

Siam Wellness Group Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2018

Independent Auditor's Report

To the Shareholders of Siam Wellness Group Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Siam Wellness Group Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Siam Wellness Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siam Wellness Group Public Company Limited and its subsidiaries and of Siam Wellness Group Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for each matter are described below.

Revenue from services

The revenue from services related to spa business of the Company is the main revenue of the Group, representing 88% of total Group's revenues. Such revenue is derived from provision of services to a large number of individual customers through a variety of sales channels and many spa branches for the spa business. Therefore, I addressed the occurrence and accuracy of the revenue from services as a key audit matter.

I have examined the revenue from services by assessing and testing, on a sampling basis, the Company's internal controls with respect to the revenue cycle, understanding the nature of services condition to evaluate the appropriateness of the accounting policy, examining supporting documents, on a sampling basis, for revenue from services transactions occurring during the year and near the end of the accounting period, reviewing credit notes that the Company issued after the period-end, and performing analytical procedures on disaggregated data to detect possible irregularities in revenue from services transactions throughout the period.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matter communicated with those charged with governance, I determine that matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Sumana Punpongsanon

Certified Public Accountant (Thailand) No. 5872

EY Office Limited

Bangkok: 22 February 2019

Siam Wellness Group Public Company Limited and its subsidiaries


Statement of financial position

As at 31 December 2018

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|-------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | 2018 | 2017 | 2018 | 2017 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 79,443,764 | 66,733,443 | 67,865,439 | 53,510,782 |
| Current investments | 9 | 32,031,778 | 75,966,297 | 33,240 | 47,822,221 |
| Trade and other receivables | 7, 10 | 23,512,231 | 12,390,973 | 20,569,527 | 9,342,505 |
| Inventories | 11 | 31,038,539 | 27,838,122 | 30,653,123 | 25,282,303 |
| Other current assets | | 9,653,107 | 8,299,366 | 9,277,106 | 7,266,402 |
| Total current assets | | 175,679,419 | 191,228,201 | 128,398,435 | 143,224,213 |
| Non-current assets | | | | | |
| Long-term loan to and interest receivable from related party | 7 | - | - | 8,164,451 | - |
| Restricted deposits of financial institution | 12 | 5,052,985 | 5,001,000 | - | - |
| Investments in subsidiaries | 13 | - | - | 101,705,464 | 101,705,464 |
| Leasehold rights | 14 | 8,130,842 | 10,119,949 | 8,130,842 | 10,119,949 |
| Property, plant and equipment | 15 | 1,067,091,384 | 889,258,900 | 981,130,098 | 809,366,000 |
| Goodwill | 16 | 24,535,709 | 24,535,709 | 20,340,000 | 20,340,000 |
| Intangible assets | 17 | 8,962,686 | 9,244,567 | 8,772,047 | 9,012,232 |
| Deferred tax assets | 26 | 1,391,631 | 367,950 | - | - |
| Deposits | | 77,744,900 | 43,916,648 | 77,025,401 | 43,916,648 |
| Other non-current assets | | 620,150 | 1,829,417 | 615,150 | 1,815,416 |
| Total non-current assets | | 1,193,530,287 | 984,274,140 | 1,205,883,453 | 996,275,709 |
| Total assets | | 1,369,209,706 | 1,175,502,341 | 1,334,281,888 | 1,139,499,922 |

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


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บริษัท สยามเวลเนส จำกัด  
 Siam Wellness Group Public Company Limited



Siam Wellness Group Public Company Limited and its subsidiaries

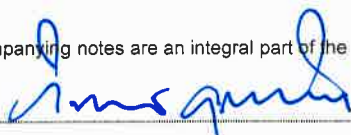
Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

|                                                                     |       | Consolidated financial statements |               | Separate financial statements |               |
|---------------------------------------------------------------------|-------|-----------------------------------|---------------|-------------------------------|---------------|
|                                                                     | Note  | 2018                              | 2017          | 2018                          | 2017          |
| Liabilities and shareholders' equity                                |       |                                   |               |                               |               |
| Current liabilities                                                 |       |                                   |               |                               |               |
| Bank overdrafts from financial institution                          | 18    | 1,341,651                         | 3,749,403     | -                             | -             |
| Short-term loans from and interest payable to related parties       | 7     | 4,415,343                         | 4,215,343     | -                             | -             |
| Trade and other payables                                            | 7, 19 | 83,385,842                        | 85,881,847    | 82,313,998                    | 84,414,728    |
| Current portion of long-term loans                                  | 20    | 84,240,000                        | 68,850,000    | 84,240,000                    | 68,850,000    |
| Current portion of liabilities under finance lease agreements       | 21    | 86,887                            | 310,297       | 86,887                        | 310,297       |
| Income tax payable                                                  |       | 17,010,330                        | 14,328,517    | 14,784,479                    | 13,329,368    |
| Advance received                                                    |       | 24,961,317                        | 24,153,850    | 23,204,863                    | 21,758,574    |
| Other current liabilities                                           |       | 8,614,765                         | 5,023,970     | 7,707,299                     | 4,149,223     |
| Total current liabilities                                           |       | 224,056,135                       | 206,513,227   | 212,337,526                   | 192,812,190   |
| Non-current liabilities                                             |       |                                   |               |                               |               |
| Long term loans - net of current portion                            | 20    | 125,990,000                       | 185,050,000   | 125,990,000                   | 185,050,000   |
| Liabilities under finance lease agreements - net of current portion | 21    | 264,895                           | 351,782       | 264,895                       | 351,782       |
| Provision for long-term employee benefits                           | 22    | 14,445,712                        | 10,886,219    | 11,684,749                    | 8,744,399     |
| Deferred tax liabilities                                            | 26    | 19,583,381                        | 6,043,926     | 19,583,381                    | 6,068,226     |
| Other non-current liabilities                                       |       | 14,504,679                        | 11,855,217    | 13,626,352                    | 11,158,246    |
| Total non-current liabilities                                       |       | 174,788,667                       | 214,187,144   | 171,149,377                   | 211,372,653   |
| Total liabilities                                                   |       | 398,844,802                       | 420,700,371   | 383,486,903                   | 404,184,843   |
| Shareholders' equity                                                |       |                                   |               |                               |               |
| Share capital                                                       |       |                                   |               |                               |               |
| Registered                                                          |       |                                   |               |                               |               |
| 570,000,000 ordinary shares of Baht 0.25 each                       |       | 142,500,000                       | 142,500,000   | 142,500,000                   | 142,500,000   |
| Issued and paid-up                                                  |       |                                   |               |                               |               |
| 570,000,000 ordinary shares of Baht 0.25 each                       |       | 142,500,000                       | 142,500,000   | 142,500,000                   | 142,500,000   |
| Share premium                                                       |       | 278,905,854                       | 278,905,854   | 278,905,854                   | 278,905,854   |
| Discount on business combination under common control               |       | (46,226,479)                      | (46,226,479)  | -                             | -             |
| Retained earnings                                                   |       |                                   |               |                               |               |
| Appropriated - statutory reserve                                    | 23    | 16,380,580                        | 14,782,545    | 14,250,000                    | 14,250,000    |
| Unappropriated                                                      |       | 488,234,141                       | 324,135,182   | 424,571,696                   | 258,956,110   |
| Other components of shareholders' equity                            |       | 90,567,435                        | 40,703,115    | 90,567,435                    | 40,703,115    |
| Equity attributable to shareholders' of the Company                 |       | 970,361,531                       | 754,800,217   | 950,794,985                   | 735,315,079   |
| Non-controlling interests of the subsidiaries                       |       | 3,373                             | 1,753         | -                             | -             |
| Total shareholders' equity                                          |       | 970,364,904                       | 754,801,970   | 950,794,985                   | 735,315,079   |
| Total liabilities and shareholders' equity                          |       | 1,369,209,706                     | 1,175,502,341 | 1,334,281,888                 | 1,139,499,922 |

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



Directors

นายณัฐวัฒน์ จันทนกุล



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 31 December 2018

(Unit: Baht)

|                                                                                                               | Note  | Consolidated financial statements |                    | Separate financial statements |                    |
|---------------------------------------------------------------------------------------------------------------|-------|-----------------------------------|--------------------|-------------------------------|--------------------|
|                                                                                                               |       | 2018                              | 2017               | 2018                          | 2017               |
| <b>Profit or loss:</b>                                                                                        |       |                                   |                    |                               |                    |
| <b>Revenues</b>                                                                                               |       |                                   |                    |                               |                    |
| Revenue from sales                                                                                            |       | 87,371,042                        | 86,619,169         | 56,108,183                    | 42,369,442         |
| Revenue from services                                                                                         |       | 1,046,879,546                     | 861,025,281        | 1,009,377,381                 | 828,864,238        |
| Dividend income                                                                                               | 7, 13 | -                                 | -                  | 25,419,746                    | -                  |
| Other income                                                                                                  |       | 18,239,943                        | 14,746,425         | 24,791,231                    | 22,031,830         |
| <b>Total revenues</b>                                                                                         |       | <b>1,152,490,531</b>              | <b>962,390,875</b> | <b>1,115,696,541</b>          | <b>893,265,510</b> |
| <b>Expenses</b>                                                                                               |       |                                   |                    |                               |                    |
| Cost of sales                                                                                                 |       | 47,573,524                        | 54,715,846         | 33,140,224                    | 25,877,013         |
| Cost of services                                                                                              |       | 702,557,630                       | 564,841,970        | 703,621,315                   | 560,928,773        |
| Selling and distribution expenses                                                                             |       | 45,181,525                        | 36,878,434         | 41,816,891                    | 32,674,580         |
| Administrative expenses                                                                                       |       | 107,295,600                       | 93,461,766         | 90,602,228                    | 79,061,250         |
| <b>Total expenses</b>                                                                                         |       | <b>902,608,279</b>                | <b>749,898,016</b> | <b>869,180,658</b>            | <b>698,541,616</b> |
| <b>Profit before finance cost and income tax expenses</b>                                                     |       | <b>249,882,252</b>                | <b>212,492,859</b> | <b>246,515,883</b>            | <b>194,723,894</b> |
| Finance cost                                                                                                  |       | (8,844,006)                       | (6,572,207)        | (8,434,276)                   | (6,067,192)        |
| <b>Profit before income tax expenses</b>                                                                      |       | <b>241,038,246</b>                | <b>205,920,652</b> | <b>238,081,607</b>            | <b>188,656,702</b> |
| Income tax expenses                                                                                           | 26    | (35,439,378)                      | (30,752,392)       | (32,566,021)                  | (27,707,879)       |
| <b>Profit for the year</b>                                                                                    |       | <b>205,598,868</b>                | <b>175,168,260</b> | <b>205,515,586</b>            | <b>160,948,823</b> |
| <b>Other comprehensive income:</b>                                                                            |       |                                   |                    |                               |                    |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>             |       |                                   |                    |                               |                    |
| Changes in revaluation of land - net of income tax                                                            |       | 49,864,320                        | -                  | 49,864,320                    | -                  |
| Actuarial loss - net of income tax                                                                            |       | -                                 | (2,238,156)        | -                             | (1,528,055)        |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax |       | 49,864,320                        | (2,238,156)        | 49,864,320                    | (1,528,055)        |
| <b>Total other comprehensive income for the year</b>                                                          |       | <b>49,864,320</b>                 | <b>(2,238,156)</b> | <b>49,864,320</b>             | <b>(1,528,055)</b> |
| <b>Total comprehensive income for the year</b>                                                                |       | <b>255,463,188</b>                | <b>172,930,104</b> | <b>255,379,906</b>            | <b>159,420,768</b> |

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


  
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**Siam Wellness Group Public Company Limited and its subsidiaries**  
**Statement of comprehensive income (continued)**  
**For the year ended 31 December 2018**

(Unit: Baht)

|                                                      |      | Consolidated financial statements |                    | Separate financial statements |             |
|------------------------------------------------------|------|-----------------------------------|--------------------|-------------------------------|-------------|
|                                                      | Note | 2018                              | 2017               | 2018                          | 2017        |
| <b>Profit attributable to:</b>                       |      |                                   |                    |                               |             |
| Equity holders of the Company                        |      | 205,596,994                       | 175,167,795        | 205,515,586                   | 160,948,823 |
| Non-controlling interests of the subsidiaries        |      | 1,874                             | 465                |                               |             |
|                                                      |      | <u>205,598,868</u>                | <u>175,168,260</u> |                               |             |
| <b>Total comprehensive income attributable to:</b>   |      |                                   |                    |                               |             |
| Equity holders of the Company                        |      | 255,461,314                       | 172,929,657        | 255,379,906                   | 159,420,768 |
| Non-controlling interests of the subsidiaries        |      | 1,874                             | 447                |                               |             |
|                                                      |      | <u>255,463,188</u>                | <u>172,930,104</u> |                               |             |
| <b>Earnings per share</b>                            | 27   |                                   |                    |                               |             |
| <b>Basic earnings per share</b>                      |      |                                   |                    |                               |             |
| Profit attributable to equity holders of the Company |      | 0.36                              | 0.31               | 0.36                          | 0.28        |

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

รองประธาน  




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 31 December 2018

(Unit: Baht)

| Consolidated financial statements                                       |                                        |               |                                                       |                                  |                |                                          |                                                |              |                                                          |                                                                      |                            |
|-------------------------------------------------------------------------|----------------------------------------|---------------|-------------------------------------------------------|----------------------------------|----------------|------------------------------------------|------------------------------------------------|--------------|----------------------------------------------------------|----------------------------------------------------------------------|----------------------------|
| Equity attributable to shareholders of the Company                      |                                        |               |                                                       |                                  |                |                                          |                                                |              |                                                          |                                                                      |                            |
|                                                                         | Issued and fully paid-up share capital | Share premium | Discount on business combination under common control | Retained earnings                |                | Other components of shareholders' equity |                                                |              | Total equity attributable to shareholders of the Company | Equity attributable to non-controlling interests of the subsidiaries | Total shareholders' equity |
|                                                                         |                                        |               |                                                       | Appropriated - statutory reserve | Unappropriated | Surplus on revaluation of assets         | Total other components of shareholders' equity |              |                                                          |                                                                      |                            |
| Balance as at 1 January 2017                                            | 142,500,000                            | 278,905,854   | (46,226,479)                                          | 14,782,545                       | 208,205,525    | 40,703,115                               | 40,703,115                                     | 638,870,560  | 1,169                                                    | 638,871,729                                                          |                            |
| Profit for the year                                                     | -                                      | -             | -                                                     | -                                | 175,167,795    | -                                        | -                                              | 175,167,795  | 465                                                      | 175,168,260                                                          |                            |
| Other comprehensive income for the year                                 | -                                      | -             | -                                                     | -                                | (2,238,138)    | -                                        | -                                              | (2,238,138)  | (18)                                                     | (2,238,156)                                                          |                            |
| Total comprehensive income for the year                                 | -                                      | -             | -                                                     | -                                | 172,929,657    | -                                        | -                                              | 172,929,657  | 447                                                      | 172,930,104                                                          |                            |
| Dividend paid (Note 24)                                                 | -                                      | -             | -                                                     | -                                | (57,000,000)   | -                                        | -                                              | (57,000,000) | -                                                        | (57,000,000)                                                         |                            |
| Increase in non-controlling interest from acquisition of subsidiaries   | -                                      | -             | -                                                     | -                                | -              | -                                        | -                                              | -            | 137                                                      | 137                                                                  |                            |
| Balance as at 31 December 2017                                          | 142,500,000                            | 278,905,854   | (46,226,479)                                          | 14,782,545                       | 324,135,182    | 40,703,115                               | 40,703,115                                     | 754,800,217  | 1,753                                                    | 754,801,970                                                          |                            |
| Balance as at 1 January 2018                                            | 142,500,000                            | 278,905,854   | (46,226,479)                                          | 14,782,545                       | 324,135,182    | 40,703,115                               | 40,703,115                                     | 754,800,217  | 1,753                                                    | 754,801,970                                                          |                            |
| Profit for the year                                                     | -                                      | -             | -                                                     | -                                | 205,596,994    | -                                        | -                                              | 205,596,994  | 1,874                                                    | 205,598,868                                                          |                            |
| Other comprehensive income for the year                                 | -                                      | -             | -                                                     | -                                | -              | 49,864,320                               | 49,864,320                                     | 49,864,320   | -                                                        | 49,864,320                                                           |                            |
| Total comprehensive income for the year                                 | -                                      | -             | -                                                     | -                                | 205,596,994    | 49,864,320                               | 49,864,320                                     | 255,461,314  | 1,874                                                    | 255,463,188                                                          |                            |
| Appropriation of retained earnings                                      | -                                      | -             | -                                                     | 1,598,035                        | (1,598,035)    | -                                        | -                                              | -            | -                                                        | -                                                                    |                            |
| Dividend paid (Note 24)                                                 | -                                      | -             | -                                                     | -                                | (39,900,000)   | -                                        | -                                              | (39,900,000) | -                                                        | (39,900,000)                                                         |                            |
| Subsidiaries paid dividend to non-controlling interests of subsidiaries | -                                      | -             | -                                                     | -                                | -              | -                                        | -                                              | -            | (254)                                                    | (254)                                                                |                            |
| Balance as at 31 December 2018                                          | 142,500,000                            | 278,905,854   | (46,226,479)                                          | 16,380,580                       | 488,234,141    | 90,567,435                               | 90,567,435                                     | 970,361,531  | 3,373                                                    | 970,364,904                                                          |                            |

