

Siam Wellness Group Public Company Limited
and its subsidiaries
Review report and interim consolidated financial statements
For the three-month and six-month periods ended
30 June 2016

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Siam Wellness Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Siam Wellness Group Public Company Limited and its subsidiaries as at 30 June 2016, and the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2016, the consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Siam Wellness Group Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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



Sumana Punpongsanon

Certified Public Accountant (Thailand) No. 5872

EY Office Limited

Bangkok: 8 August 2016

Siam Wellness Group Public Company Limited and its subsidiaries



Statement of financial position

As at 30 June 2016

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		67,918	60,246	36,839	36,563
Current investments	4	-	26,246	-	26,246
Trade and other receivables	3, 5	6,264	4,085	5,110	2,450
Inventories	6	18,420	13,827	15,467	11,066
Other current assets		9,757	9,219	9,214	8,736
Total current assets		102,359	113,623	66,630	85,061
Non-current assets					
Investments in subsidiaries	7	-	-	101,705	101,705
Leasehold rights	8	12,608	14,134	12,608	14,134
Property, plant and equipment	9	538,764	480,017	471,002	410,926
Goodwill		20,340	20,340	20,340	20,340
Intangible assets		4,750	5,022	4,527	4,743
Deferred tax assets		171	212	-	-
Other non-current assets	10	27,122	21,670	27,120	21,668
Total non-current assets		603,755	541,395	637,302	573,516
Total assets		706,114	655,018	703,932	658,577

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



 บริษัท สยามเวลเนส กรุ๊ป จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Siam Wellness Group Public Company Limited and its subsidiaries

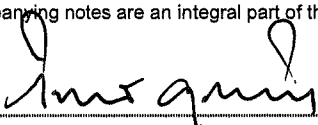
Statement of financial position (continued)

As at 30 June 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 11	33,330	39,137	32,375	34,410
Current portion of long-term loan	12	2,000	-	2,000	-
Current portion of liabilities under financial lease agreements		508	494	508	494
Income tax payable		14,909	14,343	13,344	11,858
Advance received		15,613	14,847	14,464	12,984
Other current liabilities		4,760	6,592	4,283	6,009
Total current liabilities		71,120	75,413	66,974	65,755
Non-current liabilities					
Long-term loan - net of current portion	12	18,000	-	18,000	-
Liabilities under financial lease agreements					
- net of current portion		490	748	490	748
Provision for long-term employee benefits		5,123	4,173	4,338	3,543
Deferred tax liabilities		9,132	9,613	9,132	9,613
Other non-current liabilities		9,935	10,164	9,359	9,654
Total non-current liabilities		42,680	24,698	41,319	23,558
Total liabilities		113,800	100,111	108,293	89,313
Shareholders' equity					
Share capital					
Registered					
570,000,000 ordinary shares of Baht 0.25 each		142,500	142,500	142,500	142,500
Issued and paid-up					
570,000,000 ordinary shares of Baht 0.25 each		142,500	142,500	142,500	142,500
Share premium		278,906	278,906	278,906	278,906
Retained earnings					
Appropriated - statutory reserve		10,006	9,919	9,474	9,474
Unappropriated		166,424	129,104	124,056	97,681
Other components of shareholders' equity		(5,523)	(5,523)	40,703	40,703
Equity attributable to shareholders' of the Company		592,313	554,906	595,639	569,264
Non-controlling interests of the subsidiaries		1	1	-	-
Total shareholders' equity		592,314	554,907	595,639	569,264
Total liabilities and shareholders' equity		706,114	655,018	703,932	658,577

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



วชิระวิทย์ จันทนภักดิ์
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Directors



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




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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

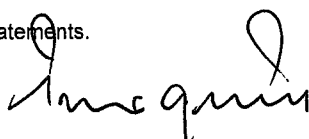
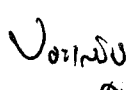
Statement of comprehensive income

