

Siam Wellness Group Public Company Limited  
and its subsidiaries  
Review report and interim financial statements  
For the three-month and nine-month periods ended  
30 September 2015



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

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ปวงพัฒน์ จักรวัฒนกุล  
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## Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Siam Wellness Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Siam Wellness Group Public Company Limited and its subsidiaries as at 30 September 2015, and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015, the consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Siam Wellness Group Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.



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

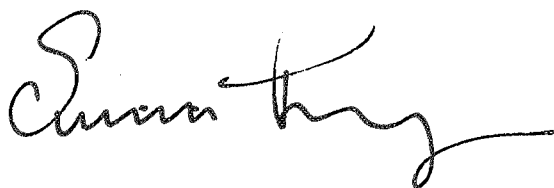
นางสาว อรุณรัตน์  
อ. อรุณรัตน์

## Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

## Other Matter

The consolidated statement of financial position of Siam Wellness Group Public Company Limited and its subsidiaries and the separate statement of financial position of Siam Wellness Group Public Company Limited as at 31 December 2014, presented as comparative information, was audited by another auditor who expressed an unqualified opinion on that statement, under his report dated 25 February 2015. The consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2014, the consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended of Siam Wellness Group Public Company Limited and its subsidiaries, and the separate financial statements of Siam Wellness Group Public Company Limited presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 13 November 2014, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.



Sumana Punpongsanon

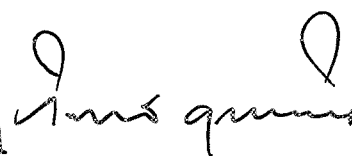
Certified Public Accountant (Thailand) No. 5872

EY Office Limited

Bangkok: 9 November 2015



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



Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2015

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2015	31 December 2014	30 September 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		51,210	104,039	29,693	89,819
Current investments	5	71,599	100,000	71,599	100,000
Trade and other receivables	4, 6	8,340	6,324	7,312	4,183
Short term loans to and interest receivables from subsidiary	4	-	-	-	5,023
Inventories	7	11,732	7,483	10,659	6,886
Other current assets		12,320	3,159	11,606	2,977
<b>Total current assets</b>		<b>155,201</b>	<b>221,005</b>	<b>130,869</b>	<b>208,888</b>
<b>Non-current assets</b>					
Investments in subsidiaries	8	-	-	101,705	101,705
Leasehold rights	9	14,909	4,641	14,909	4,641
Property, plant and equipment	10	412,210	358,977	342,462	291,952
Goodwill	3	20,340	-	20,340	-
Intangible assets	11	5,177	538	4,871	304
Deferred tax assets		242	209	-	-
Other non-current assets	12	21,635	15,486	21,633	15,486
<b>Total non-current assets</b>		<b>474,513</b>	<b>379,851</b>	<b>505,920</b>	<b>414,088</b>
<b>Total assets</b>		<b>629,714</b>	<b>600,856</b>	<b>636,789</b>	<b>622,976</b>

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



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

*[Handwritten signature]*  
นางสาว รุ่งเรือง  
จรรยาบรรณ

Siam Wellness Group Public Company Limited and its subsidiaries


Statement of financial position (continued)

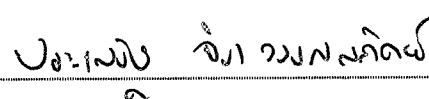
As at 30 September 2015

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2015	31 December 2014	30 September 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	4, 13	37,101	31,916	33,067	30,552
Current portion of long-term loans	14	-	12,240	-	12,240
Current portion of liabilities under financial lease agreements	15	487	468	487	468
Income tax payable		7,649	2,662	6,567	1,068
Advance received		16,273	7,482	14,484	5,794
Other current liabilities		2,027	1,615	1,793	1,112
<b>Total current liabilities</b>		<b>63,537</b>	<b>56,383</b>	<b>56,398</b>	<b>51,234</b>
<b>Non-current liabilities</b>					
Long term loans from financial institution - net of current portion	14	-	44,809	-	44,809
Liabilities under financial lease agreements - net of current portion	15	874	1,242	874	1,242
Provision for long-term employee benefits	16	5,127	3,760	4,380	3,210
Deferred tax liabilities		6,941	6,497	6,941	6,497
Other non-current liabilities		8,824	5,201	8,323	4,771
<b>Total non-current liabilities</b>		<b>21,766</b>	<b>61,509</b>	<b>20,518</b>	<b>60,529</b>
<b>Total liabilities</b>		<b>85,303</b>	<b>117,892</b>	<b>76,916</b>	<b>111,763</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
<b>Registered</b>					
570,000,000 ordinary shares of Baht 0.25 each		142,500	142,500	142,500	142,500
<b>Issued and paid-up</b>					
570,000,000 ordinary shares of Baht 0.25 each		142,500	142,500	142,500	142,500
Share premium		278,906	278,906	278,906	278,906
<b>Retained earnings</b>					
Appropriated - statutory reserve		4,836	4,836	4,836	4,836
Unappropriated		130,760	69,313	99,997	51,337
Other components of shareholders' equity		(12,592)	(12,592)	33,634	33,634
Equity attributable to shareholders' of the Company		544,410	482,963	559,873	511,213
Non-controlling interests of the subsidiaries		1	1	-	-
<b>Total shareholders' equity</b>		<b>544,411</b>	<b>482,964</b>	<b>559,873</b>	<b>511,213</b>
<b>Total liabilities and shareholders' equity</b>		<b>629,714</b>	<b>600,856</b>	<b>636,789</b>	<b>622,976</b>

