol/Kwaeng _____

Amphur/Khet _____ Province _____ Post Code _____ or

(2) Name _____ Age _____ year

Residing at No. _____ Road _____ Tambol/Kwaeng _____

Amphur/Khet _____ Province _____ Post Code _____ or

(3) Name _____ Age _____ year

Residing at No. _____ Road _____ Tambol/Kwaeng _____

Amphur/Khet _____ Province _____ Post Code _____

As my/our proxy to attend and vote on my/our behalf in the 2015 Annual General Meeting of Shareholders on Monday, March 30, 2015 at 14.00 hours at Mandarin C Room, 1st Floor, Mandarin Hotel Bangkok, No. 662 Rama 4 Rd., Bangrak, Bangkok or at any adjournment thereof to any other date, time and venue.

4. I/We hereby authorize the proxy to vote on my/our behalf in this meeting as follows;

Agenda 1 : To consider and adopt the Minutes of the Extraordinary General Meeting of**Shareholders No. 1/2014**

_ (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.

_ (B) The proxy may consider the matters and vote on my/our behalf as follows;

_ Approve _ Disapprove _ Abstain

Agenda 2 : To acknowledge the Board of Directors' report on the Company's performance for the year 2014

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;
 _ Approve _ Disapprove _ Abstain

Agenda 3 : To consider the auditor's report and approve the financial statements of the Company and its subsidiaries for the year ended December 31, 2014

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;
 _ Approve _ Disapprove _ Abstain

Agenda 4 : To consider and approve the non-allocation of annual net profit and the dividend omission for the year 2014

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;
 _ Approve _ Disapprove _ Abstain

Agenda 5 : To consider and approve the number of Directors in the Board

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;
 _ Approve _ Disapprove _ Abstain

Agenda 6 : To consider and approve the re-election of the directors, who are due to retire by rotation

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;
 _ Appointment of the whole set of directors

 _ Approve _ Disapprove _ Abstain

Appointment of certain members

1. Mrs. Pranee Suphawatanakiat (Director/Chairman)

Approve Disapprove Abstain

2. Mr. Polchet Likittanasombat (Director/Independent Director/Chairman of the Audit Committee)

Approve Disapprove Abstain

3. M.R. Pensiri Chakrabandhu (Director/Independent Director/ Audit Committee)

Approve Disapprove Abstain

Agenda 7 : To consider and approve the determination of the directors' remuneration for the year

2015

(A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.

(B) The proxy may consider the matters and vote on my/our behalf as follows;

Approve Disapprove Abstain

Agenda 8 : To consider and approve the appointment of the Company's auditor and the determination of the audit fee for the year 2015

(A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.

(B) The proxy may consider the matters and vote on my/our behalf as follows;

Approve Disapprove Abstain

Agenda 9 : To consider and other matters (if any)

(A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.

(B) The proxy may consider the matters and vote on my/our behalf as follows;

Approve Disapprove Abstain

5. Any votes by the proxy in any agenda not rendered in accordance with my/our intention specified herein shall not be deemed as my/our votes as a shareholder.

6. If I/We do not specify or clearly specify my/our intention to vote in any agenda, or if there is any agenda considered in the meeting other than those specified above, or if there is any change or amendment

to any facts, the proxy shall be authorized to consider the matters and vote on my/our behalf as the proxy deems appropriate.

Any acts taken by the proxy at the meeting shall, unless the proxy cast the votes not in compliance with my/our intention specified herein, be deemed as my/our own act(s) in all aspects.

Signed _____ Grantor
(_____)

Signed _____ Proxy holder
(_____)

Signed _____ Proxy holder
(_____)

Signed _____ Proxy holder
(_____)

Remarks:

1. A shareholder appointing a proxy must authorize only one proxy to attend the meeting and cast the vote on its behalf and all votes of a shareholder may not be split for more than one proxy.
2. In respect of the agenda as to the appointment and election of the directors, either the whole set of board members or only certain members may be voted for.
3. If the matters to be considered are more than those specified above, the proxy grantor may apply the Annex to Proxy Form B as attached.