*Handwritten signature and Thai text:*  
นางสาว อรุณรัตน์  
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The accompanying notes are an integral part of the financial statements.

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

Separate financial statements

|                                         | Other components of shareholders' equity |               |                                  |                                  |                                          |                      |              |
|-----------------------------------------|------------------------------------------|---------------|----------------------------------|----------------------------------|------------------------------------------|----------------------|--------------|
|                                         | Other comprehensive income               |               |                                  |                                  |                                          |                      | Total        |
|                                         | Issued and fully paid-up share capital   | Share premium | Retained earnings                | Surplus on revaluation of assets | other components of shareholders' equity | shareholders' equity |              |
|                                         |                                          |               | Appropriated - statutory reserve | Unappropriated                   |                                          |                      |              |
| <b>Balance as at 1 January 2017</b>     | 142,500,000                              | 278,905,854   | 14,250,000                       | 156,535,342                      | 40,703,115                               | 40,703,115           | 632,894,311  |
| Profit for the year                     | -                                        | -             | -                                | 160,948,823                      | -                                        | -                    | 160,948,823  |
| Other comprehensive income for the year | -                                        | -             | -                                | (1,528,055)                      | -                                        | -                    | (1,528,055)  |
| Total comprehensive income for the year | -                                        | -             | -                                | 159,420,768                      | -                                        | -                    | 159,420,768  |
| Dividend paid (Note 24)                 | -                                        | -             | -                                | (57,000,000)                     | -                                        | -                    | (57,000,000) |
| <b>Balance as at 31 December 2017</b>   | 142,500,000                              | 278,905,854   | 14,250,000                       | 258,956,110                      | 40,703,115                               | 40,703,115           | 735,315,079  |
| <b>Balance as at 1 January 2018</b>     | 142,500,000                              | 278,905,854   | 14,250,000                       | 258,956,110                      | 40,703,115                               | 40,703,115           | 735,315,079  |
| Profit for the year                     | -                                        | -             | -                                | 205,515,586                      | -                                        | -                    | 205,515,586  |
| Other comprehensive income for the year | -                                        | -             | -                                | -                                | 49,864,320                               | 49,864,320           | 49,864,320   |
| Total comprehensive income for the year | -                                        | -             | -                                | 205,515,586                      | 49,864,320                               | 49,864,320           | 255,379,906  |
| Dividend paid (Note 24)                 | -                                        | -             | -                                | (39,900,000)                     | -                                        | -                    | (39,900,000) |
| <b>Balance as at 31 December 2018</b>   | 142,500,000                              | 278,905,854   | 14,250,000                       | 424,571,696                      | 90,567,435                               | 90,567,435           | 950,794,985  |

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



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Date: 31/12/2018

**Siam Wellness Group Public Company Limited and its subsidiaries**

**Statement of cash flows**

**For the year ended 31 December 2018**

(Unit: Baht)

|                                                                                                      | <b>Consolidated financial statements</b> |                    | <b>Separate financial statements</b> |                    |
|------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------|--------------------------------------|--------------------|
|                                                                                                      | <b>2018</b>                              | <b>2017</b>        | <b>2018</b>                          | <b>2017</b>        |
| <b>Cash flows from operating activities</b>                                                          |                                          |                    |                                      |                    |
| Profit before tax                                                                                    | 241,038,246                              | 205,920,652        | 238,081,607                          | 188,656,702        |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: |                                          |                    |                                      |                    |
| Depreciation and amortisation                                                                        | 95,956,711                               | 77,449,313         | 87,648,013                           | 70,088,731         |
| Unrealised loss (gain) on the change in fair value of trading securities                             | 314,276                                  | (413,667)          | 174,978                              | (175,006)          |
| Bad debts and allowance for doubtful accounts (reversal)                                             | 406,747                                  | 6,131              | 393,983                              | (990)              |
| Reduction of inventories to net realisable value                                                     | 703,220                                  | 998,014            | 85,347                               | 227,259            |
| Gain on disposal of property, plant and equipment                                                    | (1,425,755)                              | (312,418)          | (762,047)                            | (69,471)           |
| Loss on write-off of property, plant and equipment                                                   | 2,440,744                                | 123,981            | 1,664,148                            | 123,913            |
| Loss on write-off of intangible assets                                                               | 3,824                                    | -                  | -                                    | -                  |
| Long-term employee benefits expenses                                                                 | 3,559,493                                | 2,019,993          | 2,940,350                            | 1,700,762          |
| Dividend income                                                                                      | -                                        | -                  | (25,419,746)                         | -                  |
| Interest income                                                                                      | (398,661)                                | (289,225)          | (445,477)                            | (257,768)          |
| Interest expenses                                                                                    | 8,844,006                                | 6,572,207          | 8,434,276                            | 6,067,192          |
| <b>Profit from operating activities before changes in operating assets and liabilities</b>           | <b>351,442,851</b>                       | <b>292,074,981</b> | <b>312,795,432</b>                   | <b>266,361,324</b> |
| Decrease (increase) in operating assets                                                              |                                          |                    |                                      |                    |
| Current investments                                                                                  | 43,620,243                               | (57,493,412)       | 47,614,003                           | (47,647,215)       |
| Trade and other receivables                                                                          | (11,528,005)                             | (3,272,949)        | (11,621,005)                         | (4,007,734)        |
| Inventories                                                                                          | (3,903,637)                              | (5,462,224)        | (5,456,167)                          | (7,275,960)        |
| Other current assets                                                                                 | (1,461,835)                              | 41,933             | (2,118,798)                          | (11,359)           |
| Deposits                                                                                             | (32,232,697)                             | (7,716,828)        | (31,527,199)                         | (7,716,828)        |
| Other non-current assets                                                                             | (386,288)                                | (1,326,874)        | (381,288)                            | (1,323,872)        |
| Increase (decrease) in operating liabilities                                                         |                                          |                    |                                      |                    |
| Trade and other payables                                                                             | 7,372,984                                | (2,351,678)        | 8,119,121                            | 868,135            |
| Advance received                                                                                     | 807,467                                  | 7,799,155          | 1,446,289                            | 7,345,168          |
| Other current liabilities                                                                            | 3,590,795                                | 1,241,334          | 3,558,076                            | 1,091,327          |
| Other non-current liabilities                                                                        | 2,070,093                                | 306,469            | 1,954,405                            | 199,169            |
| <b>Cash flows from operating activities</b>                                                          | <b>359,391,971</b>                       | <b>223,839,907</b> | <b>324,382,869</b>                   | <b>207,882,155</b> |
| Cash paid for interest expenses                                                                      | (8,377,702)                              | (6,076,206)        | (8,171,010)                          | (5,764,070)        |
| Cash paid for income tax                                                                             | (32,707,871)                             | (27,766,181)       | (30,061,835)                         | (25,479,138)       |
| <b>Net cash flows from operating activities</b>                                                      | <b>318,306,398</b>                       | <b>189,997,520</b> | <b>286,150,024</b>                   | <b>176,638,947</b> |

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

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

**Siam Wellness Group Public Company Limited and its subsidiaries**

**Statement of cash flows (continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

|                                                                                        | <b>Consolidated financial statements</b> |                      | <b>Separate financial statements</b> |                      |
|----------------------------------------------------------------------------------------|------------------------------------------|----------------------|--------------------------------------|----------------------|
|                                                                                        | 2018                                     | 2017                 | 2018                                 | 2017                 |
| <b>Cash flows from investing activities</b>                                            |                                          |                      |                                      |                      |
| Increase in restricted deposits at financial institution                               | (51,985)                                 | (5,001,000)          | -                                    | -                    |
| Net cash paid to purchase of investments in subsidiaries                               | -                                        | (217,905)            | -                                    | -                    |
| Cash paid for share subscription of subsidiary                                         | -                                        | -                    | -                                    | (4)                  |
| Cash paid for acquisition of leasehold rights                                          | (207,785)                                | -                    | (207,785)                            | -                    |
| Cash paid for acquisition of property, plant and equipment                             | (219,807,731)                            | (245,796,125)        | (205,097,693)                        | (241,212,303)        |
| Cash paid for acquisition of intangible assets                                         | (1,141,723)                              | (2,581,498)          | (1,126,223)                          | (2,464,696)          |
| Proceeds from disposal of property, plant and equipment                                | 1,502,789                                | 312,772              | 815,859                              | 67,500               |
| Cash received from dividend from investment in subsidiary                              | -                                        | -                    | 25,419,746                           | -                    |
| Cash received from interest income                                                     | 398,661                                  | 289,225              | 281,026                              | 257,768              |
| <b>Net cash flows used in investing activities</b>                                     | <b>(219,307,774)</b>                     | <b>(252,994,531)</b> | <b>(179,915,070)</b>                 | <b>(243,351,735)</b> |
| <b>Cash flows from financing activities</b>                                            |                                          |                      |                                      |                      |
| Decrease in bank overdrafts from financial institution                                 | (2,407,752)                              | (485,063)            | -                                    | -                    |
| Increase in short-term loans from related parties                                      | -                                        | 1,000,000            | -                                    | -                    |
| Cash paid for liabilities under financial lease agreements                             | (310,297)                                | (535,528)            | (310,297)                            | (535,528)            |
| Increase in long-term loan to subsidiary                                               | -                                        | -                    | (8,000,000)                          | -                    |
| Cash received from long-term loans from financial institution                          | 25,000,000                               | 207,900,000          | 25,000,000                           | 207,900,000          |
| Cash paid for repayment of long-term loans from financial institution                  | (68,670,000)                             | (54,000,000)         | (68,670,000)                         | (54,000,000)         |
| Cash paid for dividend                                                                 | (39,900,254)                             | (57,000,000)         | (39,900,000)                         | (57,000,000)         |
| <b>Net cash flows from (used in) financing activities</b>                              | <b>(86,288,303)</b>                      | <b>96,879,409</b>    | <b>(91,880,297)</b>                  | <b>96,364,472</b>    |
| <b>Net increase in cash and cash equivalents</b>                                       | <b>12,710,321</b>                        | <b>33,882,398</b>    | <b>14,354,657</b>                    | <b>29,651,684</b>    |
| Cash and cash equivalents at beginning of year                                         | 66,733,443                               | 32,851,045           | 53,510,782                           | 23,859,098           |
| <b>Cash and cash equivalents at end of year (Note 8)</b>                               | <b>79,443,764</b>                        | <b>66,733,443</b>    | <b>67,865,439</b>                    | <b>53,510,782</b>    |
| <b>Supplemental cash flows information</b>                                             |                                          |                      |                                      |                      |
| Non-cash transactions                                                                  |                                          |                      |                                      |                      |
| Increase in surplus on revaluation of land                                             | 62,330,400                               | -                    | 62,330,400                           | -                    |
| Increase in liabilities from acquisition equipment under financial lease agreements    | -                                        | 450,000              | -                                    | 450,000              |
| Decrease (increase) in liabilities from acquisition of property, plant and equipment   | 9,801,166                                | (16,983,600)         | 10,152,028                           | (17,295,536)         |
| Increase in provision for dismantling, removing and restoring of leasehold improvement | 579,369                                  | 422,963              | 513,701                              | 422,963              |
| Actuarial loss                                                                         | -                                        | 2,792,897            | -                                    | 1,910,069            |

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

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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 consolidated financial statements**  
**For the year ended 31 December 2018**

**1. 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 spa services business. Its registered head office is at No. 483, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Dindang, Bangkok. As at 31 December 2018, the Company has a total of 49 branches in Bangkok and upcountry (2017: 40 branches) and 6 foreign branches according to the franchise agreement (2017: 1 foreign branch).

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).

**2. Basis of preparation**

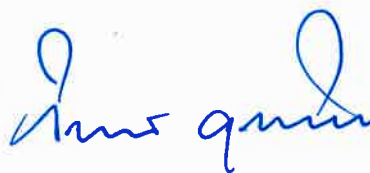
- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

**2.2 Basis of consolidation**

- a) The consolidated financial statements include the financial statements of Siam Wellness Group Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

  
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ผู้อำนวยการ





| Company's name                                                                              | Nature of business                                    | Country of incorporation | Percentage of shareholding |                          |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------|--------------------------|----------------------------|--------------------------|
|                                                                                             |                                                       |                          | <u>2018</u><br>(Percent)   | <u>2017</u><br>(Percent) |
| <u>Held by the Company</u>                                                                  |                                                       |                          |                            |                          |
| Siam Wellness Resort Co., Ltd.                                                              | Hotel and restaurant operations                       | Thailand                 | 99.99                      | 99.99                    |
| Siam Wellness Lab Co., Ltd.                                                                 | Manufacturing and distributing spa products           | Thailand                 | 99.99                      | 99.99                    |
| Siam Wellness Education Co., Ltd.                                                           | A school for Thai massage                             | Thailand                 | 99.97                      | 99.97                    |
| Siam Wellness Group (Hong Kong) Co., Ltd.                                                   | Investment for overseas expansion of the spa business | Hong Kong                | 100.00                     | 100.00                   |
| Siam Wellness Group (Cambodia) Co., Ltd.                                                    | Spa business and sale of spa products                 | Cambodia                 | 100.00                     | 100.00                   |
| <u>Held by subsidiaries</u>                                                                 |                                                       |                          |                            |                          |
| Tiger Eyes Trading (Thailand) Co., Ltd. (Held by Siam Wellness Lab Co., Ltd. 99.99 percent) | Import and sale of spa products                       | Thailand                 | 99.99                      | 99.99                    |
| Tiger Eyes Education Co., Ltd. (Held by Siam Wellness Education Co., Ltd. 99.98 percent)    | Institution of spa and beauty business                | Thailand                 | 99.98                      | 99.98                    |

On 19 December 2018, the Extraordinary General Meeting of shareholders of Tiger Eyes Education Co., Ltd. (a subsidiary which held by a subsidiary) passed a resolution approving the dissolution of this subsidiary. The Company's subsidiary registered the dissolution with the Ministry of Commerce and the registrar registered it on 8 January 2019. Currently, it was during the dissolution process.