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





Directors



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

(Unaudited but reviewed)

## Siam Wellness Group Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the three-month period ended 30 September 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Profit or loss:</b>					
<b>Revenues</b>	4				
Revenue from sales		11,255	8,697	4,843	3,512
Revenue from services		128,693	80,241	120,954	73,574
Other income		4,568	879	6,368	2,642
<b>Total revenues</b>		<u>144,516</u>	<u>89,817</u>	<u>132,165</u>	<u>79,728</u>
<b>Expenses</b>	4				
Cost of sales		7,377	5,779	2,812	2,141
Cost of services		82,049	54,213	80,326	51,862
Selling expenses		5,833	3,773	5,254	3,745
Administrative expenses		12,945	12,822	11,582	11,489
<b>Total expenses</b>		<u>108,204</u>	<u>76,587</u>	<u>99,974</u>	<u>69,237</u>
<b>Profit before finance cost and income tax expenses</b>		<u>36,312</u>	<u>13,230</u>	<u>32,191</u>	<u>10,491</u>
Finance cost		(91)	(1,517)	(91)	(1,457)
<b>Profit before income tax expenses</b>		<u>36,221</u>	<u>11,713</u>	<u>32,100</u>	<u>9,034</u>
Income tax expenses	17	(7,784)	(2,255)	(7,109)	(1,822)
<b>Profit for the period</b>		<u>28,437</u>	<u>9,458</u>	<u>24,991</u>	<u>7,212</u>
<b>Other comprehensive income:</b>					
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<u>28,437</u>	<u>9,458</u>	<u>24,991</u>	<u>7,212</u>
<b>Profit attributable to:</b>					
Equity holders of the Company		28,437	9,458	24,991	7,212
Non-controlling interests of the subsidiaries		-	-	-	-
		<u>28,437</u>	<u>9,458</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		28,437	9,458	24,991	7,212
Non-controlling interests of the subsidiaries		-	-	-	-
		<u>28,437</u>	<u>9,458</u>		
					(Unit: Baht)
<b>Earnings per share</b>	18				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.050</u>	<u>0.024</u>	<u>0.044</u>	<u>0.018</u>

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

*[Signature]*  
 บัณฑิต จันทร์สวัสดิ์



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

(Unaudited but reviewed)

## Siam Wellness Group Public Company Limited and its subsidiaries

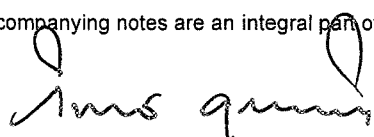
## Statement of comprehensive income

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Profit or loss:</b>					
<b>Revenues</b>	4				
Revenue from sales		32,731	26,103	14,202	9,019
Revenue from services		344,304	206,553	319,160	186,411
Other income		10,208	2,937	15,269	7,970
<b>Total revenues</b>		<b>387,243</b>	<b>235,593</b>	<b>348,631</b>	<b>203,400</b>
<b>Expenses</b>	4				
Cost of sales		19,670	17,317	8,399	5,637
Cost of services		215,176	141,071	209,534	135,184
Selling expenses		14,934	14,239	13,095	12,297
Administrative expenses		41,042	39,146	36,624	34,796
<b>Total expenses</b>		<b>290,822</b>	<b>211,773</b>	<b>267,652</b>	<b>187,914</b>
<b>Profit before finance cost and income tax expenses</b>		<b>96,421</b>	<b>23,820</b>	<b>80,979</b>	<b>15,486</b>
Finance cost		(1,130)	(4,014)	(1,130)	(3,740)
<b>Profit before income tax expenses</b>		<b>95,291</b>	<b>19,806</b>	<b>79,849</b>	<b>11,746</b>
Income tax expenses	17	(19,594)	(4,075)	(16,939)	(2,436)
<b>Profit for the period</b>		<b>75,697</b>	<b>15,731</b>	<b>62,910</b>	<b>9,310</b>
<b>Other comprehensive income:</b>					
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>75,697</b>	<b>15,731</b>	<b>62,910</b>	<b>9,310</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		75,697	15,731	62,910	9,310
Non-controlling interests of the subsidiaries		-	-	-	-
		<b>75,697</b>	<b>15,731</b>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		75,697	15,731	62,910	9,310
Non-controlling interests of the subsidiaries		-	-	-	-
		<b>75,697</b>	<b>15,731</b>		
					(Unit: Baht)
<b>Earnings per share</b>	18				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.133	0.039	0.110	0.023