Annex to Proxy Form (Form B)

Grant of proxy as a shareholder of Siam Wellness Group Public Company Limited

At the 2015 Annual General Meeting of Shareholders on Monday, March 30, 2015 at 14.00 hours at Mandarin C Room, 1st Floor, Mandarin Hotel Bangkok, No. 662 Rama 4 Rd., Bangrak, Bangkok or at any adjournment thereof to any other date, time and venue.

_Agenda_____ Subject_____

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy
 deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;

 _ Approve _ Disapprove _ Abstain

_Agenda_____ Subject_____

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy
 deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;

 _ Approve _ Disapprove _ Abstain

_Agenda_____ Subject_____

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy
 deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;

 _ Approve _ Disapprove _ Abstain

_Agenda_____ Subject_____

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy
 deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;

 _ Approve _ Disapprove _ Abstain

Agenda_____ To consider and approve the re-election of the directors, who are due to retire by rotation
(Continued)

Name of Director_____

 _ Approve _ Disapprove _ Abstain

Name of Director_____

 _ Approve _ Disapprove _ Abstain

Name of Director_____

 _ Approve _ Disapprove _ Abstain

Proxy Form C**(specifically for a foreign shareholder for which a custodian in Thailand is appointed)**

Place _____

Date ____ Month _____ B.E. _____

1. I/We _____ Nationality _____

Residing at No. _____ Road _____ Tambol/Kwaeng _____

Amphur/Khet _____ Province _____ Post Code _____

As a custodian of _____

being a Shareholder of Siam Wellness Group Public Company Limited, holding a total number of
_____ share(s) and shall hold _____ number of vote(s) as follows:

Ordinary share _____ share(s) and shall hold _____ number of votes

Preference share _____ share(s) and shall hold _____ number of votes

2. Hereby appoint

(1) Name _____ Age _____ year

Residing at No. _____ Road _____ Tambol/Kwaeng _____

Amphur/Khet _____ Province _____ Post Code _____ or

(2) Name _____ Age _____ year

Residing at No. _____ Road _____ Tambol/Kwaeng _____

Amphur/Khet _____ Province _____ Post Code _____ or

(3) Name _____ Age _____ year

Residing at No. _____ Road _____ Tambol/Kwaeng _____

Amphur/Khet _____ Province _____ Post Code _____

As my/our proxy to attend and vote on my/our behalf in the 2015 Annual General Meeting of Shareholders
on Monday, March 30, 2015 at 14.00 hours at Mandarin C Room, 1st Floor, Mandarin Hotel Bangkok, No.
662 Rama 4 Rd., Bangrak, Bangkok or at any adjournment thereof to any other date, time and venue.

3. I/We hereby authorize the proxy to vote on my/our behalf in this meeting as follows;

 To vote based on the total number of shares held by my/our behalf in this meeting To split the votes as follows:

Ordinary share _____ share(s) and shall hold _____ number of votes

Preference share _____ share(s) and shall hold _____ number of votes

Total _____ number of votes

4. I/We hereby authorize the proxy to attend and vote on my/our behalf in this meeting as follows:

Agenda 1 : To consider and adopt the Minutes of the Extraordinary General Meeting of

Shareholders No. 1/2014

- (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.
- (B) The proxy may consider the matters and vote on my/our behalf as follows;
 Approve _____ votes Disapprove _____ votes Abstain _____ votes

Agenda 2 : To acknowledge the Board of Directors' report on the Company's performance for the year 2014

- (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.
- (B) The proxy may consider the matters and vote on my/our behalf as follows;
 Approve _____ votes Disapprove _____ votes Abstain _____ votes

Agenda 3 : To consider the auditor's report and approve the financial statements of the Company and its subsidiaries for the year ended December 31, 2014

- (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.
- (B) The proxy may consider the matters and vote on my/our behalf as follows;
 Approve _____ votes Disapprove _____ votes Abstain _____ votes