- b) The Company is deemed to have control over an investee or subsidiaries 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.
- 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.

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- 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 subsidiary companies have been eliminated from the consolidated financial statements.
  - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and 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 present investments in subsidiaries under the cost method.

### 3. New financial reporting standards

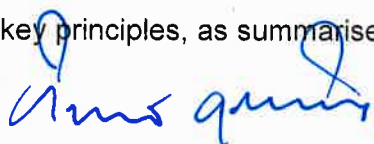
#### (a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

#### (b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

  
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## **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related Interpretations.

|                         |                                                              |
|-------------------------|--------------------------------------------------------------|
| TAS 11 (revised 2017)   | Construction contracts                                       |
| TAS 18 (revised 2017)   | Revenue                                                      |
| TSIC 31 (revised 2017)  | Revenue - Barter Transactions Involving Advertising Services |
| TFRIC 13 (revised 2017) | Customer Loyalty Programmes                                  |
| TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate               |
| TFRIC 18 (revised 2017) | Transfers of Assets from Customers                           |

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

### **(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020**

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

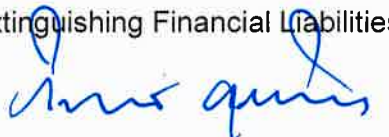
|        |                                    |
|--------|------------------------------------|
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments              |

Accounting standard:

|        |                                     |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

Financial Reporting Standard Interpretations:

|          |                                                             |
|----------|-------------------------------------------------------------|
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation           |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

  
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These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

###### *Rendering of services*

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

###### *Franchise income*

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

###### *Interest income*

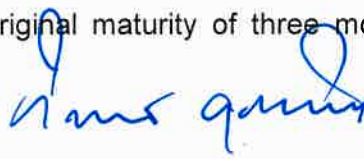
Interest income is recognised on an accrual basis based on the effective interest rate.

###### *Dividends*

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

##### **4.2 Cash and cash equivalents**

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

  
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#### 4.3 Trade accounts receivable

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

#### 4.4 Inventories

Inventories are valued at the lower of cost under the first-in, first-out method and net realisable value.

#### 4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of unit trusts is determined from their net asset value as at the end of reporting period.

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

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### 4.6 Leasehold rights

Leasehold rights on land is stated at cost less accumulated amortisation and allowance for impairment (if any). Amortisation is charged to the statement of comprehensive income on a straight-line basis over a period of lease.

#### 4.7 Property, plant and equipment/Depreciation

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

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair value. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

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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's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". 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's 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 "Surplus on revaluation of assets" in respect of the same asset.

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

|                                          |   |                                   |
|------------------------------------------|---|-----------------------------------|
| Land improvement                         | - | 5 years                           |
| Buildings and building on rental land    | - | 20 years and a period of lease    |
| Buildings improvement                    | - | 5, 20 years and a period of lease |
| Furniture, fixtures and office equipment | - | 5 years                           |
| Motor vehicles                           | - | 5 years                           |

Depreciation is included in determining income.

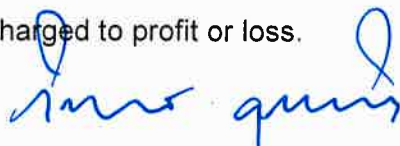
No depreciation is provided on land and assets under installation.

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

#### 4.8 Intangible assets

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

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

  
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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

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 and 10 years      |

#### 4.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, 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 combination 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 combination. 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.

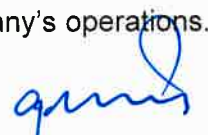
The recoverable amount of each cash generating unit is determined based on a value-in-use calculation, using cash flow projections extracted from financial budgets approved by the management. The cash flow projections cover a five-year period and based on key assumptions regarding revenue growth rates and discount rates (for the current year, discount rate was at 13.3%).

#### 4.10 Related party transactions

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

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

  
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#### 4.11 Long-term leases

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

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

#### 4.12 Foreign currencies

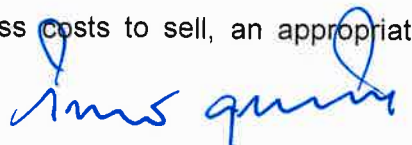
The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

#### 4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews or when there is any indication of impairment in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used.

  
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These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However, in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### **4.14 Employee benefits**

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

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

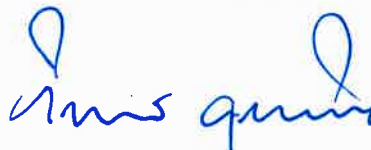
##### ***Post-employment benefits***

###### ***Defined contribution plans***

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

###### ***Defined benefit plans***

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

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

#### **4.15 Provisions**

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

#### **4.16 Income tax**

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

##### **Current tax**

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

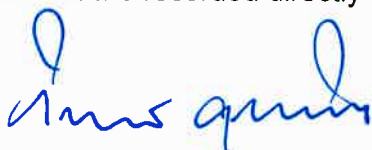
##### **Deferred tax**

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

The Company and its subsidiaries recognised deferred tax liabilities for all taxable temporary differences while they recognised 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.

  
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#### 4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

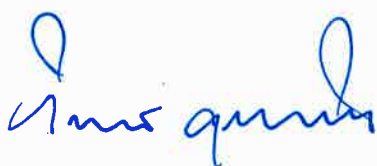
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an 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

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### 5. Significant accounting judgements and estimates

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

  
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## **Leases**

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

## **Allowance for doubtful accounts**

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

## **Fair value of financial instruments**


In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

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

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

The Company measures land at revalued amounts. Such amounts are determined by the independent value using the comparable market approach.

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

  
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## **Goodwill and intangible assets**

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

## **Deferred tax assets**

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

## **Post-employment benefits under defined benefit plans**

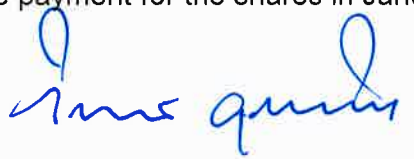
The obligation under the defined benefit is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### **6. Investment acquisition of Tiger Eyes Trading (Thailand) Co., Ltd. and Tiger Eyes Education Co., Ltd.**

On 30 December 2016, the meeting of the Company's Board of Directors No. 8/2016 passed the resolutions approving the acquisition via its subsidiaries as follows:

- To approve Siam Wellness Lab Co., Ltd., a subsidiary, to acquire total 19,998 ordinary shares of Tiger Eyes Trading (Thailand) Co., Ltd. which principally engaged in importing and supplying spa and beauty products, or 99.99% of total share capital, in order to increase in product lines and the value of spa services and sale of spa product business in the future.
- To approve Siam Wellness Education Co., Ltd., a subsidiary, to acquire total 9,998 ordinary shares of Tiger Eyes Education Co., Ltd., which principally engaged in operations of massage, spa and beauty training academy, or 99.98% of total share capital, in order to increase spa training facilities to support the business expansion and the value of spa services and sale of spa products business in the future.

The subsidiaries made payment for the shares in January 2017.

  
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During the year 2017, these two subsidiaries assesses the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, in order to allocate costs of the business acquisition to the identifiable items.

The fair values of the identifiable assets acquired and liabilities assumed as at the acquisition date of Tiger Eyes Trading (Thailand) Co., Ltd. and Tiger Eyes Education Co., Ltd. are as follows.

|                                                               | (Unit: Thousand Baht) |
|---------------------------------------------------------------|-----------------------|
| Cash and cash equivalents                                     | 904                   |
| Trade and other receivables                                   | 518                   |
| Inventories                                                   | 3,167                 |
| Other current assets                                          | 41                    |
| Property, plant and equipment                                 | 404                   |
| <b>Total assets</b>                                           | <b>5,034</b>          |
| Bank overdraft from financial institution                     | 4,234                 |
| Short-term loans from and interest payable to related parties | 3,023                 |
| Trade and other payables                                      | 799                   |
| Other current liabilities                                     | 52                    |
| <b>Total liabilities</b>                                      | <b>8,108</b>          |
| <b>Net liabilities at the acquisition date</b>                | <b>(3,074)</b>        |
| Excess of purchase price over net liabilities                 | 4,196                 |
| <b>Purchase price</b>                                         | <b>1,122</b>          |

The financial statements of Tiger Eyes Trading (Thailand) Co., Ltd. and Tiger Eyes Education Co., Ltd. have been included in the consolidated financial statement of the Company since the subsidiaries gained controlling authority.

The excess of the purchase price over the fair value of the net liabilities acquired amounting to Baht 4.2 million has been recorded as goodwill.

The details of the acquisition are as follows:

|                                                                                                  | (Unit: Thousand Baht) |
|--------------------------------------------------------------------------------------------------|-----------------------|
| Cash paid for acquisition of the subsidiary companies                                            | 1,122                 |
| Net liabilities from acquisition of subsidiary companies                                         | 3,074                 |
| Goodwill                                                                                         | 4,196                 |
| Cash paid for acquisition of the subsidiary companies                                            | 1,122                 |
| Less: Cash and cash equivalents of subsidiaries                                                  | (904)                 |
| Cash paid for acquisition of the subsidiary companies - net of cash and cash equivalent received | 218                   |

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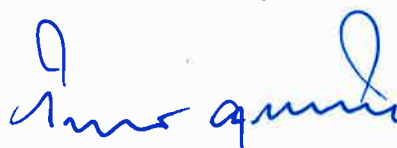
Goodwill amounting to Baht 4.2 million reflects the increasing in the business value of spa services and sale of spa products business. This increases the potential of the spa services business of the Company and sale of more various type of spa products.

## 7. 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                                  |
| Siam Wellness Group (Hong Kong) Co., Ltd.     | Investment for overseas expansion of the spa business | A subsidiary                                  |
| Siam Wellness Group (Cambodia) Co., Ltd.      | Spa business and sale of spa products                 | A subsidiary                                  |
| Tiger Eyes Trading (Thailand) Co., Ltd.       | Import and sale of spa products                       | A subsidiary (held by a subsidiary)           |
| Tiger Eyes Education Co., Ltd.                | Institution of spa and beauty business                | A subsidiary (held by a subsidiary)           |
| Blooming Intergift Co., Ltd.                  | Property rental                                       | Common shareholders                           |
| Blooming Co., Ltd.                            | Sale of gift , a blessed card and a notebook          | Common shareholders                           |
| B.U. Enterprise Co., Ltd.                     | Property rental                                       | Common shareholders                           |
| Cyberprint Group Co., Ltd.                    | Printing business                                     | Common shareholders                           |
| Asian Fortune Property Co., Ltd.              | Real estate development                               | Common shareholders                           |
| Klom Kliao Pattana Co., Ltd.                  | Property rental                                       | Common directors                              |
| G.G.P. Property Co., Ltd.                     | Property rental                                       | Common directors                              |
| Directors of the Company and its subsidiaries | -                                                     | Directors of the Company and its subsidiaries |
| A related person                              | -                                                     | Close family member of director               |

During the years, 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.

  
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| (Unit: Million Baht)                                           |                      |      |                      |      |                            |
|----------------------------------------------------------------|----------------------|------|----------------------|------|----------------------------|
|                                                                | Consolidated         |      | Separate             |      | Transfer pricing<br>Policy |
|                                                                | financial statements |      | financial statements |      |                            |
|                                                                | 2018                 | 2017 | 2018                 | 2017 |                            |
| <u>Transactions with subsidiaries</u>                          |                      |      |                      |      |                            |
| (Being eliminated from the consolidated financial statements)  |                      |      |                      |      |                            |
| Revenue from sales                                             | -                    | -    | 0.1                  | -    | Contract price             |
| Revenue from services                                          | -                    | -    | 0.1                  | 0.2  | Contract price             |
| Revenue from rental and utilities                              | -                    | -    | 6.6                  | 7.1  | Contract price             |
| Other income                                                   | -                    | -    | 2.3                  | 2.4  | Contract price             |
| Interest income                                                | -                    | -    | 0.2                  | -    | Contract rate              |
| Dividend income                                                | -                    | -    | 25.4                 | -    | Declared rate              |
| Purchase of goods                                              | -                    | -    | 33.7                 | 29.3 | Contract price             |
| Service expenses                                               | -                    | -    | 14.1                 | 4.8  | Contract price             |
| Commission expenses                                            | -                    | -    | 1.2                  | 1.0  | Contract price             |
| Advertising expenses                                           | -                    | -    | 0.2                  | 0.2  | Contract price             |
| <u>Transactions with related parties</u>                       |                      |      |                      |      |                            |
| Revenue from sales and services                                | 0.6                  | 0.3  | 0.5                  | 0.3  | Contract price             |
| Other income                                                   | 1.0                  | -    | -                    | -    | Actual price               |
| Purchase of goods                                              | 15.9                 | 17.7 | 14.1                 | 11.6 | Contract price             |
| Service expenses                                               | 3.8                  | 3.8  | 3.5                  | 2.7  | Contract price             |
| Rental and utilities expenses                                  | 25.1                 | 23.7 | 23.7                 | 23.7 | Contract price             |
| Interest expenses                                              | 0.2                  | 0.2  | -                    | -    | Contract rate              |
| <u>Transactions with their close family member of director</u> |                      |      |                      |      |                            |
| Purchase of asset                                              | 15.3                 | -    | 15.3                 | -    | Contract price             |

The balances of the accounts as at 31 December 2018 and 2017 between the Company, subsidiaries and those related companies are as follows:

| (Unit: Thousand Baht)                                         |                      |      |                      |      |
|---------------------------------------------------------------|----------------------|------|----------------------|------|
|                                                               | Consolidated         |      | Separate             |      |
|                                                               | financial statements |      | financial statements |      |
|                                                               | 2018                 | 2017 | 2018                 | 2017 |
| <u>Trade receivables - subsidiaries (Note 10)</u>             |                      |      |                      |      |
| (Being eliminated from the consolidated financial statements) |                      |      |                      |      |
| Siam Wellness Resort Co., Ltd.                                | -                    | -    | 281                  | 752  |
| Siam Wellness Lab Co., Ltd.                                   | -                    | -    | 6                    | 5    |
| Siam Wellness Education Co., Ltd.                             | -                    | -    | -                    | 4    |
| Tiger Eyes Trading (Thailand) Co., Ltd.                       | -                    | -    | 4                    | -    |
| Total                                                         | -                    | -    | 291                  | 761  |