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



รองประธาน  
อ. อภิวัฒน์ นนทจักร์



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

(Unaudited but reviewed)

## Siam Wellness Group Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

## Consolidated financial statements

	Equity attributable to shareholders of the Company									
	Other components of shareholders' equity									
	Retained earnings		Discount on business combination under common control		Surplus on revaluation of assets		Total components of shareholders' equity		Total equity attributable to shareholders of the Company	
	Note	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated					
Balance as at 1 January 2014		100,000	38,706	-	81,323	(46,226)	31,396	(14,830)	205,199	1
Profit for the period		-	-	-	15,731	-	-	-	15,731	-
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	15,731	-	-	-	15,731	-
Appropriation of retained earnings		-	-	3,749	(3,749)	-	-	-	-	-
Dividend paid	20	-	-	-	(40,000)	-	-	-	(40,000)	-
Balance as at 30 September 2014		100,000	38,706	3,749	53,305	(46,226)	31,396	(14,830)	180,930	1
Balance as at 1 January 2015		142,500	278,906	4,836	69,313	(46,226)	33,634	(12,592)	482,963	1
Profit for the period		-	-	-	75,697	-	-	-	75,697	-
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	75,697	-	-	-	75,697	-
Dividend paid	20	-	-	-	(14,250)	-	-	-	(14,250)	-
Balance as at 30 September 2015		142,500	278,906	4,836	130,760	(46,226)	33,634	(12,592)	544,410	1

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



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

*Siam Wellness*  
วชิระวิทย์ ชื่นมนต์รักษ์  
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## For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from operating activities</b>				
Profit before tax	95,291	19,806	79,849	11,746
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	27,202	19,580	24,024	15,985
Unrealised gain on the change in fair value of trading securities	(500)	-	(500)	-
Bad debts and allowance for doubtful accounts (reversal)	19	(153)	(3)	13
Reduction of inventories to net realisable value (reversal)	(102)	710	(101)	536
Impairment loss on assets (reversal)	(2,565)	2,565	(2,565)	2,565
Loss on write-off of property, plant and equipment	50	224	-	224
Long-term employee benefit expenses	1,367	930	1,170	759
Interest income	(956)	(57)	(954)	(46)
Interest expenses	1,130	4,014	1,130	3,740
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>120,936</b>	<b>47,619</b>	<b>102,050</b>	<b>35,522</b>
Decrease (increase) in operating assets				
Current investments	28,901	-	28,901	-
Trade and other receivables	(2,035)	2,645	(3,126)	(753)
Inventories	(3,913)	1,752	(3,438)	767
Other current assets	(9,161)	(2,004)	(8,629)	(2,006)
Other non-current assets	(5,727)	(680)	(5,725)	(685)
Increase (decrease) in operating liabilities				
Trade and other payables	8,352	1,455	6,038	4,152
Advance received	8,791	1,569	8,690	1,653
Other current liabilities	412	(702)	681	(460)
Other non-current liabilities	3,623	(115)	3,552	(176)
<b>Cash flows from operating activities</b>	<b>150,179</b>	<b>51,539</b>	<b>128,994</b>	<b>38,014</b>
Cash paid for interest expenses	(1,130)	(4,202)	(1,130)	(3,374)
Cash paid for income tax	(14,196)	(14,249)	(10,996)	(12,394)
<b>Net cash flows from operating activities</b>	<b>134,853</b>	<b>33,088</b>	<b>116,868</b>	<b>22,246</b>

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

นางสาววิมล นาคัด



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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from investing activities</b>				
Decrease (increase) in loans to and interest receivables from subsidiary	-	-	5,023	(500)
Cash paid for purchase of spa business (Note 3)	(40,000)	-	(40,000)	-
Cash paid for acquisition of leasehold rights	(11,447)	(2,843)	(11,447)	(2,843)
Cash paid for acquisition of property, plant and equipment	(60,735)	(62,159)	(55,199)	(61,742)
Cash paid for acquisition of intangible assets	(4,808)	(284)	(4,677)	(284)
Cash received from interest income	956	57	954	37
<b>Net cash flows used in investing activities</b>	<b>(116,034)</b>	<b>(65,229)</b>	<b>(105,346)</b>	<b>(65,332)</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institution	-	9,000	-	-
Increase in short-term loans from subsidiary	-	-	-	15,000
Decrease in liabilities under financial lease agreements	(349)	(330)	(349)	(330)
Increase in long-term loans from financial institution	-	45,000	-	45,000
Repayment of long-term loans from financial institution	(57,049)	(12,138)	(57,049)	(12,138)
Cash paid for dividend	(14,250)	-	(14,250)	-
<b>Net cash flows from (used in) financing activities</b>	<b>(71,648)</b>	<b>41,532</b>	<b>(71,648)</b>	<b>47,532</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(52,829)</b>	<b>9,391</b>	<b>(60,126)</b>	<b>4,446</b>
Cash and cash equivalents at beginning of period	104,039	19,633	89,819	12,832
<b>Cash and cash equivalents at end of period</b>	<b>51,210</b>	<b>29,024</b>	<b>29,693</b>	<b>17,278</b>