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Profit or loss:					
Revenues					
Revenue from sales		33,632	21,476	16,636	9,359
Revenue from services		308,864	215,611	290,165	198,206
Other income		7,849	5,640	12,694	8,901
Total revenues		350,345	242,727	319,495	216,466
Expenses					
Cost of sales		21,191	12,293	9,939	5,587
Cost of services		205,106	133,127	202,306	129,208
Selling expenses		13,082	9,101	11,765	7,841
Administrative expenses		30,742	28,097	27,761	25,042
Total expenses		270,121	182,618	251,771	167,678
Profit before finance cost and income tax expenses		80,224	60,109	67,724	48,788
Finance costs		(223)	(1,039)	(223)	(1,039)
Profit before income tax expenses		80,001	59,070	67,501	47,749
Income tax expenses	13	(14,094)	(11,810)	(12,626)	(9,830)
Profit for the period		65,907	47,260	54,875	37,919
Other comprehensive income:					
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		65,907	47,260	54,875	37,919
Profit attributable to:					
Equity holders of the Company		65,907	47,260	54,875	37,919
Non-controlling interests of the subsidiaries		-	-	-	-
		65,907	47,260		
Total comprehensive income attributable to:					
Equity holders of the Company		65,907	47,260	54,875	37,919
Non-controlling interests of the subsidiaries		-	-	-	-
		65,907	47,260		
					(Unit: Baht)
Earnings per share	14				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.116	0.083	0.096	0.067

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


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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

Consolidated financial statements										
	Note	Equity attributable to shareholders of the Company					Other components of shareholders' equity			
		Issued and fully paid-up share capital	Retained earnings		Discount on business combination under common control	Other comprehensive income		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 2015		142,500	4,836	69,313	(46,226)	33,634	(12,592)	482,963	1	482,964
Profit for the period		-	-	47,260	-	-	-	47,260	-	47,260
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	47,260	-	-	-	47,260	-	47,260
Dividend paid	16	-	-	(14,250)	-	-	-	(14,250)	-	(14,250)
Balance as at 30 June 2015		142,500	4,836	102,323	(46,226)	33,634	(12,592)	515,973	1	515,974
Balance as at 1 January 2016		142,500	9,919	129,104	(46,226)	40,703	(5,523)	554,906	1	554,907
Profit for the period		-	-	65,907	-	-	-	65,907	-	65,907
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	65,907	-	-	-	65,907	-	65,907
Appropriation of retained earnings		-	87	(87)	-	-	-	-	-	-
Dividend paid	16	-	-	(28,500)	-	-	-	(28,500)	-	(28,500)
Balance as at 30 June 2016		142,500	10,006	166,424	(46,226)	40,703	(5,523)	592,313	1	592,314

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



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วอริส อภิวัฒนกุล

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity


For the six-month period ended 30 June 2016

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



(Unit: Thousand Baht)

Separate financial statements



		Other components of shareholders' equity						
		Retained earnings			Other comprehensive income			
		Issued and fully paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets	other components of shareholders' equity	Total
	Note							
Balance as at 1 January 2015		142,500	278,906	4,836	51,337	33,634	33,634	511,213
Profit for the period		-	-	-	37,919	-	-	37,919
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	37,919	-	-	37,919
Dividend paid	16	-	-	-	(14,250)	-	-	(14,250)
Balance as at 30 June 2015		142,500	278,906	4,836	75,006	33,634	33,634	534,882
Balance as at 1 January 2016		142,500	278,906	9,474	97,681	40,703	40,703	569,264
Profit for the period		-	-	-	54,875	-	-	54,875
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	54,875	-	-	54,875
Dividend paid	16	-	-	-	(28,500)	-	-	(28,500)
Balance as at 30 June 2016		142,500	278,906	9,474	124,056	40,703	40,703	595,639

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

นางสาวกัญญา ชื่นจิราวรรณ
ผู้อำนวยการบัญชี

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	80,001	59,070	67,501	47,749
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	25,869	16,823	23,254	14,764
Unrealised gain on the change in fair value of trading securities	-	(381)	-	(381)
Gain on disposal of trading securities	(151)	-	(151)	-
Bad debts and allowance for doubtful accounts (reversal)	(127)	52	-	(3)
Reduction cost of inventories to net realisable value (reversal)	(400)	30	(155)	30
Gain on disposal of property, plant and equipment	(1,270)	-	(1,267)	-
Loss on write-off of property, plant and equipment	38	50	38	-
Long-term employee benefit expenses	950	911	795	780
Dividend income	-	-	(658)	-
Interest income	(180)	(928)	(124)	(926)
Interest expenses	223	1,039	223	1,039
Profit from operating activities before changes in operating assets and liabilities	104,953	76,666	89,456	63,052
Decrease (increase) in operating assets				
Current investments	26,397	(952)	26,397	(952)
Trade and other receivables	(2,053)	3,317	(2,660)	2,271
Inventories	(4,193)	(2,385)	(4,246)	(1,651)
Other current assets	(544)	(6,033)	(484)	(6,065)
Other non-current assets	(4,402)	(1,138)	(4,402)	(1,138)
Increase (decrease) in operating liabilities				
Trade and other payables	(3,647)	3,256	(415)	3,386
Advance received	766	437	1,480	1,189
Other current liabilities	(1,832)	772	(1,726)	926
Other non-current liabilities	(487)	1,759	(553)	1,722
Cash flows from operating activities	114,958	75,699	102,847	62,740
Cash paid for interest expenses	(144)	(990)	(144)	(990)
Cash paid for income tax	(13,968)	(2,882)	(11,621)	(1,250)
Net cash flows from operating activities	100,846	71,827	91,082	60,500