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(Unit: Thousand Baht)

|                                                                             | Consolidated<br>financial statements |       | Separate<br>financial statements |       |
|-----------------------------------------------------------------------------|--------------------------------------|-------|----------------------------------|-------|
|                                                                             | 2018                                 | 2017  | 2018                             | 2017  |
| <b><u>Trade receivables - related parties (Note 10)</u></b>                 |                                      |       |                                  |       |
| Blooming Co., Ltd.                                                          | -                                    | 1     | -                                | -     |
| Cyberprint Group Co., Ltd.                                                  | 216                                  | 8     | 216                              | 8     |
| B.U. Enterprise Co., Ltd.                                                   | -                                    | 4     | -                                | -     |
| Total                                                                       | 216                                  | 13    | 216                              | 8     |
| <b><u>Other receivables - subsidiaries (Note 10)</u></b>                    |                                      |       |                                  |       |
| (Being eliminated from the consolidated<br>financial statements)            |                                      |       |                                  |       |
| Siam Wellness Resort Co., Ltd.                                              | -                                    | -     | -                                | 121   |
| Siam Wellness Group (Hong Kong) Co., Ltd.                                   | -                                    | -     | 199                              | 67    |
| Siam Wellness Group (Cambodia) Co., Ltd.                                    | -                                    | -     | -                                | 67    |
| Total                                                                       | -                                    | -     | 199                              | 255   |
| <b><u>Other receivables - related parties (Note 10)</u></b>                 |                                      |       |                                  |       |
| Directors of the Company                                                    | 142                                  | 153   | 142                              | -     |
| Total                                                                       | 142                                  | 153   | 142                              | -     |
| <b><u>Long-term loans to and interest receivable from related party</u></b> |                                      |       |                                  |       |
| Siam Wellness Education Co., Ltd.                                           | -                                    | -     | 8,164                            | -     |
| Total                                                                       | -                                    | -     | 8,164                            | -     |
| <b><u>Short-term loans from and interest payable to related parties</u></b> |                                      |       |                                  |       |
| Director of the Company                                                     | 1,093                                | 1,043 | -                                | -     |
| Director of subsidiaries                                                    | 3,322                                | 3,172 | -                                | -     |
| Total                                                                       | 4,415                                | 4,215 | -                                | -     |
| <b><u>Trade payables - subsidiaries (Note 19)</u></b>                       |                                      |       |                                  |       |
| (Being eliminated from the consolidated<br>financial statements)            |                                      |       |                                  |       |
| Siam Wellness Resort Co., Ltd.                                              | -                                    | -     | 107                              | 145   |
| Siam Wellness Lab Co., Ltd.                                                 | -                                    | -     | 2,464                            | 1,751 |
| Siam Wellness Education Co., Ltd.                                           | -                                    | -     | 1,999                            | 560   |
| Tiger Eyes Trading (Thailand) Co., Ltd.                                     | -                                    | -     | 1,047                            | 838   |
| Tiger Eyes Education Co., Ltd.                                              | -                                    | -     | -                                | 150   |
| Total                                                                       | -                                    | -     | 5,617                            | 3,444 |
| <b><u>Trade payables - related parties (Note 19)</u></b>                    |                                      |       |                                  |       |
| Blooming Co., Ltd.                                                          | 1,290                                | 962   | 1,183                            | 962   |
| Blooming Intergift Co., Ltd.                                                | 10                                   | 8     | 10                               | 8     |
| B.U. Enterprise Co., Ltd.                                                   | 63                                   | 359   | 49                               | 347   |
| Cyberprint Group Co., Ltd.                                                  | 643                                  | 377   | 559                              | 340   |
| Asian Fortune Property Co., Ltd.                                            | 231                                  | 931   | 231                              | 931   |
| Total                                                                       | 2,237                                | 2,637 | 2,032                            | 2,588 |
| <b><u>Other payables - related parties (Note 19)</u></b>                    |                                      |       |                                  |       |
| Directors of the Company                                                    | 758                                  | 544   | 744                              | 465   |
| Total                                                                       | 758                                  | 544   | 744                              | 465   |

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|                                                  | Consolidated         |      | (Unit: Thousand Baht) |      |
|--------------------------------------------------|----------------------|------|-----------------------|------|
|                                                  | financial statements |      | Separate              |      |
|                                                  | 2018                 | 2017 | 2018                  | 2017 |
| <b>Accrued expenses - subsidiaries (Note 19)</b> |                      |      |                       |      |
| Tiger Eyes Trading (Thailand) Co., Ltd.          | -                    | -    | 125                   | -    |
| Total                                            | -                    | -    | 125                   | -    |

### **Long-term loan to and interest receivable from related party**

As at 30 December 2018 and 2017, the balance of long-term loan to and interest receivable between the Company and its related party and the movement is as follow:

(Unit: Thousand Baht)

| Borrower                          | Separate financial statements |                 |          |               |
|-----------------------------------|-------------------------------|-----------------|----------|---------------|
|                                   | Balance as at                 | During the year |          | Balance as at |
|                                   | 31 December                   | Increase        | Decrease | 30 December   |
|                                   | 2017                          |                 |          | 2018          |
| <b><u>Subsidiary</u></b>          |                               |                 |          |               |
| Siam Wellness Education Co., Ltd. | -                             | 8,164           | -        | 8,164         |
| Total                             | -                             | 8,164           | -        | 8,164         |

The outstanding balance as at 31 December 2018 of long-term loan to and interest receivable from subsidiary is in the form of an unsecured loan, carrying interest at the rate of MLR - 2.175 per annum and due in June and August 2023.

### **Short-term loans from and interest payable to related parties**

As at 31 December 2018 and 2017, the balance of short-term loans from and interest payable between the subsidiary and those related parties and the movement are as follows:

(Unit: Thousand Baht)

| Lender                   | Consolidated financial statements |                 |          |                  |
|--------------------------|-----------------------------------|-----------------|----------|------------------|
|                          | Balance as at                     | During the year |          | Balance as at    |
|                          | 31 December 2017                  | Increase        | Decrease | 31 December 2018 |
| Director of the Company  | 1,043                             | 50              | -        | 1,093            |
| Director of subsidiaries | 3,172                             | 150             | -        | 3,322            |
| Total                    | 4,215                             | 200             | -        | 4,415            |

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The outstanding balance as at 31 December 2018 and 2017 of short-term loans from and interest payable to related parties are in the form of an unsecured loan, carrying interest at the rate of 5% per annum and due at call.

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

During the years 2018 and 2017, employee benefit expense payable to their directors and management of the Company and its subsidiaries are as follows:

(Unit: Million Baht)

|                              | Consolidated financial<br>statements |      | Separate financial<br>statements |      |
|------------------------------|--------------------------------------|------|----------------------------------|------|
|                              | 2018                                 | 2017 | 2018                             | 2017 |
| Short-term employee benefits | 21.9                                 | 19.8 | 21.9                             | 19.8 |
| Post-employment benefits     | 1.3                                  | 1.0  | 1.3                              | 1.0  |
| Total                        | 23.2                                 | 20.8 | 23.2                             | 20.8 |

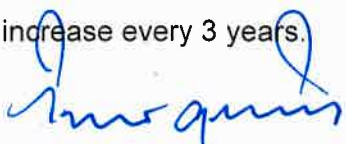
### **Significant agreements with related parties**

- On 1 January 2013, the Company entered into a lease agreement with Klom Kliao Pattana Co., Ltd. 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 3.3 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 2.1 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 Klom Kliao Pattana Co., Ltd. on maturity date.

- On 13 November 2015, the Company entered into a head office rental agreement with a related person for the period of 3 years due in December 2018 and such agreement is renewable twice for every 3 years. The Company committed to pay an annual rental fee at the rate specified in the agreement and not more than 15% of rental fee can be increase every 3 years.

  
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Furthermore, on the same date, the Company made sublease agreements with Siam Wellness Lab Co., Ltd. and Siam Wellness Education Co., Ltd. ("sub lessees") for partial areas for the period of 3 years, due in December 2018 and such agreements are renewable twice for every 3 years. The sub lessees committed to pay an annual fee at the rate specified in the agreements.

Moreover, on 15 August 2018, the Company made sublease agreement with Tiger Eyes Trading (Thailand) Co., Ltd. ("sub lessee") for partial areas for the period of 4 months, due in December 2018 and such agreement is renewable twice for every 3 years. The sub lessee committed to pay an annual rental fee at the rate specified in the agreement.

On 28 December 2018, the Company renewed the agreement with this related person for the period of 3 years due in December 2021. As at 31 December 2018, the Company committed to pay an annual rental fee amounting to Baht 1.4 million, according to the current effective agreement.

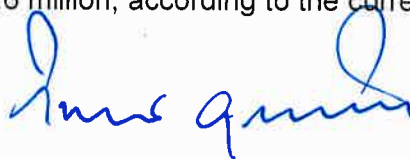
Furthermore, on this date, the Company renewed sublease agreements with Siam Wellness Lab Co., Ltd., Siam Wellness Education Co., Ltd. and Tiger Eyes Trading (Thailand) Co., Ltd. ("sub lessees") for partial areas for the period of 3 years, due in December 2021 and such agreements are renewable twice for every 3 years. As at 31 December 2018, the sub lessees committed to pay an annual rental fee totaling to Baht 0.7 million, according to the current effective agreements.

3. On 23 January 2014, the Company has entered into rental agreement 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.

On 25 May 2018, the Company cancelled the agreement with this related person.

4. On 22 January 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 fee at the rate specified in the agreement.

As at 31 December 2018, the Company committed to pay an annual rental fee amounting to Baht 7.6 million, according to the current effective agreement.

  
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5. On 17 August 2015, the Company has entered into a rental agreement with Asian Fortune Property Co., Ltd. for the period of 3 years, due in September 2018 and such agreement is renewable for another 3 years. Under the agreement, the Company committed to pay an annual fee at the rate specified in the agreement.

Furthermore, on this date, the Company made a sublease agreement with Siam Wellness Resort Co., Ltd. (sub lessees) for partial areas for the period of 3 years, due in September 2018 and such agreement are renewable for every 3 years. Under the agreement, the sub lessees to pay an annual rental and service fee at the rate specified in the agreement.

On 30 September 2018, the Company discontinued the agreement with Siam Wellness Resort Co., Ltd.

On 1 October 2018, the Company renewed the rental agreement with this related company for the period of 3 years due in September 2021.

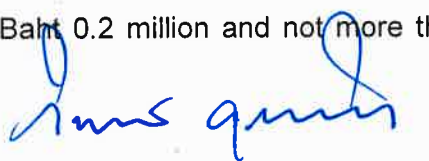
As at 31 December 2018, the Company committed to pay and annual rental fee amounting to Baht 1.7 million, according to the current effective agreement.

6. On 1 October 2015, the Company has entered into a rental agreement with Asian Fortune Property Co., Ltd. for the period of 3 years, due in January 2019 and such agreement is renewable twice every 3 years. As at 31 December 2018, the Company committed to pay an annual rental and service fees amounting to Baht 2.3 million.

7. On 14 November 2016, the Company entered into a rental and service agreement for its office space with B.U. Enterprise Co., Ltd. for the period of 3 years due in December 2019 and such agreement is renewable once for every 3 years. Under the agreement, the Company committed to pay an annual fee at the rate specified in the agreement and not more than 10% of rental fee can be increase every 3 years.

As at 31 December 2018, the Company committed to pay and annual rental fee amounting to Baht 3.0 million, according to the current effective agreement.

In addition, on 13 March 2017, the Company entered into another rental and service agreement for its office space with B.U. Enterprise Co., Ltd. for the period of 3 years due in March 2020 and such agreement is renewable once for 3 years. Under the agreement, the Company committed to pay an annual rental and service fee amounting to Baht 0.2 million and not more than 15% of rental fee can be

  
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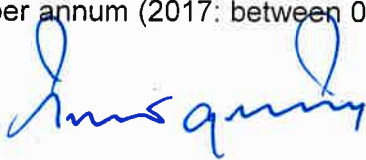
increase every 3 years. However, on 30 May 2018, the Company cancelled the agreement with this related party.

8. On 29 December 2016, the Company has entered into rental agreement for warehouse with Blooming Intergift Co., Ltd. for the period of 3 years due in December 2019 and such agreement is renewable twice every 3 years. Under the agreement, the Company committed to pay an annual fee at the rate specified in the agreement and not more than 10% of latest rental fee can be increased. Under the agreement, the Company committed to pay and annual rental fee amounting to Baht 0.6 million.
9. On 31 October 2018, the Company entered into a land lease agreement for residence for employees with G.G.P. Property Co., Ltd. for the period of 1 years due in October 2019 and such agreement is renewable once for every 3 years. Under the agreement, the Company has an annual fee at the rate specified in the agreement and not more than 10% of latest rental fee can be increase. Under the agreement, the Company committed to pay and annual rental fee amounting to Baht 1.0 million.
10. On 1 June 2018, Siam Wellness Education Co., Ltd. has entered into another rental and service agreement for its massage school with B.U. Enterprise Co., Ltd. for the period of 3 years due in July 2021 and such agreement is renewable once for every 3 years. Under the agreement, the subsidiary committed to pay an annual fee at the rate specified in the agreement and not more than 10% of latest rental fee can be increased. Under the agreement, the subsidiary committed to pay and annual rental fee amounting to Baht 3.2 million.

## 8. Cash and cash equivalents

|                 | (Unit: Thousand Baht)             |        |                               |        |
|-----------------|-----------------------------------|--------|-------------------------------|--------|
|                 | Consolidated financial statements |        | Separate financial statements |        |
|                 | 2018                              | 2017   | 2018                          | 2017   |
| Cash            | 5,618                             | 4,228  | 5,227                         | 3,840  |
| Bank deposits   | 67,994                            | 62,475 | 56,806                        | 49,641 |
| Cash in transit | 5,832                             | 30     | 5,832                         | 30     |
| Total           | 79,444                            | 66,733 | 67,865                        | 53,511 |

As at 31 December 2018, bank deposits in saving accounts carried interests between 0.05 and 0.82 percent per annum (2017: between 0.05 and 0.82 percent per annum).