Supplemental cash flows information

Non-cash transactions

Decrease in liabilities from acquisition of property,

plant and equipment

(3,167) (2,980)

(3,523)

(2,980)

Dividend payable

-

40,000

-

40,000

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

นางสาวกมลวรรณ นาคะสิงห์  
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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 interim financial statements**

**For the three-month and nine-month periods ended 30 September 2015**

**1. General information**

**1.1 The Company's general information**

Siam Wellness Group Public Company Limited ("the Company") was incorporated as limited company under the laws of Thailand on 28 November 2001. The Company operates in Thailand and principally engages in massage for health. Its registered head office is at No. 483, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Dindang, Bangkok. As at 30 September 2015, the Company has a total of 19 branches in Bangkok and upcountry (31 December 2014: 13 branches).


The Company registered in the Stock Exchange of Thailand on 31 October 2014 and its common shares had been approved to be listed in the MAI (MAI: Market of Alternative Investment).

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

  
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### 1.3 Basis of consolidation of interim financial statements

These interim consolidated financial statements include the financial statements of Siam Wellness Group Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2014. There have been no changes in the composition of the subsidiaries during the current period.

### 1.4 New financial reporting standards

#### a) Financial reporting standard that became effective in the current period

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

#### TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognises actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

#### TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This

important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

#### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

#### **(b) Financial reporting standard issued during the period and not yet effective**

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

## **2. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014 with the following additional accounting policies adopted:

### **Revenue recognition**

#### *Franchise income*

Franchise income is recognised on an accrual basis in accordance with the substance of the relevant franchise agreements.

### **Intangible assets**

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



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

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

	<u>Useful lives</u>	
Licenses	5 and 10	years
Trademark	10	years
Computer software	5	years

### Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business acquisition over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business acquisition, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business acquisition is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the acquisition. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

### 3. Acquisition of spa business

On 29 June 2015, a meeting of the Company's Board of Directors approved an acquisition of spa business from non-related persons for its business expansion regarding the Company's 3-stars spa project. The Company and non-related persons entered into the relevant agreements on 1 August 2015.

(Unaudited but reviewed)

The fair values of acquired assets as at the acquisition date are as follows:

	(Unit: Thousand Baht)
Inventories	234
Property, plant and equipment	19,004
Other non-current assets	422
<b>Total assets</b>	<b>19,660</b>
<b>Net assets value at the acquisition date</b>	<b>19,660</b>
Excess of purchase price over net asset value	20,340
<b>Purchase price</b>	<b>40,000</b>

The Company has recorded the net assets acquired at their fair value as of the acquisition date. The remaining excess of the purchase price over the fair value of the net assets acquired has been recorded as goodwill. Details of purchase price are as follows.

	(Unit: Thousand Baht)
Fair value of net assets received	19,660
Goodwill	20,340
<b>Purchase price</b>	<b>40,000</b>

#### 4. Related party transactions

The relationships between the Company and its related parties are summarised below.

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 blesses card and a notebook	Common shareholders
B.U. Enterprise Co., Ltd.	Properties rental	Common shareholders
Cyberprint Co., Ltd.	Printing business	Common shareholders
Asian Fortune Property Co., Ltd.	Real estate development	Common shareholders
Rarinjinda Ordinary Partnership	Properties rental	Common directors



During the periods, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those related parties. Below is a summary of those transactions.

(Unit: Million Baht)

	For the three-month periods ended				
	30 September				
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2015	2014	2015	2014	
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Revenue from services	-	-	0.1	0.1	Market price
Revenue from rental and utilities	-	-	1.6	1.5	Contract price
Other income	-	-	0.8	0.4	Actual price
Purchase of goods	-	-	3.3	2.6	Market price
Service expenses	-	-	1.5	1.4	Contract price
Commission expenses	-	-	0.3	0.5	Contract price
<u>Transactions with related parties</u>					
Purchase of goods	2.8	2.6	2.3	2.2	Market price
Service expenses	1.7	0.3	1.5	0.2	Contract price
Rental and utilities expenses	2.1	2.5	2.1	2.5	Contract price

(Unit: Million Baht)

For the nine-month periods ended					Transfer pricing policy
30 September					
Consolidated		Separate			
financial statements		financial statements			
2015	2014	2015	2014		
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Revenue from services	-	-	0.3	0.2	Market price
Revenue from rental and utilities	-	-	4.5	4.3	Contract price
Other income	-	-	1.6	1.3	Actual price
Purchase of goods	-	-	8.7	6.2	Market price
Service expenses	-	-	3.8	2.5	Contract price
Commission expenses	-	-	1.1	1.0	Contract price