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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Decrease in loans to and interest receivables				
from subsidiary	-	-	-	5,023
Cash paid for acquisition of leasehold rights on land	-	(1,697)	-	(1,697)
Cash paid for acquisition of property, plant and equipment	(84,920)	(20,974)	(83,065)	(19,028)
Cash paid for acquisition of intangible assets	(39)	(5)	(38)	(5)
Cash paid in advance for acquisition of assets	(1,050)	(20,120)	(1,050)	(20,120)
Proceed from disposal of property, plant and equipment	1,399	-	1,309	-
Cash received from dividend	-	-	658	-
Cash received from interest income	180	928	124	926
Net cash flows used in investing activities	(84,430)	(41,868)	(82,062)	(34,901)
Cash flows from financing activities				
Decrease in liabilities under financial lease agreements	(244)	(231)	(244)	(231)
Increase in long-term loan	20,000	-	20,000	-
Repayment of long-term loans	-	(32,790)	-	(32,790)
Cash paid for dividend	(28,500)	(14,250)	(28,500)	(14,250)
Net cash flows used in financing activities	(8,744)	(47,271)	(8,744)	(47,271)
Net increase (decrease) in cash and cash equivalents	7,672	(17,312)	276	(21,672)
Cash and cash equivalents at beginning of period	60,246	104,039	36,563	89,819
Cash and cash equivalents at end of period	67,918	86,727	36,839	68,147

Supplemental cash flows information

Non-cash transactions

Decrease in liabilities from acquisition of property,
plant and equipment

2,160 3,274 1,620 3,274

Increase in provision for dismantling, removing and
restoring of leasehold improvement

258 71 258 71

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



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

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ไม้มณี จักรวรรดิ

Siam Wellness Group Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2016

1. General information

1.1 The Company's general information

Siam Wellness Group Public Company Limited ("the Company") was incorporated as limited company under the laws of Thailand on 28 November 2001. The Company operates in Thailand and principally engages in massage for health. Its registered head office is at No. 483, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Dindang, Bangkok. As at 30 June 2016, the Company has a total of 24 branches in Bangkok and upcountry (31 December 2015: 21 branches) and 1 foreign branch according to the franchise agreement (31 December 2015: None).

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

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation of interim financial statements

These consolidated financial statements include the financial statements of Siam Wellness Group Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015. There have been no changes in the composition of the subsidiaries during the current period.

1.4 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries financial statements.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015.

3. 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.	Manufacture and sale of spa products	A subsidiary
Siam Wellness Education Co., Ltd.	A school for Thai massage	A subsidiary
Siam Wellness Resort Co., Ltd.	Hotel and restaurant operations	A subsidiary
Blooming Co., Ltd.	Sale of gift, a blesses card and a notebook	Common shareholders
B.U. Enterprise Co., Ltd.	Properties rental	Common shareholders
Cyberprint Co., Ltd.	Printing business	Common shareholders
Asian Fortune Property Co., Ltd.	Real estate development	Common shareholders
Rarinjinda Ordinary Partnership	Properties rental	Common directors



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(Unaudited but reviewed)

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

(Unit: Million Baht)

	For the three-month periods ended 30 June				
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2016	2015	2016	2015	
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Revenue from rental and utilities	-	-	2.0	1.5	Contract price
Other income	-	-	0.6	0.3	Contract price
Dividend income	-	-	0.7	-	Declared rate
Purchase of goods	-	-	4.3	2.7	Market price
Service expenses	-	-	1.5	1.0	Contract price and market price
Commission expenses	-	-	0.3	0.5	Contract price
<u>Transactions with related parties</u>					
Revenue from sales and services	0.1	-	-	-	Market price
Purchase of goods	2.6	2.5	2.1	2.3	Market price
Service expenses	1.3	0.6	0.4	0.6	Contract price
Rental and utility expenses	4.9	2.7	4.9	2.7	Contract price