Agenda 4 : To consider and approve the non-allocation of annual net profit and the dividend omission for the year 2014

- (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.
- (B) The proxy may consider the matters and vote on my/our behalf as follows;
 Approve _____ votes Disapprove _____ votes Abstain _____ votes

Agenda 5 : To consider and approve the number of Directors in the Board

- (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.
- (B) The proxy may consider the matters and vote on my/our behalf as follows;
 Approve _____ votes Disapprove _____ votes Abstain _____ votes

Agenda 6 : To consider and approve the re-election of the directors, who are due to retire by rotation

- __ (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.
- __ (B) The proxy may consider the matters and vote on my/our behalf as follows:
 - _ Appointment of the whole set of directors**
 - __ Approve _____ votes __ Disapprove _____ votes __ Abstain _____ votes
 - _ Appointment of certain members**
 1. **Mrs. Pranee Suphawatanakiat (Director/Chairman)**
 - __ Approve _____ votes __ Disapprove _____ votes __ Abstain _____ votes
 2. **Mr. Polchet Likittanasombat (Director/Independent Director/Chairman of the Audit Committee)**
 - __ Approve _____ votes __ Disapprove _____ votes __ Abstain _____ votes
 3. **M.R. Pensiri Chakrabandhu (Director/Independent Director/ Audit Committee)**
 - __ Approve _____ votes __ Disapprove _____ votes __ Abstain _____ votes

Agenda 7 : To consider and approve the determination of the directors' remuneration for the year

2015

- __ (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.
- __ (B) The proxy may consider the matters and vote on my/our behalf as follows;
 - __ Approve _____ votes __ Disapprove _____ votes __ Abstain _____ votes

Agenda 8 : To consider and approve the appointment of the Company's auditor and the determination of the audit fee for the year 2015

- __ (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.
- __ (B) The proxy may consider the matters and vote on my/our behalf as follows;
 - __ Approve _____ votes __ Disapprove _____ votes __ Abstain _____ votes

Agenda 9 : To consider and other matters (if any)

- __ (A) The proxy may consider the matters and vote on my/our behalf as the proxy deems appropriate in all respects.
- __ (B) The proxy may consider the matters and vote on my/our behalf as follows;
 - __ Approve _____ votes __ Disapprove _____ votes __ Abstain _____ votes

5. Any votes by the proxy in any agenda not rendered in accordance with my/our intention specified herein shall not be deemed as my/our votes as a shareholder.

6. If I/We do not specify or clearly specify my/our intention to vote in any agenda, or if there is any agenda considered in the meeting other than those specified above, or if there is any change or amendment to any facts, the proxy shall be authorized to consider the matters and vote on my/our behalf as the proxy deems appropriate.

Any acts taken by the proxy at the meeting shall, unless the proxy cast the votes not in compliance with my/our intention specified herein, be deemed as my/our own act(s) in all aspects.

Signed _____ Grantor

(_____)

Signed _____ Proxy holder

(_____)

Signed _____ Proxy holder

(_____)

Signed _____ Proxy holder

(_____)

Remarks:

1. This Proxy Form C is applicable only to a shareholder whose name appears in the shareholder registration book as a foreign investor and a custodian in Thailand is appointed therefore.
2. Evidence of documents required to be attached to the proxy from are:
 - (1) A Power of Attorney executed by the shareholder authorizing the custodian to execute the proxy form on behalf of such shareholder
 - (2) A letter confirming that the person executing the proxy form has obtained a license for being a custodian
3. A shareholder appointing a proxy must authorize only one proxy to attend the meeting and cast the votes on its behalf and the number of shares held by such a shareholder may not be split for more than one proxy in order to separate the votes.
4. Either all or each of the members of the Board of Directors may be appointed in the agenda of election of the directors.
5. If the matters to be considered are more than those specified above, the proxy grantor may apply the Annex to Proxy Form C as attached.