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(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended				
	30 September				
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2015	2014	2015	2014	
<u>Transactions with related parties</u>					
Revenue from sales	0.2	0.1	-	-	Market price
Purchase of goods	7.4	4.3	6.5	4.0	Market price
Service expenses	2.6	0.6	2.4	0.4	Contract price
Rental and utilities expenses	7.8	8.2	7.8	8.2	Contract price

The balances of the accounts as at 30 September 2015 and 31 December 2014 between the Company, subsidiaries and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
<b>Trade receivables - subsidiaries (Note 6)</b>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	790	320
Siam Wellness Lab Co., Ltd.	-	-	8	7
Siam Wellness Education Co., Ltd.	-	-	7	-
Total	-	-	805	327
<b>Trade receivables - Related parties (Note 6)</b>				
Blooming Co., Ltd.	-	2	-	-
Cyberprint Co., Ltd.	8	49	-	24
B.U. Enterprise Co., Ltd.	-	2	-	-
Total	8	53	-	24
<b>Short-term loans to and interest receivables from subsidiary</b>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.				
Short-term loans	-	-	-	5,000
Interest receivables	-	-	-	23
Total	-	-	-	5,023



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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

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(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2015	2014	2015	2014
<b>Trade payables - subsidiaries (Note 13)</b>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	369	112
Siam Wellness Lab Co., Ltd.	-	-	1,560	1,575
Siam Wellness Education Co., Ltd.	-	-	582	287
Total	-	-	2,511	1,974
<b>Trade payables - Related parties (Note 13)</b>				
Blooming Co., Ltd.	895	703	835	635
B.U. Enterprise Co., Ltd.	75	65	60	48
Cyberprint Co., Ltd.	460	354	176	247
Asian Fortune Property Co., Ltd.	168	77	168	77
Total	1,598	1,199	1,239	1,007
<b>Other payables - Related parties (Note 13)</b>				
Directors of the Company	99	362	-	276
Total	99	362	-	276

During the current period, movements of short-term loans and interest receivables from subsidiary were as follows:

(Unit: Thousand Baht)

	Separate financial statements		
	Balance as at	During the period	
	1 January 2015	Increase	Decrease
<b>Short-term loans to and interest receivables from subsidiary</b>			
Siam Wellness Resort Co., Ltd.	5,023	-	(5,023)
Total	5,023	-	(5,023)

#### **Directors and management's benefits**

During the three-month and nine-month periods ended 30 September 2015 and 2014, employee benefit expenses payable to their directors and management of the Company and its subsidiaries are as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial		Separate financial	
	statements		statements	
	2015	2014	2015	2014
Short-term employee benefits	4.5	4.5	4.5	4.5
Post-employment benefits	0.1	0.1	0.1	0.1
Total	4.6	4.6	4.6	4.6

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial		Separate financial	
	statements		statements	
	2015	2014	2015	2014
Short-term employee benefits	13.5	11.5	13.5	11.5
Post-employment benefits	0.5	0.2	0.5	0.2
Total	14.0	11.7	14.0	11.7

#### **Significant agreements with related parties**

1. On 1 January 2013, the Company entered into a lease agreement with Rarinjinda Ordinary Partnership (formerly known as "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 Baht 2.9 million and not more than 15% of rental fee can be increased every 3 years.

Furthermore, on 1 January 2013, the Company made a sublease agreement with Siam Wellness Resort Co., Ltd. for partial areas 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 Baht 1.9 million and not more than 15% of rental fee can be increased 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.



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2. On 1 January 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 Baht 1.3 million and not more than 15% of rental fee can be increased every 3 years.

Furthermore, on 1 January 2013, the Company made sublease agreements with Siam Wellness Lab Co., Ltd. and Siam Wellness Education Co., Ltd. ("sublessees") for partial areas 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 Baht 0.6 million.

3. On 23 January 2014, the Company has entered into rental agreements for residence for employees with a related person for the period of 3 years, due in December 2016, and such agreement is renewable by a formal notice letter not less than 2 months before term due of agreement. Under the agreement, the Company committed to pay an annual rental fee amounting to Baht 0.4 million.
4. On 1 February 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 Baht 7 million.