(Unit: Million Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2016	2015	2016	2015	
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Revenue from services	-	-	0.1	0.2	Market price
Revenue from rental and utilities	-	-	3.9	2.9	Contract price
Other income	-	-	1.1	0.8	Contract price
Dividend income	-	-	0.7	-	Declared rate
Purchase of goods	-	-	10.3	5.4	Market price
Service expenses	-	-	3.0	2.3	Contract price and market price
Commission expenses	-	-	0.7	0.8	Contract price
<u>Transactions with related parties</u>					
Revenue from sales and services	0.3	0.2	0.2	-	Market price
Purchase of goods	5.7	4.6	4.5	4.2	Market price
Service expenses	1.7	0.9	0.8	0.9	Contract price
Rental and utility expenses	8.9	5.7	8.9	5.7	Contract price



(Unaudited but reviewed)

The balances of the accounts as at 30 June 2016 and 31 December 2015 between the Company, subsidiaries and those related companies are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30	31	30	31
	June	December	June	December
	2016	2015	2016	2015
<u>Trade receivables - subsidiaries (Note 5)</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	1,153	631
Siam Wellness Lab Co., Ltd.	-	-	8	7
Siam Wellness Education Co., Ltd.	-	-	9	6
Total	-	-	1,170	644
<u>Trade receivables - related parties (Note 5)</u>				
Blooming Co., Ltd.	-	1	-	-
Cyberprint Co., Ltd.	53	112	37	96
B.U. Enterprise Co., Ltd.	-	-	-	-
Total	53	113	37	96
<u>Trade payables - subsidiaries (Note 11)</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	135	187
Siam Wellness Lab Co., Ltd.	-	-	1,111	1,828
Siam Wellness Education Co., Ltd.	-	-	719	339
Total	-	-	1,965	2,354
<u>Trade payables - related parties (Note 11)</u>				
Blooming Co., Ltd.	979	898	770	767
B.U. Enterprise Co., Ltd.	88	63	72	47
Cyberprint Co., Ltd.	513	305	231	135
Asian Fortune Property Co., Ltd.	660	243	660	243
Total	2,240	1,509	1,733	1,192
<u>Other payables - related parties (Note 11)</u>				
Directors of the Company	11	246	11	169
Total	11	246	11	169



บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBL. CO., LTD.

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นางสาว จันทวรรณ นพทนต์
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Directors and management's benefits

During the three-month and six-month periods ended 30 June 2016 and 2015, employee benefit expenses payable to their directors and management of the Company and its subsidiaries are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Short-term employee benefits	4.3	4.4	4.3	4.4
Post-employment benefits	0.2	0.2	0.2	0.2
Total	4.5	4.6	4.5	4.6

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Short-term employee benefits	8.5	9.0	8.5	9.0
Post-employment benefits	0.3	0.4	0.3	0.4
Total	8.8	9.4	8.8	9.4

Significant agreements with related parties

- On 1 January 2013, the Company entered into a lease agreement with Rarinjinda Ordinary Partnership (formerly known as "Rarinjinda, A Body of Persons") for the period of 30 years, due in December 2042 and such agreement is renewable by a formal notice letter not less than 3 years before term due of agreement. Under the agreement, the Company committed to pay an annual rental fee amounting to Baht 2.9 million and not more than 15% of rental fee can be increased every 3 years.

Furthermore, on 1 January 2013, the Company made a sublease agreement with Siam Wellness Resort Co., Ltd. for partial areas for the period of 30 years, due in December 2042 and such agreement is renewable by a formal notice letter 3 years before term due of agreement. Under the agreement, Siam Wellness Resort Co., Ltd. committed to pay an annual rental fee amounting to Baht 1.9 million and not more than 15% of rental fee can be increased every 3 years.

Under the lease and sublease agreements, assets which the Company and the subsidiary build or modify will be transferred the rights to Rarinjinda Ordinary Partnership on maturity date.

2. 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. Under the agreement, the Company committed to pay an annual rental fee amounting to Baht 1.3 million and not more than 15% of rental fee can be increased every 3 years.

Furthermore, on 13 November 2015, the Company made sublease agreements with Siam Wellness Lab Co., Ltd. and Siam Wellness Education Co., Ltd. ("sublessees") for partial areas for the period of 3 years, due in December 2018 and such agreements are renewable twice for every 3 years. Under the agreements, the sublessees committed to pay an annual rental fee totalling to Baht 0.7 million.