Annex to Proxy Form (Form C)

Grant of proxy as a shareholder of **Siam Wellness Group Public Company Limited**

At the 2015 Annual General Meeting of Shareholders on Monday, March 30, 2015 at 14.00 hours at Mandarin C Room, 1st Floor, Mandarin Hotel Bangkok, No. 662 Rama 4 Rd., Bangrak, Bangkok or at any adjournment thereof to any other date, time and venue.

_Agenda_____ Subject_____

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy
 deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;
 _ Approve_____ votes _ Disapprove_____ votes _ Abstain_____ votes

_Agenda_____ Subject_____

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy
 deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;
 _ Approve_____ votes _ Disapprove_____ votes _ Abstain_____ votes

_Agenda_____ Subject_____

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy
 deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;
 _ Approve_____ votes _ Disapprove_____ votes _ Abstain_____ votes

_Agenda_____ Subject_____

 _ (A) The proxy may consider the matters and vote on my/our behalf as the proxy
 deems appropriate in all respects.

 _ (B) The proxy may consider the matters and vote on my/our behalf as follows;
 _ Approve_____ votes _ Disapprove_____ votes _ Abstain_____ votes

Agenda_____ To consider and approve the re-election of the directors, who are due to retire by rotation
(Continued)

Name of Director_____

 _ Approve_____ votes _ Disapprove_____ votes _ Abstain_____ votes

Name of Director_____

 _ Approve_____ votes _ Disapprove_____ votes _ Abstain_____ votes

Name of Director_____

 _ Approve_____ votes _ Disapprove_____ votes _ Abstain_____ votes

**Definition of Independent Director and Profile of Independent Director
of Siam Wellness Group Public Company Limited for proxy**

Definition of Independent Director

1. Hold not more than 1.0% of the voting shares in the Company, its subsidiaries, associates, or related companies, major shareholder or person with controlling power over the Company, whilst the number of shares held by any related person of such an independent director must also be counted.
2. Have not been or are not involved in the management, employees, wage earners, advisors on the payroll of the Company, its subsidiaries, associates, or equivalent companies, major shareholder or person with controlling power over the Company except when such qualifications have ended for more than two years, provided that such restriction or prohibition shall not apply to an independent director who has been a government authority, which is the major shareholder of the Company or the person having controlling power over the Company.
3. Are not related by blood or registration as parents, spouses, siblings, or children, spouses of any of the children to members of the management, major shareholders, those exercising control, or those about to be nominated as members of the management or those exercising control over the Company or subsidiaries.
4. Do not have and have not any business relationship with the Company, subsidiaries, associated companies, major shareholders or those exercising control over the Company in the manner in which independent discretion might be affected, and not be and have not been a substantial shareholder of or a person having power to control the person that has business relationship with the Company, subsidiaries, associated companies, major shareholders or those exercising control over the Company unless such an independent director has not been a person referred to above for at least two years.

Business referred to in the first paragraph above shall mean to include any ordinary course of business or trade for business engagement purpose, any lease taking or lease out of any property, any transaction relating to asset or service, any financial support or acceptance of financial support by way of either borrowing, lending, guaranteeing or collateral providing or any other manner similar thereto that could result to an obligation required to be performed by the applicant or the party thereto in an amount of three percent or more of the net tangible asset value of the applicant or twenty million baht or more, whichever is lesser. In light of this, the method for calculating the value of connected transaction pursuant to the Capital Market Supervising Committee's Notification, Re: Regulations in respect of an Entering into a Connected Transaction shall be applied mutatis mutandis for the purpose of calculation of such amount of debt of the

applicant, provided that the amount of the debt incurred during the past one year prior to the date on which such a business relationship with such a business relationship with such person exists;