## 5. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Fixed deposits	-	100,000	-	100,000
Trading securities	71,099		71,099	
Investment units		-		-
Add: Unrealized gain on the change in fair value of investments	500	-	500	-
Investment units - net	71,599	-	71,599	-
Total trading securities	71,599	-	71,599	-
Total current investments	71,599	100,000	71,599	100,000



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## 6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
<u>Trade receivables - related parties (Note 4)</u>				
Aged on the basis of due dates				
Not yet due	-	51	805	351
Past due				
Up to 3 months	8	2	-	-
Total trade receivables - related parties, net	8	53	805	351
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	5,072	1,996	4,329	469
Past due				
Up to 3 months	1,453	956	1,068	364
3 - 6 months	-	126	-	109
6 - 12 months	10	6	-	6
Over 12 months	122	105	1	1
Total	6,657	3,189	5,398	949
Less: Allowance for doubtful debts	(127)	(108)	(1)	(4)
Total trade receivables - unrelated parties, net	6,530	3,081	5,397	945
Total trade receivable - net	6,538	3,134	6,202	1,296
<u>Other receivables</u>				
Other receivables - unrelated parties	2,038	3,426	1,346	3,123
Less: Allowance for doubtful debts	(236)	(236)	(236)	(236)
Total other receivables, net	1,802	3,190	1,110	2,887
Total trade and other receivables - net	8,340	6,324	7,312	4,183



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(Unaudited but reviewed)

## 7. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Finished goods	2,272	1,928	3,238	2,880
Supplies	7,907	5,012	7,522	4,623
Food and beverage	140	154	-	-
Others	2,379	1,457	415	-
Less: Reduce cost to net realisable value	(966)	(1,068)	(516)	(617)
Inventories - net	11,732	7,483	10,659	6,886

Movements in the allowance for diminution in value of inventories account during the nine-month periods ended 30 September 2015, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2015	1,068	617
Add: Allowance for diminution in value of inventories made during the period	136	70
Less: Reversal of allowance for diminution in value of inventories made during the period	(238)	(171)
Balance as 30 September 2015	966	516

## 8. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 30 September 2015 and 31 December 2014 are as follows:

Company's name	Type of business	Called-up share capital		Shareholding percentage		Cost		Net book value - cost method - net	
		30	31	30	31	30	31	30	31
		September	December	September	December	September	December	September	December
		2015	2014	2015	2014	2015	2014	2015	2014
				(%)	(%)				
Siam Wellness Lab Co., Ltd.	Manufacturer and sale of spa products	1,000	1,000	99.98	99.98	2,000	2,000	2,000	2,000
Siam Wellness Education Co., Ltd.	Thai massage school	1,000	1,000	99.97	99.97	1,000	1,000	1,000	1,000
Siam Wellness Resort Co., Ltd.	Hotel and restaurant operations	60,000	60,000	99.98	99.98	98,705	98,705	98,705	98,705
Total						101,705	101,705	101,705	101,705



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All subsidiary companies are incorporated in Thailand.

During the three-month and nine-month periods ended 30 September 2015 and 2014, the Company did not receive dividends from its subsidiaries.

#### 9. Leasehold rights

A reconciliation of net book value of leasehold rights for the nine-month periods ended 30 September 2015 is presented below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2015	4,641
Acquisition during period	11,447
Amortisation for period	(1,179)
Net book value as at 30 September 2015	14,909

#### 10. Property, plant and equipment

A reconciliation of net book value of property, plant and equipment for the nine-month periods ended 30 September 2015 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2015	358,977	291,952
Increase due to acquisition of business (Note 3)	19,004	19,004
Acquisition during period	57,568	51,676
Write-off during period (net book value as at write-off date)	(50)	-
Depreciation for period	(25,854)	(22,735)
Reversal of allowance for impairment on assets	2,565	2,565
Net book value as at 30 September 2015	412,210	342,462

As at 30 September 2015, the Company had vehicles with net book value of Baht 1.7 million (31 December 2014: Baht 2.2 million), which were acquired under finance lease agreements.



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As at 30 September 2015, the Company has pledged its land and structures thereon amounting to Baht 77.3 million (31 December 2014: Baht 78.5 million) as collateral against its bank overdraft, the letter of guarantees issuance, and long-term loans facility received from financial institution as disclosed in Note 14 and Note 21.3 to interim financial statements.

#### 11. Intangible assets

A reconciliation of net book value of intangible assets for the nine-month periods ended 30 September 2015 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2015	538	304
Acquisition during period	4,808	4,677
Write-off during period (net book value as at write-off date)	-	-
Amortisation for period	(169)	(110)
Net book value as at 30 September 2015	5,177	4,871

#### 12. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2015	2014	2015	2014
Deposits - lease agreements	21,040	14,519	21,040	14,519
Others	595	967	593	967
Total other non-current assets	21,635	15,486	21,633	15,486



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**13. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2015	2014	2015	2014
Trade accounts payable	12,859	11,343	10,548	9,366
Trade accounts payable - related parties				
(Note 4)	1,598	1,199	3,750	2,981
Retention	3,332	4,766	3,332	4,766
Other payables - related parties				
(Note 4)	99	362	-	276
Accrued payroll and bonus expenses	9,029	7,455	8,705	7,265
Accrued expenses - others	6,203	5,241	5,552	4,914
Others payables	3,981	1,550	1,180	984
Total trade and other payables	37,101	31,916	33,067	30,552

**14. Long-term loans from financial institution**

(Unit: Thousand Baht)				
Consolidated and Separate				
financial statements				
Loan	Facility amount (Million Baht)	Interest rate (% p.a.)	30 September 2015	31 December 2014
1.	80	MLR - 1.30	-	13,250
2.	10	MLR - 1.40	-	5,800
3.	55	MLR - 1.40	-	37,999
Total			-	57,049
Less: Current portion			-	(12,240)
Long-term loans, net of current portion			-	44,809

The loans are secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 10 to interim financial statements.