  
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## 9. Current investments

|                                                                 | (Unit: Thousand Baht) |               |                      |               |
|-----------------------------------------------------------------|-----------------------|---------------|----------------------|---------------|
|                                                                 | Consolidated          |               | Separate             |               |
|                                                                 | financial statements  |               | financial statements |               |
|                                                                 | 2018                  | 2017          | 2018                 | 2017          |
| <b>Trading securities</b>                                       |                       |               |                      |               |
| Investment trusts                                               | 31,877                | 75,497        | 33                   | 47,647        |
| Add: Unrealised gain on the change in fair value of investments | 155                   | 469           | -                    | 175           |
| Investment units - net                                          | 32,032                | 75,966        | 33                   | 47,822        |
| <b>Total current investments</b>                                | <b>32,032</b>         | <b>75,966</b> | <b>33</b>            | <b>47,822</b> |

## 10. Trade and other receivables

|                                                     | (Unit: Thousand Baht)  |               |                    |              |
|-----------------------------------------------------|------------------------|---------------|--------------------|--------------|
|                                                     | Consolidated financial |               | Separate financial |              |
|                                                     | statements             |               | statements         |              |
|                                                     | 2018                   | 2017          | 2018               | 2017         |
| <u>Trade receivables - related parties</u> (Note 7) |                        |               |                    |              |
| Aged on the basis of due dates                      |                        |               |                    |              |
| Not yet due                                         | 216                    | 4             | 470                | -            |
| Past due                                            |                        |               |                    |              |
| Up to 3 months                                      | -                      | 9             | 37                 | 769          |
| Total trade receivables - related parties, net      | 216                    | 13            | 507                | 769          |
| <u>Trade receivables - unrelated parties</u>        |                        |               |                    |              |
| Aged on the basis of due dates                      |                        |               |                    |              |
| Not yet due                                         | 3,896                  | 8,815         | 2,699              | 5,717        |
| Past due                                            |                        |               |                    |              |
| Up to 3 months                                      | 15,317                 | 2,179         | 13,552             | 1,572        |
| 3 - 6 months                                        | 1,965                  | 578           | 1,815              | 576          |
| 6 - 12 months                                       | 1,036                  | 69            | 945                | 47           |
| Over 12 months                                      | 403                    | -             | 364                | -            |
| Total                                               | 22,617                 | 11,641        | 19,375             | 7,912        |
| Less: Allowance for doubtful debts                  | (414)                  | (7)           | (394)              | -            |
| Total trade receivables - unrelated parties, net    | 22,203                 | 11,634        | 18,981             | 7,912        |
| <b>Total trade receivable - net</b>                 | <b>22,419</b>          | <b>11,647</b> | <b>19,488</b>      | <b>8,681</b> |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

|                                         | Consolidated financial |        | (Unit: Thousand Baht) |       |
|-----------------------------------------|------------------------|--------|-----------------------|-------|
|                                         | statements             |        | Separate financial    |       |
|                                         | 2018                   | 2017   | 2018                  | 2017  |
| <u>Other receivables</u>                |                        |        |                       |       |
| Other receivables - related parties     |                        |        |                       |       |
| (Note 7)                                | 142                    | 153    | 341                   | 255   |
| Other receivables - unrelated parties   | 1,187                  | 827    | 977                   | 643   |
| Less: Allowance for doubtful debts      | (236)                  | (236)  | (236)                 | (236) |
| Total other receivables, net            | 1,093                  | 744    | 1,082                 | 662   |
| Total trade and other receivables - net | 23,512                 | 12,391 | 20,570                | 9,343 |

## 11. Inventories

|                                        | (Unit: Thousand Baht)             |        |                                     |         |                   |        |
|----------------------------------------|-----------------------------------|--------|-------------------------------------|---------|-------------------|--------|
|                                        | Consolidated financial statements |        |                                     |         |                   |        |
|                                        | Cost                              |        | Reduce cost to net realisable value |         | Inventories - net |        |
|                                        | 2018                              | 2017   | 2018                                | 2017    | 2018              | 2017   |
| Finished goods                         | 10,800                            | 7,482  | (1,436)                             | (1,116) | 9,364             | 6,366  |
| Service materials and supplies         | 20,610                            | 19,168 | (452)                               | (175)   | 20,158            | 18,993 |
| Food and beverage                      | 510                               | 619    | (2)                                 | (1)     | 508               | 618    |
| Products during packaging and packages | 1,114                             | 1,861  | (105)                               | -       | 1,009             | 1,861  |
| Total                                  | 33,034                            | 29,130 | (1,995)                             | (1,292) | 31,039            | 27,838 |

|                                        | (Unit: Thousand Baht)         |        |                                     |       |                   |        |
|----------------------------------------|-------------------------------|--------|-------------------------------------|-------|-------------------|--------|
|                                        | Separate financial statements |        |                                     |       |                   |        |
|                                        | Cost                          |        | Reduce cost to net realisable value |       | Inventories - net |        |
|                                        | 2018                          | 2017   | 2018                                | 2017  | 2018              | 2017   |
| Finished goods                         | 9,914                         | 7,621  | (106)                               | (303) | 9,809             | 7,318  |
| Service materials and supplies         | 21,202                        | 17,842 | (403)                               | (122) | 20,799            | 17,720 |
| Food and beverage                      | 22                            | 19     | (2)                                 | (1)   | 19                | 18     |
| Products during packaging and packages | 26                            | 226    | -                                   | -     | 26                | 226    |
| Total                                  | 31,164                        | 25,708 | (511)                               | (426) | 30,653            | 25,282 |

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During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 1.6 million (2017: Baht 1.4 million) (The Company only: Baht 0.2 million and 2017: Baht 0.4 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company and its subsidiaries reversed the write-down of cost of inventories by Baht 0.9 million (2017: Baht 0.4 million) (The Company only: Baht 0.1 million and 2017: Baht 0.2 million), and reduced the amount of inventories recognised as expenses during the year.

## 12. Restricted deposits at financial institution

These represent the fixed deposit of a subsidiary pledged with a financial institution to secure bank overdrafts from financial institution of another subsidiary as disclosed in Note 18 to the financial statements.

## 13. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2018 and 2017 are as follows:

| Company's name                               | Country<br>of<br>incorporation | Called-up<br>share capital |                            | Shareholding<br>percentage |        | Cost    |         | Dividend received<br>during the year |      |
|----------------------------------------------|--------------------------------|----------------------------|----------------------------|----------------------------|--------|---------|---------|--------------------------------------|------|
|                                              |                                | 2018                       | 2017                       | 2018                       | 2017   | 2018    | 2017    | 2018                                 | 2017 |
|                                              |                                |                            |                            | (%)                        | (%)    |         |         |                                      |      |
| Siam Wellness Lab<br>Co., Ltd.               | Thailand                       | 1,000                      | 1,000                      | 99.99                      | 99.99  | 2,000   | 2,000   | 10,180                               | -    |
| Siam Wellness Education<br>Co., Ltd.         | Thailand                       | 1,000                      | 1,000                      | 99.97                      | 99.97  | 1,000   | 1,000   | -                                    | -    |
| Siam Wellness Resort<br>Co., Ltd.            | Thailand                       | 60,000                     | 60,000                     | 99.99                      | 99.99  | 98,705  | 98,705  | 15,240                               | -    |
| Siam Wellness Group<br>(Hong Kong) Co., Ltd. | Hong Kong                      | 1<br>(Hong Kong<br>Dollar) | 1<br>(Hong Kong<br>Dollar) | 100.00                     | 100.00 | -       | -       | -                                    | -    |
| Siam Wellness Group<br>(Cambodia) Co., Ltd.  | Cambodia                       | -                          | -                          | 100.00                     | 100.00 | -       | -       | -                                    | -    |
| Total                                        |                                |                            |                            |                            |        | 101,705 | 101,705 | 25,420                               | -    |

### Siam Wellness Group (Hong Kong) Co., Ltd.

On 24 March 2017, there was establishing the new subsidiary, Siam Wellness Group (Hong Kong) Co., Ltd., which operates in Hong Kong and principally engages in investment for overseas expansion of the spa business. This subsidiary has 1 Hong Kong Dollar of registered share capital.

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**Siam Wellness Group (Cambodia) Co., Ltd.**

On 6 June 2018, Siam Wellness Group (Cambodia) Co., Ltd., a subsidiary of the Company, filed an application for company dissolution with a relevant unit in Cambodia because the Company changed its business plan from investing by the subsidiary to selling the Company's franchise to a franchisee in Cambodia. The dissolution process is currently being carried out.

**14. Leasehold rights**

(Unit: Thousand Baht)  
Consolidated and  
Separate financial  
statements

**Cost**

|                  |        |
|------------------|--------|
| 1 January 2017   | 19,758 |
| 31 December 2017 | 19,758 |
| Additions        | 208    |
| 31 December 2018 | 19,966 |

**Amortisation**

|                           |        |
|---------------------------|--------|
| 1 January 2017            | 6,657  |
| Amortisation for the year | 2,981  |
| 31 December 2017          | 9,638  |
| Amortisation for the year | 2,197  |
| 31 December 2018          | 11,835 |

**Net book value**

|                  |        |
|------------------|--------|
| 31 December 2017 | 10,120 |
| 31 December 2018 | 8,131  |

**Amortisation for the year**

|      |       |
|------|-------|
| 2017 | 2,981 |
| 2018 | 2,197 |



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## 15. Property, plant and equipment

(Unit: Thousand Baht)

|                                                                                                                                 | Consolidated financial statements |                   |                                     |                                   |                |                                                  |           |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------|-------------------------------------|-----------------------------------|----------------|--------------------------------------------------|-----------|
|                                                                                                                                 | Revaluation basis                 | Cost basis        |                                     |                                   |                |                                                  |           |
|                                                                                                                                 |                                   |                   |                                     |                                   |                | Assets under installation and under construction | Total     |
|                                                                                                                                 | Land                              | Land improvements | Buildings and building improvements | Furniture, fixtures and equipment | Motor vehicles |                                                  |           |
| <b>Cost/Revalued amount:</b>                                                                                                    |                                   |                   |                                     |                                   |                |                                                  |           |
| 1 January 2017                                                                                                                  | 127,928                           | 2,684             | 709,932                             | 109,226                           | 16,419         | 15,174                                           | 981,363   |
| Additions                                                                                                                       | 77,353                            | -                 | 43,941                              | 24,781                            | 631            | 116,766                                          | 263,472   |
| Increase from acquisition of investment in subsidiaries (Note 6)                                                                | -                                 | -                 | -                                   | 404                               | -              | -                                                | 404       |
| Disposals/Write-off                                                                                                             | -                                 | -                 | (2,599)                             | (3,532)                           | (250)          | -                                                | (6,381)   |
| Transfer in (out)                                                                                                               | -                                 | -                 | 120,549                             | 2,194                             | -              | (122,743)                                        | -         |
| 31 December 2017                                                                                                                | 205,281                           | 2,684             | 871,823                             | 133,073                           | 16,800         | 9,197                                            | 1,238,858 |
| Additions                                                                                                                       | 11,155                            | -                 | 4,671                               | 26,404                            | 5,390          | 162,740                                          | 210,360   |
| Revaluations                                                                                                                    | 62,330                            | -                 | -                                   | -                                 | -              | -                                                | 62,330    |
| Disposals/Write-off                                                                                                             | -                                 | -                 | (5,887)                             | (2,924)                           | (3,016)        | -                                                | (11,827)  |
| Transfer in (out)                                                                                                               | -                                 | -                 | 148,699                             | 163                               | -              | (148,862)                                        | -         |
| 31 December 2018                                                                                                                | 278,766                           | 2,684             | 1,019,306                           | 156,716                           | 19,174         | 23,075                                           | 1,499,721 |
| <b>Accumulated depreciation:</b>                                                                                                |                                   |                   |                                     |                                   |                |                                                  |           |
| 1 January 2017                                                                                                                  | -                                 | 2,684             | 202,644                             | 66,865                            | 10,258         | -                                                | 282,451   |
| Depreciation for the year                                                                                                       | -                                 | -                 | 56,239                              | 15,004                            | 2,162          | -                                                | 73,405    |
| Depreciation on disposals/write-off                                                                                             | -                                 | -                 | (2,599)                             | (3,408)                           | (250)          | -                                                | (6,257)   |
| 31 December 2017                                                                                                                | -                                 | 2,684             | 256,284                             | 78,461                            | 12,170         | -                                                | 349,599   |
| Depreciation for the year                                                                                                       | -                                 | -                 | 71,618                              | 18,574                            | 2,148          | -                                                | 92,340    |
| Depreciation on disposals/write-off                                                                                             | -                                 | -                 | (3,673)                             | (2,621)                           | (3,015)        | -                                                | (9,309)   |
| 31 December 2018                                                                                                                | -                                 | 2,684             | 324,229                             | 94,414                            | 11,303         | -                                                | 432,630   |
| <b>Net book value:</b>                                                                                                          |                                   |                   |                                     |                                   |                |                                                  |           |
| 31 December 2017                                                                                                                | 205,281                           | -                 | 615,539                             | 54,612                            | 4,630          | 9,197                                            | 889,259   |
| 31 December 2018                                                                                                                | 278,766                           | -                 | 695,077                             | 62,302                            | 7,871          | 23,075                                           | 1,067,091 |
| <b>Depreciation for the year</b>                                                                                                |                                   |                   |                                     |                                   |                |                                                  |           |
| 2017 (Baht 66.3 million included in cost of sales and cost of services, and the balance in selling and administrative expenses) |                                   |                   |                                     |                                   |                |                                                  | 73,405    |
| 2018 (Baht 85.6 million included in cost of sales and cost of services, and the balance in selling and administrative expenses) |                                   |                   |                                     |                                   |                |                                                  | 92,340    |

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED



(Unit: Thousand Baht)

## Separate financial statements

|                                                                                                                                 | Revaluation basis | Cost basis                          |                                   |                |           | Assets under installation and under construction | Total     |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------|-----------------------------------|----------------|-----------|--------------------------------------------------|-----------|
|                                                                                                                                 | Land              | Buildings and building improvements | Furniture, fixtures and equipment | Motor vehicles |           |                                                  |           |
| <b>Cost/Revalued amount:</b>                                                                                                    |                   |                                     |                                   |                |           |                                                  |           |
| 1 January 2017                                                                                                                  | 127,928           | 576,832                             | 84,374                            | 14,116         | 15,174    |                                                  | 818,424   |
| Additions                                                                                                                       | 77,353            | 41,720                              | 24,424                            | 631            | 115,072   |                                                  | 259,200   |
| Disposals/Write-off                                                                                                             | -                 | (2,466)                             | (1,643)                           | -              | -         |                                                  | (4,109)   |
| Transfer in (out)                                                                                                               | -                 | 118,975                             | 2,194                             | -              | (121,169) |                                                  | -         |
| 31 December 2017                                                                                                                | 205,281           | 735,061                             | 109,349                           | 14,747         | 9,077     |                                                  | 1,073,515 |
| Additions                                                                                                                       | 11,155            | 4,609                               | 24,980                            | 4,237          | 150,256   |                                                  | 195,237   |
| Revaluations                                                                                                                    | 62,330            | -                                   | -                                 | -              | -         |                                                  | 62,330    |
| Disposals/write-off                                                                                                             | -                 | (4,378)                             | (1,832)                           | (2,020)        | -         |                                                  | (8,230)   |
| Transfer in (out)                                                                                                               | -                 | 136,258                             | -                                 | -              | (136,258) |                                                  | -         |
| 31 December 2018                                                                                                                | 278,766           | 871,550                             | 132,497                           | 16,964         | 23,075    |                                                  | 1,322,852 |
| <b>Accumulated depreciation:</b>                                                                                                |                   |                                     |                                   |                |           |                                                  |           |
| 1 January 2017                                                                                                                  | -                 | 145,174                             | 48,378                            | 8,429          | -         |                                                  | 201,981   |
| Depreciation for the year                                                                                                       | -                 | 50,943                              | 13,161                            | 2,051          | -         |                                                  | 66,155    |
| Depreciation on disposals/write-off                                                                                             | -                 | (2,467)                             | (1,520)                           | -              | -         |                                                  | (3,987)   |
| 31 December 2017                                                                                                                | -                 | 193,650                             | 60,019                            | 10,480         | -         |                                                  | 264,149   |
| Depreciation for the year                                                                                                       | -                 | 65,414                              | 16,740                            | 1,931          | -         |                                                  | 84,085    |
| Depreciation on disposals/write-off                                                                                             | -                 | (2,839)                             | (1,653)                           | (2,020)        | -         |                                                  | (6,512)   |
| 31 December 2018                                                                                                                | -                 | 256,225                             | 75,106                            | 10,391         | -         |                                                  | 341,722   |
| <b>Net book value:</b>                                                                                                          |                   |                                     |                                   |                |           |                                                  |           |
| 31 December 2017                                                                                                                | 205,281           | 541,411                             | 49,330                            | 4,267          | 9,077     |                                                  | 809,366   |
| 31 December 2018                                                                                                                | 278,766           | 615,325                             | 57,391                            | 6,573          | 23,075    |                                                  | 981,130   |
| <b>Depreciation for the year</b>                                                                                                |                   |                                     |                                   |                |           |                                                  |           |
| 2017 (Baht 59.3 million included in cost of sales and cost of services, and the balance in selling and administrative expenses) |                   |                                     |                                   |                |           |                                                  | 66,155    |
| 2018 (Baht 77.5 million included in cost of sales and cost of services, and the balance in selling and administrative expenses) |                   |                                     |                                   |                |           |                                                  | 84,085    |

The Company arranged for an independent professional value to appraise the value of land in 2018. Land was revalued using the comparable market approach for the basis of the revaluation.