5. Is not and has not been an auditor of the Company, subsidiary, associated company, major shareholder or those with controlling power over the Company and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any auditing firm or office in which the auditor of the Company, subsidiary, associated company, major shareholder or those with controlling power over the Company unless such an independent director has not been a person referred to above for at least two years.
6. Is not and has not been a professional advisor, including legal or financial advisor who obtains fee more than two million baht a year from the Company, subsidiary, associated company, major shareholder or those with controlling power over the company and is not and have not been a substantial shareholder of, a person having controlling power over, or a partner of any of such professional service provider firm or office, unless such an independent director has not been a person referred to above for at least two years.
7. Is not a director appointed as a representative of a director of the Company, a representative of a major shareholder of the Company, or a representative of a shareholder of the Company which is a related person of the major shareholder of the Company.
8. Does not engage in any business with similar nature as that of the Company and is competitive with the business of the Company, subsidiary or is not a substantial partner in a partnership, a director participating in any management role, an employee or officer, an advisor obtaining regular salary from, or a shareholder holding more than one percent of the voting shares of accompany engaging in any business with similar nature to the Company or subsidiary.
9. Does not have any characteristics which will inept the ability to provide independent comment or opinion on the operation of the Company.
10. Is not a director appointed to conduct major business decisions of the Company, subsidiary, associated company, major shareholder or those with controlling power over the company.
11. Is not a director of other publicly listed company within same industry.

This Articles of Association complies with the minimum requirement set by the Securities Exchange Commission and Stock Exchange of Thailand.

Independent Director Profile for Proxy

1. Mr. Polchet Likittanasombat Age 47

Director/Independent Director/Chairman of the Audit Committee

Address 3/1 Soi Punnawithi 11, Bangchak, Phrakanong, Bangkok

Conflict of Interest

- Have conflict of interest in agenda 6: To consider and approve the re-election of the directors, who are due to retire by rotation and in agenda 7: To consider and approve the determination of the directors' remuneration for the year 2015



Guidelines for Proxy Appointment, Registration Documents
and Procedures for Attending the Meeting

Proxy Procedures

Proxy Form (Attachment 6) has been delivered to each of the shareholders by Siam Wellness Group Public Company Limited ("the Company") according to Department of Business Development, Ministry of Commerce

- Proxy Form A – General Form
- Proxy Form B – voting is clearly and definitely specified
- Appointment of Proxy Form C – specifically for a foreign shareholder for which a custodian in Thailand is appointed

In order for any shareholder, who is unable to attend the Meeting in person, to appoint any other person or any one of the Company's Independent Directors, whose details appears in Attachment 7, as a proxy of such shareholder.

1. A proxy grantor must appoint and authorize only one proxy to attend the meeting and cast the votes on his/her/its behalf and the number of shares held by such a proxy grantor may not be split for more than one proxy in order to separate the votes.

 1.1 Shareholders shall use Appointment of Proxy Form A or Form B

 1.2 Shareholders who is registered as Overseas Investor shall appoint local custodian as Proxy shall use Appointment of Proxy Form A or Form B or Form C

2. Shareholder must attached affixed stamp value of 20 bahts and cross with date on proxy form and the signatures of both the proxy grantor and the proxy must be correctly placed therein

3. Appointment the other as a proxy, a proxy grantor must complete the Proxy Form and also prepare other required documents or evidence for the proxy to submit to the Company three day in advance or any authorized officer prior to the commencement of the Meeting. The Company will open for shareholders' registration from 12.00 Hrs on March 30, 2015 onwards.

Appointment of the Company's Independent Director as a proxy - A proxy grantor must authorize the appointed Independent Directors as a proxy to attend the meeting and cast the votes on his/her/its behalf, The names and information of the Company's Independent Directors are as specified in the Profiles of Independent Directors attached herewith. - A proxy grantor must fill in information and place his/her/its signature(s) on the proxy form, and submit such proxy form and all required

documents or evidence to "Mrs. Dissaya Wiwattanakrai, Company Secretary", Siam Wellness Group Public Company Limited, 483 Soi Suthiporn Prachasongkroh Road, DinDaeng, Bangkok 10400 Thailand. The proxy and required documents, however, should reach the Company at least 5 days before the meeting date. For Facsimile or E-mail, original proxy letter should also be posted. (Enquiries, please contact Mrs. Dissaya Wiwattanakrai at 0-2641-6619-20 ext. 103)

Shareholders cannot split shares through more than one proxy in voting and shareholders shall only proxy as the amount of shares they held and cannot proxy on portion of their shares unless the shareholders are listed as overseas investor in the record and has proxy a local custodian using Proxy Form C

Registration

The registration will start at 12.00 Hrs at Mandarin C Room, Mandarin Hotel Bangkok located at 662 Rama 4 Road, Bangrak District, Bangkok. Map is in Attachment No. 10.