The loan agreements contain several covenants which, among other things, require the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.



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(Unaudited but reviewed)

As at 31 December 2014, the long-term credit facilities of a Company which had not yet been drawn down amounted to Baht 15.5 million. However, as at 30 September 2015, these long-term credit facilities that had not yet been drawn down already expired.

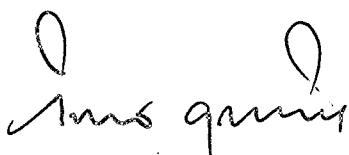
Movements in the long-term loans from financial institution during the nine-month periods ended 30 September 2015 are summarised below:

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2015	57,049
Less: Repayments	(57,049)
Balance as at 30 September 2015	-

**15. Liabilities under finance lease agreements**

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	30 September 2015	31 December 2014
Liabilities under finance lease agreements	1,466	1,878
Less: Deferred interest expenses	(105)	(168)
Total	1,361	1,710
Less: Portion due within one year	(487)	(468)
Liabilities under finance lease agreements - net of current portion	874	1,242

The Company has entered into the finance lease agreement with leasing company for rental of motor vehicle for use in its operation, whereby it is committed to pay rental on a monthly basis. The term of the agreement is 5 years.



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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

(Unaudited but reviewed)

Future minimum lease payments required under the finance lease agreement as at 30 September 2015 and 31 December 2014 were as follows:

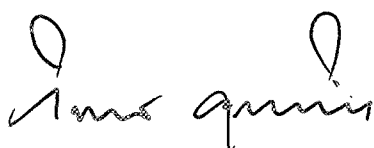
	(Unit: Million Baht)		
	Consolidated and Separate		
	financial statements		
	As at 30 September 2015		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	0.5	1.0	1.5
Deferred interest expenses	(0.1)	-	(0.1)
Present value of future minimum lease payments	0.4	0.1	1.4

	(Unit: Million Baht)		
	Consolidated and Separate		
	financial statements		
	As at 31 December 2014		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	0.6	1.3	1.9
Deferred interest expenses	(0.1)	(0.1)	(0.2)
Present value of future minimum lease payments	0.5	1.2	1.7

#### 16. Provision for long-term employee benefits

Provision for long-term employee benefits as at 30 September 2015 which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial	financial
	statements	statements
Defined benefit obligation as at 1 January 2015	3,760	3,210
Current service cost	1,199	1,026
Interest cost	168	144
Defined benefit obligation as at 30 September 2015	5,127	4,380



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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Long-term employee benefit expenses included in profit or loss for the three-month and nine-month periods ended 30 September 2015 amounted to Baht 0.5 million (2014: Baht 0.3 million) and Baht 1.4 million (2014: Baht 0.9 million), respectively (the Company only: Baht 0.4 million (2014: Baht 0.3 million) and Baht 1.2 million (2014: Baht 0.8 million), respectively).

#### 17. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Interim corporate income tax charge	7,336	2,438	6,648	1,992
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	448	(183)	461	(170)
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>7,784</u>	<u>2,255</u>	<u>7,109</u>	<u>1,822</u>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Interim corporate income tax charge	19,183	4,934	16,495	3,340
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	411	(859)	444	(904)
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>19,594</u>	<u>4,075</u>	<u>16,939</u>	<u>(2,436)</u>



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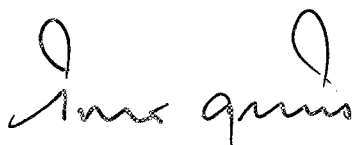
**18. Earnings per share**

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the change in the par value from Baht 100 to Baht 0.25 per share as if the change in par value had occurred since the earliest period reported, in accordance with the resolution of the Extraordinary General Meeting of the Company's shareholders held on 7 May 2014.

The following table sets forth the computation of basic earnings per share:

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Profit for the period (Thousand Baht)	28,437	9,458	24,991	7,212
Weighted average number of ordinary shares (Thousand shares)	570,000	400,000	570,000	400,000
Profit per share (Baht/share)	0.050	0.024	0.044	0.018

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Profit for the period (Thousand Baht)	75,697	15,731	62,910	9,310
Weighted average number of ordinary shares (Thousand shares)	570,000	400,000	570,000	400,000
Profit per share (Baht/share)	0.133	0.039	0.110	0.023

  
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 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

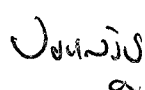

**19. Segment information**

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reported segments.

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2015 and 2014.