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Had the lands carried in the financial statements on a historical cost basis, their net book value as of 31 December 2018 and 2017 would have been as follows:

(Unit: Thousand Baht)

|      | Consolidated and Separate<br>financial statements |         |
|------|---------------------------------------------------|---------|
|      | 2018                                              | 2017    |
| Land | 165,557                                           | 154,402 |

A breakdown of the land carried on a revaluation basis is as follows:


(Unit: Thousand Baht)

|                           | Consolidated and Separate<br>financial statements |         |
|---------------------------|---------------------------------------------------|---------|
|                           | 2018                                              | 2017    |
| Original costs            | 165,557                                           | 154,402 |
| Surplus from revaluations | 113,209                                           | 50,879  |
| Revalued amount           | 278,766                                           | 205,281 |

As at 31 December 2018, the Company had equipment with net book value of Baht 0.3 million (2017: For vehicles and equipment Baht 0.7 million), which were acquired under finance lease agreements.

As at 31 December 2018, certain items of building and building improvements, furniture, fixtures and equipment and motor vehicles were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 168.1 million (2017: Baht 98.6 million) (The Company only: Baht 100.3 million (2017: Baht 60.3 million)).

As at 31 December 2018, the Company has pledged its land and structures thereon amounting to Baht 238.5 million (2017: Baht 166.3 million) as collateral against its long-term loans facilities as disclosed in Note 20 to the financial statements.

  
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## 16. Goodwill

A reconciliation of net book value of goodwill for the years ended 31 December 2018 is presented below.

|                                                                     | (Unit: Thousand Baht)                |                                  |
|---------------------------------------------------------------------|--------------------------------------|----------------------------------|
|                                                                     | Consolidated<br>financial statements | Separate<br>financial statements |
| Net book value as at 1 January 2017                                 | 20,340                               | 20,340                           |
| Increase from acquisition of investment<br>in subsidiaries (Note 6) | 4,196                                | -                                |
| Net book value as at 31 December 2017                               | 24,536                               | 20,340                           |
| Net book value as at 31 December 2018                               | 24,536                               | 20,340                           |

The Company allocated goodwill acquired in business combination to group of cash generating units for the purpose of impairment testing as follows.

|          | (Unit: Thousand Baht)              |        |                                                   |       |        |        |
|----------|------------------------------------|--------|---------------------------------------------------|-------|--------|--------|
|          | Consolidated financial statements  |        |                                                   |       |        |        |
|          | Spa services business              |        |                                                   |       |        |        |
|          | under "Baan Suan<br>Massage" brand |        | Spa services and sale<br>of spa products business |       | Total  |        |
|          | 2018                               | 2017   | 2018                                              | 2017  | 2018   | 2017   |
| Goodwill | 20,340                             | 20,340 | 4,196                                             | 4,196 | 24,536 | 24,536 |

|          | (Unit: Thousand Baht)                                    |        |
|----------|----------------------------------------------------------|--------|
|          | Separate financial statements                            |        |
|          | Spa services business under<br>"Baan Suan Massage" brand |        |
|          | 2018                                                     | 2017   |
| Goodwill | 20,340                                                   | 20,340 |

The Company estimates the recoverable amount of group of cash-generating units from value in use. In determining value in use, the estimated future cash flows are referred from financial estimation with significant assumptions using in relating to revenue growth rate and discount rate approved by the management. From the consideration of the management, they believed that goodwill did not impair.

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## 17. Intangible assets

The net book value of intangible assets as at 31 December 2018 and 2017 is presented below.

(Unit: Thousand Baht)

|                                | Consolidated financial statements |          |           |         | Separate financial statements |          |           |         |
|--------------------------------|-----------------------------------|----------|-----------|---------|-------------------------------|----------|-----------|---------|
|                                | Computer                          |          |           |         | Computer                      |          |           |         |
|                                | Licenses                          | software | Trademark | Total   | Licenses                      | software | Trademark | Total   |
| As at 31 December 2018:        |                                   |          |           |         |                               |          |           |         |
| Cost                           | 6,379                             | 1,925    | 4,680     | 12,984  | 6,267                         | 1,175    | 4,680     | 12,122  |
| Less: Accumulated amortisation | (1,594)                           | (829)    | (1,598)   | (4,021) | (1,576)                       | (176)    | (1,598)   | (3,350) |
| Net book value                 | 4,785                             | 1,096    | 3,082     | 8,963   | 4,691                         | 999      | 3,082     | 8,772   |

(Unit: Thousand Baht)

|                                | Consolidated financial statements |          |           |         | Separate financial statements |          |           |         |
|--------------------------------|-----------------------------------|----------|-----------|---------|-------------------------------|----------|-----------|---------|
|                                | Computer                          |          |           |         | Computer                      |          |           |         |
|                                | Licenses                          | software | Trademark | Total   | Licenses                      | software | Trademark | Total   |
| As at 31 December 2017:        |                                   |          |           |         |                               |          |           |         |
| Cost                           | 6,180                             | 1,000    | 4,673     | 11,853  | 6,083                         | 240      | 4,673     | 10,996  |
| Less: Accumulated amortisation | (841)                             | (637)    | (1,130)   | (2,608) | (832)                         | (22)     | (1,130)   | (1,984) |
| Net book value                 | 5,339                             | 363      | 3,543     | 9,245   | 5,251                         | 218      | 3,543     | 9,012   |

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

|                                     | Consolidated financial statements |         | Separate financial statements |       |
|-------------------------------------|-----------------------------------|---------|-------------------------------|-------|
|                                     | 2018                              | 2017    | 2018                          | 2017  |
| Net book value at beginning of year | 9,245                             | 7,726   | 9,012                         | 7,500 |
| Acquisition during the year         | 1,142                             | 2,582   | 1,126                         | 2,465 |
| Write-off during the year           | (4)                               | -       | -                             | -     |
| Amortisation                        | (1,420)                           | (1,063) | (1,366)                       | (953) |
| Net book value at end of year       | 8,963                             | 9,245   | 8,772                         | 9,012 |

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## 18. Bank overdrafts from financial institution

|                                            | (Unit: Thousand Baht) |       |                      |      |
|--------------------------------------------|-----------------------|-------|----------------------|------|
|                                            | Consolidated          |       | Separate             |      |
|                                            | financial statements  |       | financial statements |      |
|                                            | 2018                  | 2017  | 2018                 | 2017 |
| Bank overdrafts from financial institution | 1,342                 | 3,749 | -                    | -    |
| Total                                      | 1,342                 | 3,749 | -                    | -    |

Bank overdrafts of a subsidiary has interest at the Minimum loan rate (MLR) plus 1.5% per annum which are secured by fixed deposit of another subsidiary as disclosed in Note 12 to the financial statements.

## 19. Trade and other payables

|                                                   | (Unit: Thousand Baht) |        |                      |        |
|---------------------------------------------------|-----------------------|--------|----------------------|--------|
|                                                   | Consolidated          |        | Separate             |        |
|                                                   | financial statements  |        | financial statements |        |
|                                                   | 2018                  | 2017   | 2018                 | 2017   |
| Trade accounts payable - unrelated parties        | 26,994                | 20,983 | 22,874               | 17,768 |
| Trade accounts payable - related parties (Note 7) | 2,237                 | 2,637  | 7,649                | 6,032  |
| Payables for purchase of fixed assets             | 563                   | 354    | 563                  | 143    |
| Payables for construction and retention           | 16,320                | 26,330 | 15,758               | 26,330 |
| Other payables - unrelated parties                | 1,806                 | 1,537  | 1,197                | 1,460  |
| Other payables - related parties (Note 7)         | 758                   | 544    | 744                  | 465    |
| Accrued payroll and bonus expenses                | 19,679                | 16,043 | 19,003               | 15,389 |
| Accrued rental expenses                           | 11,933                | 12,501 | 11,698               | 12,447 |
| Other accrued expenses - unrelated parties        | 3,096                 | 4,953  | 2,703                | 4,381  |
| Other accrued expenses - related parties (Note 7) | -                     | -      | 125                  | -      |
| Total trade and other payables                    | 83,386                | 85,882 | 82,314               | 84,415 |

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## 20. Long-term loans

(Unit: Thousand Baht)

| Loan                                   | Facility amount<br>(Million Baht) | Interest rate<br>(% p.a.) | Consolidated and<br>Separate financial statements |          |
|----------------------------------------|-----------------------------------|---------------------------|---------------------------------------------------|----------|
|                                        |                                   |                           | 2018                                              | 2017     |
| 1                                      | 240                               | MLR - 3 and MLR - 2.2     | 119,900                                           | 173,900  |
| 2                                      | 80                                | MLR - 3                   | 66,500                                            | 80,000   |
| 3                                      | 70                                | MLR - 3.25                | 23,830                                            | -        |
| Total                                  |                                   |                           | 210,230                                           | 253,900  |
| Less: Current portion                  |                                   |                           | (84,240)                                          | (68,850) |
| Long-term loan, net of current portion |                                   |                           | 125,990                                           | 185,050  |

### Credit facility amount of Baht 240 million

During the year 2017, there is a revision of principal repayment from Baht 1.7 million per month, with 60 periods to the repayment on monthly basis under condition as specified in the loan agreement (amendment version), with 60 periods. The loan is secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 15 to the financial statements.

The loan agreement contains 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.

As at 31 December 2018, this long-term credit facilities of a Company which have not yet been drawn down amounted to Baht 12 million (2017: Baht 12 million).

### Credit facility amount of Baht 80 million

During the year 2017, the Company had entered into the loan agreement with credit facility amount of Baht 80 million with a financial institution.

The principal repayment is due on monthly basis, with 60 equal installments. The first repayment is due in March 2018. The loan is secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 15 to the financial statements.

The loan agreement contains 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.

As at 31 December 2018 and 2017, the long-term credit facilities of a Company had been fully drawn down.

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### Credit facility amount of Baht 70 million

During the year 2018, the Company had entered into the loan agreement with credit facility amount of Baht 70 million with a financial institution.

The principal repayment is due on monthly basis, with 60 equal installments. The first repayment is due in December 2018. The loan is secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 15 to the financial statements.

The loan agreement contains 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.

As at 31 December 2018, this long-term credit facilities of a Company which have not yet been drawn down amounted to Baht 45 million (2017: Nil).

Movements in the long-term loans from financial institution during the year 2018 are summarised below:


(Unit: Thousand Baht)

|                                | Consolidated and<br>Separate financial statements |
|--------------------------------|---------------------------------------------------|
| Balance as at 1 January 2018   | 253,900                                           |
| Add: Increase during year      | 25,000                                            |
| Less: Repayment                | (68,670)                                          |
| Balance as at 31 December 2018 | 210,230                                           |

### 21. Liabilities under finance lease agreements

(Unit: Thousand Baht)

|                                                                        | Consolidated and Separate<br>financial statements |       |
|------------------------------------------------------------------------|---------------------------------------------------|-------|
|                                                                        | 2018                                              | 2017  |
| Liabilities under finance lease agreements                             | 373                                               | 698   |
| Less: Deferred interest expenses                                       | (21)                                              | (36)  |
| Total                                                                  | 352                                               | 662   |
| Less: Portion due within one year                                      | (87)                                              | (310) |
| Liabilities under finance lease agreements<br>- net of current portion | 265                                               | 352   |

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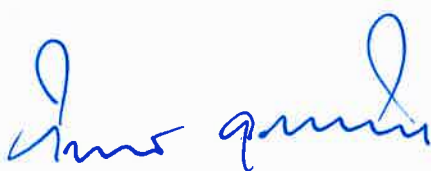
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The Company has entered into the finance lease agreement with leasing company for rental of motor vehicle and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The term of the agreement is 5 years.

Future minimum lease payments required under the finance lease agreement as at 31 December 2018 and 2017 were as follows:

| (Unit: Thousand Baht)                          |                  |           |       |
|------------------------------------------------|------------------|-----------|-------|
| Consolidated and Separate financial statements |                  |           |       |
| 2018                                           |                  |           |       |
|                                                | Less than 1 year | 1-5 years | Total |
| Future minimum lease payments                  | 96               | 277       | 373   |
| Deferred interest expenses                     | (9)              | (12)      | (21)  |
| Present value of future minimum lease payments | 87               | 265       | 352   |

| (Unit: Thousand Baht)                          |                  |           |       |
|------------------------------------------------|------------------|-----------|-------|
| Consolidated and Separate financial statements |                  |           |       |
| 2017                                           |                  |           |       |
|                                                | Less than 1 year | 1-5 years | Total |
| Future minimum lease payments                  | 325              | 373       | 698   |
| Deferred interest expenses                     | (15)             | (21)      | (36)  |
| Present value of future minimum lease payments | 310              | 352       | 662   |



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## 22. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

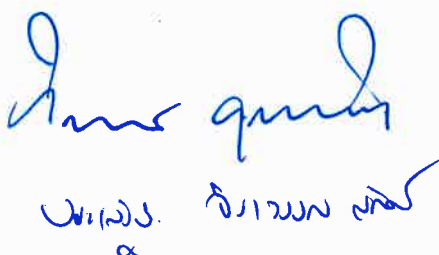
|                                                                       | (Unit: Thousand Baht) |               |                      |              |
|-----------------------------------------------------------------------|-----------------------|---------------|----------------------|--------------|
|                                                                       | Consolidated          |               | Separate             |              |
|                                                                       | financial statements  |               | financial statements |              |
|                                                                       | 2018                  | 2017          | 2018                 | 2017         |
| <b>Provision for long-term employee benefits at beginning of year</b> | 10,886                | 6,073         | 8,744                | 5,134        |
| Included in profit or loss:                                           |                       |               |                      |              |
| Current service cost                                                  | 3,086                 | 1,737         | 2,552                | 1,462        |
| Interest cost                                                         | 474                   | 283           | 389                  | 239          |
| Included in other comprehensive income:                               |                       |               |                      |              |
| Actuarial loss arising from                                           |                       |               |                      |              |
| Demographic assumptions changes                                       | -                     | 296           | -                    | 231          |
| Financial assumptions changes                                         | -                     | 1,689         | -                    | 1,235        |
| Experience adjustments                                                | -                     | 808           | -                    | 443          |
| <b>Provision for long-term employee benefits at end of year</b>       | <b>14,446</b>         | <b>10,886</b> | <b>11,685</b>        | <b>8,744</b> |

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

|                                             | (Unit: Thousand Baht) |              |                      |              |
|---------------------------------------------|-----------------------|--------------|----------------------|--------------|
|                                             | Consolidated          |              | Separate             |              |
|                                             | financial statements  |              | financial statements |              |
|                                             | 2018                  | 2017         | 2018                 | 2017         |
| Cost of sales                               | 152                   | 109          | -                    | -            |
| Cost of services                            | 936                   | 585          | 869                  | 486          |
| Selling and administrative expenses         | 2,472                 | 1,326        | 2,072                | 1,215        |
| Total expenses recognised in profit or loss | <b>3,560</b>          | <b>2,020</b> | <b>2,941</b>         | <b>1,701</b> |

The Company and its subsidiaries expect to pay Baht 0.1 million of long-term employee benefits during the next year (The Company only: Baht 0.1 million) (2017: Baht 0.4 million (The Company only: Baht 0.3 million)).