Registration Documents for attending the Meeting

Any person who wishes to attend the Meeting must present the following documents (as the case may be) for registration prior to attending the Meeting:

1. In the event that the shareholder is an ordinary person:

1.1 In case of self-attending:

- Valid evidence issued by governmental authorities, e.g. identification card, governmental identification card, driver license or passport (with supporting documents in case of any changes of name or last name)

1.2 In case of proxy:

- One of the Proxy Form (select only one of either Form A. or Form B.) completely filled in and signed by the proxy grantor and the proxy; and
- Certified true copy of valid evidence of the shareholder as specified in (1.1); and
- Certified true copy of valid evidence of the proxy as specified in (1.1)

2. In the event that the shareholder is a juristic person:

2.1 In case of attendance in person by the authorized representative (Director):

- Certified true copy of valid evidence of the authorized representative issued by governmental authorities similar to those of the ordinary person specified in (1.1)
- Copy of the Certificate of Incorporation issued by Department of Business Development, Ministry of Commerce, of such juristic person, certified by the authorized director(s) showing that such authorized representative (director) has the authority to act on behalf of the shareholder; must be issued within 3 months before meeting date and
 - In case of juristic person registered outside Thailand:
 - Copy of the Certificate of Incorporation of such juristic person, certified by the authorized director(s) showing that such authorized representative (director) has the authority to act on behalf of the shareholder; certify by notary public
 - Certified true copy of valid evidence of the authorized representative issued by governmental authorities similar to those of the ordinary person specified in (1.1)

2.2 In case of proxy:

- One of the Proxy Form (select only one of either Form A. or Form B.) completely filled in and signed by the authorized representative (director) of the shareholder and the proxy; and
- Copy of the Certificate of Incorporation issued by Department of Business Development, Ministry of Commerce, of such juristic person, certified by the authorized director(s) showing that such authorized representative (director) has the authority to act on behalf of the shareholder; must be issue within 3 months before meeting date and
 - Certified true copy of valid evidence of the authorized representative (director), who signed the proxy form, issued by governmental authorities; and
 - Certified true copy of valid evidence of the proxy issued by governmental authorities similar to those of the ordinary person specified in (1.1)
- In case of juristic person registered outside Thailand, the proxy form completely filled in and signed by the authorized representative (director) and company stamp (if any); certify by notary public. The form must then be approved by the authorized representative from the Royal Thai Embassy or Royal Thai Consulate office in that country together with

- Copy of the Certificate of Incorporation of such juristic person, certified by the authorized director(s) showing that such authorized representative (director) has the authority to act on behalf of the shareholder; certify by notary public

- Certified true copy of valid evidence of the authorized representative issued by governmental authorities similar to those of the ordinary person specified in (1.1)

- In case of foreign investor appointing the custodian in Thailand:

- All evidences similar to those of the juristic person specified in (2.1) or (2.2); and

- In case the foreign investor authorizes the custodian to sign the proxy form on its behalf, the following documents are required; i.e. the Power of Attorney by foreign investor authorizing custodian to sign the proxy form on its behalf, letter certifying that the custodian is permitted to engage in the custodian business in Thailand.

In case of any documents or evidences produced or executed outside of Thailand and are not in English, the English translation shall be required and certified true and correct translation by the shareholder (in case of ordinary person) or the authorized representative(s) of the shareholder (in case of juristic person).

**COMPANY'S ARTICLES OF ASSOCIATION
RELATING TO THE MEETING OF SHAREHOLDERS**

Section 3

Director and Authority of Director

17. The directors shall be elected at the meeting of the Shareholders in accordance with the following rules and methods.