(Unit: Million Baht)

	For the three-month periods ended 30 September									
	Sales of spa									
	Spa services		products and healthy products		Hotel and restaurant		Elimination		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues from external customers	121	74	5	3	14	12	-	-	140	89
Internal - segment revenues	1	1	3	3	1	-	(5)	(4)	-	-
Total revenues	122	75	8	6	15	12	(5)	(4)	140	89
Segment profit	42	21	4	2	6	7	-	-	52	30
Revenues and expenses which have not been allocated :										
Other income									4	-
Selling expenses									(6)	(4)
Administrative expenses									(13)	(13)
Finance costs									-	(1)
Profit before income tax									37	12
Income tax expenses									(8)	(2)
Profit for the period									29	10


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

For the nine-month periods ended 30 September

	Sales of spa products and Hotel and									
	Spa services		healthy products		restaurant		Elimination		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues from external customers	319	186	15	9	43	37	-	-	377	232
Internal - segment revenues	3	3	9	6	1	-	(13)	(9)	-	-
Total revenues	322	189	24	15	44	37	(13)	(9)	377	232
Segment profit	112	52	11	6	20	16	-	-	143	74
Revenues and expenses which have not been allocated :										
Other income									10	3
Selling expenses									(15)	(14)
Administrative expenses									(41)	(39)
Finance costs									(1)	(4)
Profit before income tax									96	20
Income tax expenses									(20)	(4)
Profit for the period									76	16

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

During three-month and nine-month periods ended 30 September 2015 and 2014, the Company and its subsidiaries have no major customer because their business is the sale and service to minor customers.

**20. Dividends**

Dividends	Approved by	Dividend (Million Baht)	Dividend per share (Baht)
Final dividends for 2014	Annual General Meeting of the shareholders on 30 March 2015	14.25	0.025
Final dividends for 2013	Annual General Meeting of the shareholders on 19 April 2014	40.00	40.000



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## 21. Commitments and contingent liabilities

### 21.1 Capital commitments

As at 30 September 2015 and 31 December 2014, the Company has the outstanding commitments for construction, which the contracts have already been signed. These are summarised as follows:

	(Unit: Million Baht)	
	Consolidated and Separate	
	financial statements	
	30 September 2015	31 December 2014
Construction costs	17.4	12.0

### 21.2 Operating lease commitments

The Company and its subsidiaries have entered into several operating lease agreements in respect of the lease of service locations and equipment. The terms of the agreements are generally between 1 and 5 years. In addition, the Company has entered into operating lease agreements in respect of the lease of land with 30 years of the term of the agreement.

As at 30 September 2015 and 31 December 2014, future minimum payments required under these non-cancellable operating leases agreement and related service agreements were as follows.

	(Unit: Million Baht)	
	Consolidated and Separate	
	financial statements	
	30 September 2015	31 December 2014
Payable:		
In up to 1 year	78	58
In over 1 and up to 5 years	95	75
In over 5 years	81	69



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As at 30 September 2015, future minimum sublease payments expected to be received under non-cancellable subleases amounting to Baht 54.4 million (31 December 2014: Baht 53.0 million). During the three-month and nine-month periods ended 30 September 2015, the Company recognised rental expenses of Baht 1.1 million and Baht 3.4 million, respectively (2014: Baht 1.1 million and Baht 3.4 million, respectively) and subleasing revenue of Baht 0.6 million and Baht 1.8 million, respectively (2014: Baht 0.6 million and Baht 1.8 million, respectively).

### 21.3 Guarantees

As at 30 September 2015, there were outstanding bank guarantees of Baht 2.2 million (31 December 2014: Baht 4.2 million) (the Company only: Baht 1.6 million (31 December 2014: Baht 3.6 million)) issued by the banks on behalf of the Company and its subsidiaries as required in the normal course of business.

## 22. Fair value of financial instruments

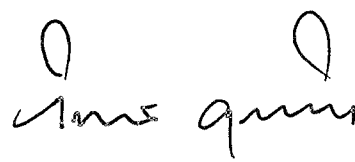
The Company uses the market approach to measure its assets that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

### Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company endeavors to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows



  
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As of 30 September 2015, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Current investments				
Investment units - domestic	-	71,599	-	71,599

#### Valuation techniques and inputs to Level 2 valuation

The fair value of investment in investment units has been determined by using the net asset values of the last working day of the reporting period as announced by the asset management company.

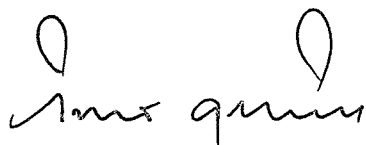
During the current period, there were no transfers within the fair value hierarchy.

#### **23. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 30 September 2015, the Group's debt-to-equity ratio was 0.16:1 (31 December 2014: 0.24:1) and the Company's was 0.14:1 (31 December 2014: 0.22:1).

#### **24. Approval of interim financial statements**

These interim financial statements were authorised to issue by the Company's Board of Directors on 9 November 2015.



นางสาวกมลวรรณ จันทะวงษ์  
อ.



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