As at 31 December 2018 and 2017, the weighted average duration of the liabilities for long-term employee benefit is 17 - 37 years (The Company only: 26 - 29 years).





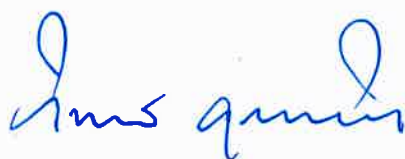
Significant actuarial assumptions are summarised below:

|                      | (Unit: Percent per annum) |             |                      |             |
|----------------------|---------------------------|-------------|----------------------|-------------|
|                      | Consolidated              |             | Separate             |             |
|                      | financial statements      |             | financial statements |             |
|                      | 2018                      | 2017        | 2018                 | 2017        |
| Discount rate        | 3.03 - 3.65               | 3.03 - 3.65 | 3.26 - 3.36          | 3.26 - 3.36 |
| Salary increase rate | 7.37                      | 7.37        | 7.37                 | 7.37        |
| Turnover rate        | 5.00                      | 5.00        | 5.00                 | 5.00        |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

|                      | (Unit: million Baht)              |       |               |       |                               |       |               |       |
|----------------------|-----------------------------------|-------|---------------|-------|-------------------------------|-------|---------------|-------|
|                      | Consolidated financial statements |       |               |       | Separate financial statements |       |               |       |
|                      | Increase 0.5%                     |       | Decrease 0.5% |       | Increase 0.5%                 |       | Decrease 0.5% |       |
|                      | 2018                              | 2017  | 2018          | 2017  | 2018                          | 2017  | 2018          | 2017  |
| Discount rate        | (0.8)                             | (0.6) | 0.9           | 0.7   | (0.6)                         | (0.5) | 0.7           | 0.5   |
| Salary increase rate | 0.9                               | 0.6   | (0.8)         | (0.6) | 0.7                           | 0.5   | (0.7)         | (0.4) |
| Turnover rate        | (1.0)                             | (0.7) | 1.1           | 0.7   | (0.8)                         | (0.5) | 0.8           | 0.5   |

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits approximately of Baht 2 million (The Company only: Baht 1 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

  
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## 23. Statutory reserve

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

## 24. Dividends

| Dividends                  | Approved by                                                                    | Dividend<br>(Million Baht) | Dividend per share<br>(Baht per share) |
|----------------------------|--------------------------------------------------------------------------------|----------------------------|----------------------------------------|
| Final dividends for 2017   | Annual General Meeting of<br>the Company's<br>shareholders on<br>27 March 2018 | 39.90                      | 0.07                                   |
| Total dividends for 2018   |                                                                                | 39.90                      | 0.07                                   |
| Final dividends for 2016   | Annual General Meeting of<br>the Company's<br>shareholders on<br>31 March 2017 | 28.50                      | 0.05                                   |
| Interim dividends for 2017 | Board of Directors' Meeting<br>No.6/2017 on<br>11 August 2017                  | 28.50                      | 0.05                                   |
| Total dividends for 2017   |                                                                                | 57.00                      | 0.10                                   |

## 25. Expenses by nature

Significant expenses classified by nature are as follows:

|                                             | Consolidated financial<br>statements |         | Separate financial<br>statements |         |
|---------------------------------------------|--------------------------------------|---------|----------------------------------|---------|
|                                             | 2018                                 | 2017    | 2018                             | 2017    |
| Changes in inventories                      | (3,904)                              | (8,629) | (5,456)                          | (7,275) |
| Purchases of inventories                    | 11,258                               | 102,951 | 96,853                           | 88,734  |
| Depreciation and amortisation               | 95,957                               | 77,449  | 87,648                           | 70,089  |
| Employee expenses                           | 403,259                              | 333,848 | 386,797                          | 307,734 |
| Directors' remuneration                     | 6,968                                | 2,346   | 6,968                            | 2,346   |
| Rental expenses                             | 150,856                              | 123,076 | 148,348                          | 121,133 |
| Public utilities                            | 30,583                               | 27,382  | 29,711                           | 26,459  |
| Maintenance and decorate locations expenses | 26,136                               | 20,981  | 25,056                           | 20,881  |
| Advertising and promotion expenses          | 26,016                               | 19,395  | 24,520                           | 19,137  |
| Laundry expenses                            | 29,470                               | 22,296  | 29,438                           | 21,704  |
| Consulting fees                             | 7,853                                | 3,229   | 3,152                            | 1,251   |

(Unit: Thousand Baht)

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## 26. Income tax

### 26.1 Income tax expenses

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

|                                                                               | (Unit: Thousand Baht)  |               |                    |               |
|-------------------------------------------------------------------------------|------------------------|---------------|--------------------|---------------|
|                                                                               | Consolidated financial |               | Separate financial |               |
|                                                                               | statements             |               | statements         |               |
|                                                                               | 2018                   | 2017          | 2018               | 2017          |
| <b>Current income tax:</b>                                                    |                        |               |                    |               |
| Current income tax charge                                                     | 35,390                 | 32,670        | 31,517             | 29,582        |
| <b>Deferred tax:</b>                                                          |                        |               |                    |               |
| Relating to origination and reversal of temporary differences                 | 49                     | (1,918)       | 1,049              | (1,874)       |
| <b>Income tax expenses reported in the statements of comprehensive income</b> | <b>35,439</b>          | <b>30,752</b> | <b>32,566</b>      | <b>27,708</b> |

### 26.2 Income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

|                                               | (Unit: Thousand Baht)  |            |                    |            |
|-----------------------------------------------|------------------------|------------|--------------------|------------|
|                                               | Consolidated financial |            | Separate financial |            |
|                                               | statements             |            | statements         |            |
|                                               | 2018                   | 2017       | 2018               | 2017       |
| Deferred tax on gain from revaluation of land | 12,466                 | -          | 12,466             | -          |
| Deferred tax on actuarial loss                | -                      | 555        | -                  | 382        |
| <b>Total</b>                                  | <b>12,466</b>          | <b>555</b> | <b>12,466</b>      | <b>382</b> |

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## 26.3 Reconciliation between accounting profit and income tax expenses

The reconciliation between accounting profit and income tax expenses is shown below.

|                                                                        | Consolidated financial statements |          | (Unit: Thousand Baht)<br>Separate financial statements |          |
|------------------------------------------------------------------------|-----------------------------------|----------|--------------------------------------------------------|----------|
|                                                                        | 2018                              | 2017     | 2018                                                   | 2017     |
| Accounting profit before tax                                           | 241,038                           | 205,921  | 238,082                                                | 188,657  |
| Applicable tax rate                                                    | 0%, 20%                           | 0% - 20% | 20%                                                    | 20%      |
| Accounting profit before tax multiplied by income tax rate             | 52,173                            | 41,407   | 47,616                                                 | 37,731   |
| Effects of:                                                            |                                   |          |                                                        |          |
| Exempt dividend income                                                 | (5,084)                           | -        | (5,084)                                                | -        |
| Non-deductible expenses                                                | 201                               | 319      | 182                                                    | 127      |
| Additional expense deductions allowed                                  | (11,851)                          | (10,974) | (10,148)                                               | (10,150) |
| Total                                                                  | (16,734)                          | (10,655) | (15,050)                                               | (10,023) |
| Income tax expenses reported in the statements of comprehensive income | 35,439                            | 30,752   | 32,566                                                 | 27,708   |

## 26.4 Deferred tax assets / liabilities

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

|                                                           | Consolidated financial statements |       | (Unit: Thousand Baht)<br>Separate financial statements |       |
|-----------------------------------------------------------|-----------------------------------|-------|--------------------------------------------------------|-------|
|                                                           | 2018                              | 2017  | 2018                                                   | 2017  |
| <b>Deferred tax assets</b>                                |                                   |       |                                                        |       |
| Allowance for doubtful accounts                           | 130                               | 49    | 126                                                    | 47    |
| Allowance for diminution in value of inventories          | 150                               | 101   | 103                                                    | 86    |
| Provision for long-term employee benefits                 | 2,825                             | 2,146 | 2,337                                                  | 1,749 |
| Rental on the straight-line method                        | 2,340                             | 2,489 | 2,340                                                  | 2,489 |
| Interest and depreciation from decommissioning estimation | 348                               | 276   | 348                                                    | 276   |
| Unused tax loss                                           | 881                               | -     | -                                                      | -     |
| Total                                                     | 6,674                             | 5,061 | 5,254                                                  | 4,647 |

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(Unit: Thousand Baht)

|                                                         | Consolidated financial |               | Separate financial |               |
|---------------------------------------------------------|------------------------|---------------|--------------------|---------------|
|                                                         | statements             |               | statements         |               |
|                                                         | 2018                   | 2017          | 2018               | 2017          |
| <b>Deferred tax liabilities</b>                         |                        |               |                    |               |
| Surplus on revaluation of land                          | 22,642                 | 10,176        | 22,642             | 10,176        |
| Rental on the straight-line method                      | -                      | -             | -                  | 24            |
| Unrealised gain from revaluation of trading investments | 29                     | 81            | -                  | 35            |
| Deferred sales and marketing revenues                   | 2,194                  | 480           | 2,195              | 480           |
| <b>Total</b>                                            | <b>24,865</b>          | <b>10,737</b> | <b>24,837</b>      | <b>10,715</b> |
| <b>Deferred tax assets - net</b>                        | <b>1,392</b>           | <b>368</b>    | <b>-</b>           | <b>-</b>      |
| <b>Deferred tax liabilities - net</b>                   | <b>19,583</b>          | <b>6,044</b>  | <b>19,583</b>      | <b>6,068</b>  |

## 27. 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 year.

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

|                                                              | Consolidated financial |         | Separate financial |         |
|--------------------------------------------------------------|------------------------|---------|--------------------|---------|
|                                                              | statements             |         | statements         |         |
|                                                              | 2018                   | 2017    | 2018               | 2017    |
| Profit for the year (Thousand Baht)                          | 205,597                | 175,168 | 205,516            | 160,949 |
| Weighted average number of ordinary shares (Thousand shares) | 570,000                | 570,000 | 570,000            | 570,000 |
| Profit per share (Baht/share)                                | 0.36                   | 0.31    | 0.36               | 0.28    |

## 28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows:

- Spa services, which operates day spa and destination spa. Also, provides spa management and spa consultancy services.

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42

- Sales of spa products and healthy products, which distributes natural spa products both and spa equipment for domestic and international market.
- Hotel and restaurant, which operates boutique resort and restaurant.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2018 and 2017, respectively.

(Unit: Million Baht)

|                                                       | Spa services |      | Sales of spa products and healthy products |      | Hotel and restaurant |      | Elimination |      | Total |      |
|-------------------------------------------------------|--------------|------|--------------------------------------------|------|----------------------|------|-------------|------|-------|------|
|                                                       | 2018         | 2017 | 2018                                       | 2017 | 2018                 | 2017 | 2018        | 2017 | 2018  | 2017 |
|                                                       |              |      |                                            |      |                      |      |             |      |       |      |
| Revenues from external customers                      | 1,009        | 829  | 63                                         | 60   | 62                   | 59   | -           | -    | 1,134 | 948  |
| Internal - segment revenues                           | 14           | 5    | 35                                         | 30   | 1                    | 1    | (50)        | (36) | -     | -    |
| Total revenues                                        | 1,023        | 834  | 98                                         | 90   | 63                   | 60   | (50)        | (36) | 1,134 | 948  |
| Segment profit                                        | 320          | 276  | 39                                         | 32   | 25                   | 20   | -           | -    | 384   | 328  |
| Revenues and expenses which have not been allocated : |              |      |                                            |      |                      |      |             |      |       |      |
| Other income                                          |              |      |                                            |      |                      |      |             |      | 18    | 15   |
| Selling and distribution expenses                     |              |      |                                            |      |                      |      |             |      | (45)  | (37) |
| Administrative expenses                               |              |      |                                            |      |                      |      |             |      | (107) | (93) |
| Finance cost                                          |              |      |                                            |      |                      |      |             |      | (9)   | (7)  |
| Profit before income tax expenses                     |              |      |                                            |      |                      |      |             |      | 241   | 206  |
| Income tax expenses                                   |              |      |                                            |      |                      |      |             |      | (35)  | (31) |
| Profit for the year                                   |              |      |                                            |      |                      |      |             |      | 206   | 175  |
| Other material non-cash item:                         |              |      |                                            |      |                      |      |             |      |       |      |
| Write-off of property, plant and equipment            | (2)          | -    | -                                          | -    | (1)                  | -    | -           | -    | (3)   | -    |

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The segment assets of the Company and its subsidiaries as at 31 December 2018 and 2017 are as follows:

(Unit: Million Baht)

|                                                                                                  | Spa services and<br>sales of spa<br>products and<br>healthy products* |       | Hotel and<br>restaurant |      | Elimination |      | Total |       |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------|-------------------------|------|-------------|------|-------|-------|
|                                                                                                  | 2018                                                                  | 2017  | 2018                    | 2017 | 2018        | 2017 | 2018  | 2017  |
| Property, plant and equipment                                                                    | 994                                                                   | 809   | 73                      | 80   | -           | -    | 1,067 | 889   |
| Other assets                                                                                     | 295                                                                   | 271   | 27                      | 25   | (20)        | (9)  | 302   | 287   |
| Total assets                                                                                     | 1,289                                                                 | 1,080 | 100                     | 105  | (20)        | (9)  | 1,369 | 1,176 |
| Increase in non-current assets<br>other than financial<br>instruments and<br>deferred tax assets | 304                                                                   | 292   | 2                       | 5    | -           | -    | 306   | 297   |

\* Spa services business has using assets jointly with sales of spa products and healthy products business.

#### Geographic information

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

#### Major Customer

For the years 2018 and 2017, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

#### **29. Provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by American International Assurance Co., Ltd., will be paid to employees upon termination in accordance with the fund rules.

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During the years 2018 and 2017, the contributions to the fund which were recognised as expenses are as follows:

(Unit: Million Baht)

|                                 | Consolidated and Separate<br>financial statements |      |
|---------------------------------|---------------------------------------------------|------|
|                                 | 2018                                              | 2017 |
| Contributions to provident fund | 1.3                                               | 1.0  |

### 30. Commitments and contingent liabilities

#### 30.1 Capital commitments

As at 31 December 2018 and 2017, 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<br>financial statements |      |
|--------------------|---------------------------------------------------|------|
|                    | 2018                                              | 2017 |
| Construction costs | 15.1                                              | 10.8 |

#### 30.2 Operating lease commitments

30.2.1 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.