- (1) Each shareholder shall have one vote for each share.
- (2) In election of directors, the votes can be for each director or several directors at the same time as the meeting of shareholders deemed appropriated. A shareholder shall exercise all the votes he has but may not split his votes to any person at any number.
- (3) The persons who received highest votes in their respective order of the votes shall be elected as directors in the number required to be elected at such meeting. In the event of equal votes among the persons elected in order of respective high numbers of votes, which number exceeds the number of directors of the Company, election shall be made by casting vote of the chairman of the meeting.

18. At least one-third of the directors must retire from the office by rotation at the Annual General Shareholder's Meeting. If the number is not a multiple of three, then the number nearest to one-third, must retire from office.

Order of the Director that will retire will be through ballot for the first and second year after conversion to public company. For other years, the length of directorship will determine the retirement of the directors.

31. "Two of the Authorized Directors sign with company stamp" is the authorization of the company. Authorized Directors are selected by Shareholder's meeting or by Board of Directors.

34. Annual Director's Remuneration shall be approved by Shareholder's Meeting

Directors are entitled to receive remuneration in the form of reward, meeting allowance, gratuity, bonus or other form of benefit under the articles of association or as determined by shareholders meeting in either fixed sum or under certain criteria.

If the Director is also the employee of the company, they shall receive other benefits and compensation, as they are entitled for as the employee of the company.

Remunerations of Directors and Employees shall not be in conflict of interest of Independent Directors according to the SEC and SET's guidelines.

Section 4

Shareholder's meeting

35. The Shareholders' Meeting should be conducted in the province of the Head Office or nearby provinces or set by the Board of Directors

36. The Board of Directors shall manage to hold a meeting as an annual ordinary meeting of shareholders within four (4) months after the end of the fiscal year of the Company.

All other general meetings shall be called "Extraordinary Meetings".

The Board of Directors may summon extraordinary meetings whenever they think fit. Shareholders who hold shares in a number not less than one-fifth of the total number of the shares sold, or at least twenty-five shareholders who hold shares in a number not less than one-tenth of the total number of the shares sold, may request the Board of Directors in writing to summon an Extraordinary Meeting of shareholders at any time, provided that the written request shall clearly specify the reasons for the request. The Board of Directors shall manage to hold the meeting of shareholders within one (1) month from the date of receipt of such written request from the shareholders.

37. The Board of Directors shall summon a meeting of shareholders by sending a notice specifying the place, date, time and agenda of the meeting and the subject matter to be presented to the meeting together with appropriate details with a clear indication that such matter will be presented for acknowledgment, approval, or consideration, as the case may be, and including the opinions of the Board of Directors on said matters. Such notice shall be sent to the shareholders and the registrar not less than seven (7) days before the date of the meeting and be published in a newspaper not less than three (3) days before the date of the meeting.

38. The quorum of a general meeting of shareholders shall be either at least twenty-five shareholders present and represented (if any), or not less than half of the total number of shareholders, who hold not less than one-third of the total number of shares sold, unless it is stipulated otherwise by law.

If after one hour from the time fixed for any general meeting of shareholders the number of shareholders present does not constitute a quorum as prescribed, such meeting shall be cancelled if such general meeting of shareholders was requested by the shareholders. However, if such meeting of shareholders was not requested by the shareholders, the meeting shall be called again and notice for the new meeting shall be sent to shareholders not less than seven (7) days before the meeting. In that new meeting no quorum shall be required.

39. Shareholders may appoint any other person as proxy to attend the meeting and vote on his or her behalf. The appointment shall be made in writing. The proxy instrument shall be dated and signed by the shareholder in the form as specified by the Registrar and shall contain at least the following particulars:

- (1) number of shares held by the shareholder;
- (2) name of the proxy; and
- (3) the meeting which the proxy is authorized to attend during the period of the authorization.

The proxy shall submit the proxy instrument to the chairman of the Board of Directors or person designated by the chairman of the Board of Directors at the place of the meeting before the proxy attends the meeting.

40. The person presiding over the shareholder meeting has the duty to conduct the meeting in compliance with the articles of association of the Company. In such meeting, the agenda specified in the notice calling for the meeting shall be followed, unless the meeting passes a resolution allowing a change in the sequence of the agenda with a vote of not less than two-thirds of the number of the shareholders present at the meeting.

After completing all agendas, shareholders can request additional agenda if the shareholders who hold at least 1/3 of the total number of the shares sold request.

However, if the agenda is not completed within that meeting day, the meeting can be rescheduled by specifying the venue, date and time and invitation letter shall be sent out at least 7 days before the new meeting date and shall be advertised in newspaper at least 3 days before the meeting date. Advertisement shall be done in 3 consecutive days.

41. The chairman of the board shall preside over shareholder meetings. If the chairman of the board is not present at a meeting or cannot perform his/her duty, and if there is a vice-chairman, the vice-chairman present at the meeting shall preside over the meeting. If there is no vice-chairman or there is a vice-chairman but he is not present at the meeting or cannot perform his duty, the shareholders present at the meeting shall elect one shareholder to preside over the meeting.
42. In voting, one share shall have one vote.

Any shareholder who has special interest in any matter subject to the votes shall not be entitled to vote on such matter, except for the vote on the election of directors.

43. The passing of a resolution requires a majority vote of the shareholders who attend the meeting and cast their votes unless specified in the Articles of Association. The following resolutions shall receive at least 3/4 of the total votes:
- Sell or Transfer of whole or part of business to others
 - Buy or Transfer of other publicly listed company or other limited company

- Agreement (Compose, Modify or Revoke) of Lease of whole or part of business, including giving authority to others and mergers with the objectives of splitting profit and loss
- Modify of Company Certificate and Articles of Association
- Increase or Decrease of Registered Capital
- Issue of Warrants
- Mergers or Revoke of Company
- Issue of Debentures (Changes debt to capital) as specified in the Public Limited Company Act (2nd edition) B.E. 2544

44. Annual General Shareholders' Meeting Agenda shall include

- (1) To acknowledge the Board of Directors' report on the Company's performance
- (2) To consider the auditor's report and approve the financial statements of the Company and its subsidiaries
- (3) To consider and approve the non-allocation of annual net profit and the dividend omission
- (4) To consider and approve the re-election of the directors, who are due to retire by rotation and to consider and approve the determination of the directors' remuneration
- (5) To consider and approve the appointment of the Company's auditor and the determination of the audit fee
- (6) To consider other matters

Section 6

Dividend and Reserve

49. No dividend may be declared except by a resolution passed in a General Meeting.

The directors may time to time pay to the shareholders such interim dividends as appeared to the directors to be justified by the profits of the company.

Dividend Payment shall be informed to shareholders via written notification and advertisement in newspaper at least 3 consecutive days. Dividend payment shall be made within 1 month from resolution date.

51. No dividend shall be paid otherwise than out of profits. If the company has incurred losses, no dividend may be paid unless such losses have been made good.

Dividend Payment shall be distributed equally based on number of shares unless stated in the company's articles of association for Preference share

In the event that the shares have been not been fully distributed or the company has increased the registered capital, the company may payout full or partial dividend via new stock to shareholders in which the shareholders' meeting must approved.

52. A minimum of 5% of the annual net profit, after accumulated loss (if any), shall be appropriated to a reserve fund until the total is not less than 10% of the registered capital.

Moreover, the Board may increase the reserve fund if necessary, but must get approval from shareholder's meeting.

After approval, the company may transfer other reserve fund, legal reserve fund and additional reserve fund over stock value in order to support net loss (if any).

Section 8 **Accounting Book and Auditor**

60. Shareholders must approve the appointment of the Company's auditor in Annual General Shareholders' Meeting and the auditor appointed by the Annual General Shareholders' Meeting can be re-appointed.