Moreover, the Company has entered into operating lease agreement in respect of the lease of land with a related party for the period of 30 years as disclosed in the Note 7 to the financial statement.

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As at 31 December 2018 and 2017, the Company and its subsidiaries have future minimum payments required under these non-cancellable operating leases agreement and related service agreements were as follows.

|                             | (Unit: Million Baht) |      |                      |      |
|-----------------------------|----------------------|------|----------------------|------|
|                             | Consolidated         |      | Separate             |      |
|                             | financial statements |      | financial statements |      |
|                             | 2018                 | 2017 | 2018                 | 2017 |
| Payable:                    |                      |      |                      |      |
| In up to 1 year             | 180                  | 123  | 176                  | 123  |
| In over 1 and up to 5 years | 338                  | 218  | 333                  | 218  |
| In over 5 years             | 141                  | 51   | 141                  | 51   |

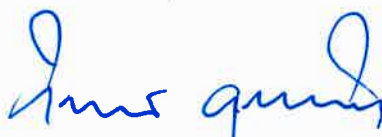
As at 31 December 2018, Baht 39.8 million of the commitments of the Company and the subsidiaries are obligations under lease agreements and service agreements with the related companies (2017: Baht 37.0 million) (The Company only: Baht 31.6 million (2017: Baht 37.0 million)).

30.2.2 The Company had made operating agreements with certain lessors that the rental and service fees are to be calculated taking into account the proportion of service income that the Company received from the customers relating to its spa services. During the year ended 31 December 2018, the Company recognised rental and service expenses amounting to Baht 17.2 million (2017: Baht 12.7 million).

30.2.3 As at 31 December 2018, future minimum sublease payments expected to be received under non-cancellable subleases for partial areas amounting to Baht 2.8 million (2017: Baht 3.7 million). During the year ended 31 December 2018, the Company recognised rental expenses of Baht 5.8 million (2017: Baht 6.2 million) and subleasing revenue for partial areas of Baht 4.0 million (2017: Baht 3.9 million).

### 30.3 Letters of guarantees

As at 31 December 2018, there were outstanding bank guarantees of Baht 2.4 million (2017: Baht 2.4 million) (The Company only: Baht 1.9 million (2017: Baht 1.9 million)) issued by the banks on behalf of the Company and its subsidiaries as required in the normal course of business.

  
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### 31. Fair value hierarchy

As at 31 December 2018 and 2017, the Company had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

31 December 2018

## Consolidated financial statements

|                                      | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|---------|---------|---------|-------|
| <b>Assets measured at fair value</b> |         |         |         |       |
| Current investments - Unit trusts    | -       | 32      | -       | 32    |
| Lands                                | -       | 279     | -       | 279   |

(Unit: Million Baht)

31 December 2018

### Separate financial statements

|                                      | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|---------|---------|---------|-------|
| <b>Assets measured at fair value</b> |         |         |         |       |
| Lands                                | -       | 279     | -       | 279   |

(Unit: Million Baht)

31 December 2017

## Consolidated financial statements


|                                      | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|---------|---------|---------|-------|
| <b>Assets measured at fair value</b> |         |         |         |       |
| Current investments - Unit trusts    | -       | 76      | -       | 76    |
| Lands                                | -       | 205     | -       | 205   |

(Unit: Million Baht)

31 December 2017

### Separate financial statements

|                                      | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|---------|---------|---------|-------|
| <b>Assets measured at fair value</b> |         |         |         |       |
| Current investments - Unit trusts    | -       | 48      | -       | 48    |
| Lands                                | -       | 205     | -       | 205   |

  
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### Valuation techniques and inputs to Level 2 valuation

The fair value of investment in unit trusts 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.

The fair value of lands was revalued using the comparable market approach appraised by an independent professional valuer.

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

## **32. Financial instruments**

### **32.1 Financial risk management**

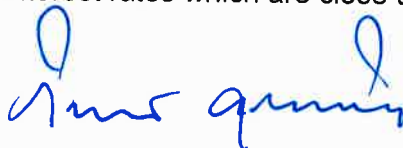
The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, long-term loan to related party, restricted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

#### ***Credit risk***

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and long-term loan to related party. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since their businesses are sales and services to minor customers. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statements of financial position.

#### ***Interest rate risk***

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their deposit at financial institutions, restricted deposits of financial institution, long-term loan to related party, bank overdrafts from financial institution, short-term loans from related parties, long-term loans, and liabilities under finance lease agreements. 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.

  
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As at 31 December 2018 and 2017, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

| Consolidated financial statements                                   |         |                  |              |                 |                           |                             |       |                                |
|---------------------------------------------------------------------|---------|------------------|--------------|-----------------|---------------------------|-----------------------------|-------|--------------------------------|
| 31 December 2018                                                    |         |                  |              |                 |                           |                             |       |                                |
| Fixed interest rates                                                |         |                  |              |                 |                           |                             |       |                                |
|                                                                     | At call | Within<br>1 year | 1-5<br>years | Over<br>5 years | Floating<br>interest rate | Non-<br>interest<br>bearing | Total | Interest rate<br>(% per annum) |
| <b>Financial Assets</b>                                             |         |                  |              |                 |                           |                             |       |                                |
| Cash and cash equivalent                                            | -       | -                | -            | -               | 67                        | 12                          | 79    | 0.05 - 0.82                    |
| Current investments                                                 | -       | -                | -            | -               | -                         | 32                          | 32    | -                              |
| Trade and other receivables                                         | -       | -                | -            | -               | -                         | 24                          | 24    | -                              |
| Restricted deposits of<br>financial institution                     | -       | 5                | -            | -               | -                         | -                           | 5     | 1.05                           |
|                                                                     | -       | 5                | -            | -               | 67                        | 68                          | 140   |                                |
| <b>Financial liabilities</b>                                        |         |                  |              |                 |                           |                             |       |                                |
| Bank overdrafts from financial<br>institution                       | -       | -                | -            | -               | 1                         | -                           | 1     | Note 18                        |
| Short-term loans from and<br>interest payable to related<br>parties | 4       | -                | -            | -               | -                         | -                           | 4     | Note 7                         |
| Trade and other payables                                            | -       | -                | -            | -               | -                         | 83                          | 83    | -                              |
| Long-term loans                                                     | -       | -                | -            | -               | 210                       | -                           | 210   | Note 20                        |
|                                                                     | 4       | -                | -            | -               | 211                       | 83                          | 298   |                                |

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(Unit: Million Baht)

## Separate financial statements

31 December 2018

## Fixed interest rates

|                                                                 | At call | Within<br>1 year | 1-5<br>years | Over<br>5 years | Floating<br>interest rate | Non-<br>interest<br>bearing | Total | Interest rate<br>(% per annum) |
|-----------------------------------------------------------------|---------|------------------|--------------|-----------------|---------------------------|-----------------------------|-------|--------------------------------|
| <b>Financial Assets</b>                                         |         |                  |              |                 |                           |                             |       |                                |
| Cash and cash equivalent                                        | -       | -                | -            | -               | 57                        | 11                          | 68    | 0.05 - 0.82                    |
| Trade and other receivables                                     | -       | -                | -            | -               | -                         | 21                          | 21    | -                              |
| Long-term loan to and<br>interest receivable from<br>subsidiary | -       | -                | -            | -               | 8                         | -                           | 8     | Note 7                         |
|                                                                 | -       | -                | -            | -               | 65                        | 32                          | 97    |                                |
| <b>Financial liabilities</b>                                    |         |                  |              |                 |                           |                             |       |                                |
| Trade and other payables                                        | -       | -                | -            | -               | -                         | 82                          | 82    | -                              |
| Long-term loans                                                 | -       | -                | -            | -               | 210                       | -                           | 210   | Note 20                        |
|                                                                 | -       | -                | -            | -               | 210                       | 82                          | 292   |                                |


(Unit: Million Baht)

## Consolidated financial statements

31 December 2017

## Fixed interest rates

|                                                 | At call | Within<br>1 year | 1-5<br>years | Over<br>5 years | Floating<br>interest<br>rate | Non-<br>interest<br>bearing | Total | Interest rate<br>(% per annum) |
|-------------------------------------------------|---------|------------------|--------------|-----------------|------------------------------|-----------------------------|-------|--------------------------------|
| <b>Financial Assets</b>                         |         |                  |              |                 |                              |                             |       |                                |
| Cash and cash equivalent                        | -       | -                | -            | -               | 62                           | 5                           | 67    | 0.05 - 0.82                    |
| Current investments                             | -       | -                | -            | -               | -                            | 76                          | 76    | -                              |
| Trade and other receivables                     | -       | -                | -            | -               | -                            | 12                          | 12    | -                              |
| Restricted deposits of<br>financial institution | -       | 5                | -            | -               | -                            | -                           | 5     | 1.05                           |
|                                                 | -       | 5                | -            | -               | 62                           | 93                          | 160   |                                |

  
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(Unit: Million Baht)

## Consolidated financial statements

31 December 2017

## Fixed interest rates

|                                                               | At call | Within<br>1 year | 1-5<br>years | Over<br>5 years | Floating<br>interest<br>rate | Non-<br>interest<br>bearing | Total | Interest rate<br>(% per annum) |
|---------------------------------------------------------------|---------|------------------|--------------|-----------------|------------------------------|-----------------------------|-------|--------------------------------|
| <b>Financial liabilities</b>                                  |         |                  |              |                 |                              |                             |       |                                |
| Bank overdrafts from financial institution                    | -       | -                | -            | -               | 4                            | -                           | 4     | Note 18                        |
| Short-term loans from and interest payable to related parties | 4       | -                | -            | -               | -                            | -                           | 4     | Note 7                         |
| Trade and other payables                                      | -       | -                | -            | -               | -                            | 86                          | 86    | -                              |
| Long-term loans                                               | -       | -                | -            | -               | 254                          | -                           | 254   | Note 20                        |
| Liabilities under financial lease agreements                  | -       | -                | 1            | -               | -                            | -                           | 1     | 0.24 and 5.46                  |
|                                                               | 4       | -                | 1            | -               | 258                          | 86                          | 349   |                                |

(Unit: Million Baht)

## Separate financial statements

31 December 2017

## Fixed interest rates

|                                              | At call | Within<br>1 year | 1-5<br>years | Over<br>5 years | Floating<br>interest<br>rate | Non-<br>interest<br>bearing | Total | Interest rate<br>(% per annum) |
|----------------------------------------------|---------|------------------|--------------|-----------------|------------------------------|-----------------------------|-------|--------------------------------|
| <b>Financial Assets</b>                      |         |                  |              |                 |                              |                             |       |                                |
| Cash and cash equivalent                     | -       | -                | -            | -               | 50                           | 4                           | 54    | 0.05 - 0.82                    |
| Current investments                          | -       | -                | -            | -               | -                            | 48                          | 48    | -                              |
| Trade and other receivables                  | -       | -                | -            | -               | -                            | 9                           | 9     | -                              |
|                                              | -       | -                | -            | -               | 50                           | 61                          | 111   |                                |
| <b>Financial liabilities</b>                 |         |                  |              |                 |                              |                             |       |                                |
| Trade and other payables                     | -       | -                | -            | -               | -                            | 84                          | 84    | -                              |
| Long-term loans                              | -       | -                | -            | -               | 254                          | -                           | 254   | Note 20                        |
| Liabilities under financial lease agreements | -       | -                | 1            | -               | -                            | -                           | 1     | 0.24 and 5.46                  |
|                                              | -       | -                | 1            | -               | 254                          | 84                          | 339   |                                |

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### Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises from deposit at overseas banks, purchase and service transactions that are denominated in foreign currencies. The Company and its subsidiaries do not expect to incur material losses from the exchange rates as their businesses are sales and services to minor customers. The Company and its subsidiaries had no forward contracts outstanding balance as at the end of reporting period.

As at 31 December 2018 and 2017, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

| Foreign currencies | Consolidated financial statements |            |                       |            |                                    |       |
|--------------------|-----------------------------------|------------|-----------------------|------------|------------------------------------|-------|
|                    | Financial assets                  |            | Financial liabilities |            | Average exchange rate              |       |
|                    | 2018                              | 2017       | 2018                  | 2017       | 2018                               | 2017  |
|                    | (Thousand)                        | (Thousand) | (Thousand)            | (Thousand) | (Baht per 1 foreign currency unit) |       |
| US Dollar          | 126.3                             | 0.5        | -                     | -          | 32.45                              | 32.68 |
| Hong Kong Dollar   | 437.2                             | 4,240.6    | -                     | -          | 4.14                               | 4.18  |
| Euro               | -                                 | -          | 31.6                  | 10.7       | 37.13                              | 39.03 |
| Pound sterling     | -                                 | -          | 0.3                   | -          | 41.07                              | 43.99 |

| Foreign currencies | Separate financial statements |            |                                    |       |
|--------------------|-------------------------------|------------|------------------------------------|-------|
|                    | Financial assets              |            | Average exchange rate              |       |
|                    | 2018                          | 2017       | 2018                               | 2017  |
|                    | (Thousand)                    | (Thousand) | (Baht per 1 foreign currency unit) |       |
| US Dollar          | 126.3                         | 0.5        | 32.45                              | 32.68 |
| Hong Kong Dollar   | 437.2                         | 4,240.6    | 4.14                               | 4.18  |

### 32.2 Fair values of financial instruments

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and deposit at financial institutions, trade and other receivables, bank overdrafts from financial institution, and trade and other payables, their carrying amounts in the statements of financial position approximate their fair values.
- For current investments, their fair values are generally derived from quoted market prices.

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- c) For long-term loan carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximates their fair value.

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

### 33. Capital management

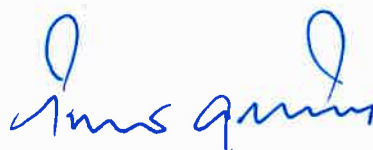
The primary objective of the Company and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support their businesses and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 0.41:1 (2017: 0.56:1) and the Company's was 0.40:1 (2017: 0.55:1).

### 34. Events after the reporting period

- 34.1 On 17 December 2018, the meeting of the Company's Board of Directors No. 7/2018 passed the resolutions approving the acquisition of 349,600 ordinary shares of Chaba Elegance Co, Ltd. which principally engaged in nails polish, hand and foot spa, and eyelash extension business, or 76% of total share capital, in order to beneficially expand the Company's current business. This investment acquisition was approximately amounting to Baht 125 million. The Company made partial payment for the shares amounting to Baht 62.5 million on 3 January 2019 and 5 February 2019.
- 34.2 On 22 February 2019, the meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of the Company's shareholders for approval the dividend payment from operating results for the period as from 1 January 2018 to 31 December 2018, as a rate of Baht 0.15 per share, totaling Baht 85.5 million. This dividend will be paid in April 2019.
- 34.3 On 22 February 2019, the meeting of the Company's Board of Directors passed a resolution approving the mortgage of the Company's lands and structures thereon amounting to Baht 49.4 million with the bank as collateral against its credit facility.
- 34.4 On 22 February 2019, the meeting of the Company's Board of Directors passed a resolution approving the Company to enter the franchise agreement in Yangon, Myanmar, with a non-related party.

### 35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2019.

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