3. On 23 January 2014, the Company has entered into rental agreements for residence for employees with a related person for the period of 3 years, due in December 2016, and such agreement is renewable by a formal notice letter not less than 2 months before term due of agreement. Under the agreement, the Company committed to pay an annual rental fee amounting to Baht 0.4 million.
4. On 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 rental and service fees amounting to Baht 6.6 million.
5. 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 for every 3 years. Under the agreement, the Company committed to pay an annual rental and service fees amounting to Baht 2.3 million
6. 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 rental and service fees amounting to Baht 1.6 million.



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Furthermore, on this date, the Company made a sublease agreement with Siam Wellness Resort Co., Ltd. for partial areas for the period of 3 years, due in September 2018 and such agreement are renewable for another 3 years. Under the agreement, Siam Wellness Resort Co., Ltd. committed to pay an annual rental and service fee amounting to Baht 1.1 million.

4. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Trading securities				
Investment units	-	25,947	-	25,947
Add: Unrealised gain on the change in fair value of investments	-	299	-	299
Investment units - net	-	26,246	-	26,246
Total current investments	-	26,246	-	26,246

5. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
<u>Trade receivables - related parties (Note 3)</u>				
Aged on the basis of due dates				
Not yet due	32	113	1,202	740
Past due				
Up to 3 months	21	-	5	-
Total trade receivables - related parties, net	53	113	1,207	740



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(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	3,989	3,107	1,909	1,235
Past due				
Up to 3 months	1,507	318	1,375	101
3 - 6 months	501	38	420	-
6 - 12 months	-	11	-	-
Over 12 months	1	122	1	1
Total	5,998	3,596	3,705	1,337
Less: Allowance for doubtful debts	(1)	(128)	(1)	(1)
Total trade receivables - unrelated parties, net	5,997	3,468	3,704	1,336
Total trade receivable - net	6,050	3,581	4,911	2,076
<u>Other receivables</u>				
Other receivables - unrelated parties	450	740	435	610
Less: Allowance for doubtful debts	(236)	(236)	(236)	(236)
Total other receivables, net	214	504	199	374
Total trade and other receivables - net	6,264	4,085	5,110	2,450

6. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Finished goods	5,306	4,339	6,005	4,433
Supplies	8,994	7,185	8,602	6,948
Food and beverage	393	438	-	-
Packages	2,509	2,246	-	-
Others	1,892	693	1,366	346
Less: Reduce cost to net				
realisable value	(674)	(1,074)	(506)	(661)
Inventories - net	18,420	13,827	15,467	11,066



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Movements in the allowance for diminution in value of inventories account during the six-month periods ended 30 June 2016, are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	1,074	661
Add: Allowance for diminution in value of inventories made during the period	128	127
Less: Reversal of allowance for diminution in value of inventories made during the period	(528)	(282)
Balance as 30 June 2016	674	506

7. Investments in subsidiaries

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

Company's name	Called-up share capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Net book value - cost method - net	
	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December
	2016	2015	2016	2015	2016	2015	2016	2015
			(%)	(%)				
Siam Wellness Lab Co., Ltd.	1,000	1,000	99.99	99.99	2,000	2,000	2,000	2,000
Siam Wellness Education Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	1,000	1,000
Siam Wellness Resort Co., Ltd.	60,000	60,000	99.99	99.99	98,705	98,705	98,705	98,705
Total					101,705	101,705	101,705	101,705

All subsidiary companies are incorporated in Thailand.

During the three-month and six-month periods ended 30 June 2016 and 2015, the Company received dividend from its subsidiary as follows:

Company's name	(Unit: Thousand Baht)			
	Separate financial statements			
	Dividend received for the three-month periods ended 30 June		Dividend received for the six-month periods ended 30 June	
	2016	2015	2016	2015
Siam Wellness Lab Co., Ltd.	-	-	-	-
Siam Wellness Education Co., Ltd.	658	-	658	-
Siam Wellness Resort Co., Ltd.	-	-	-	-
	658	-	658	-

8. Leasehold rights

A reconciliation of net book value of leasehold rights on land for the six-month period ended 30 June 2016 is presented below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2016	14,134
Amortisation for period	(1,526)
Net book value as at 30 June 2016	12,608

9. Property, plant and equipment

A reconciliation of net book value of property, plant and equipment for the six-month period ended 30 June 2016 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2016	480,017	410,926
Acquisition during period	82,946	81,630
Disposal/Write-off during period (net book value as at disposal/ write-off date)	(167)	(80)
Depreciation for period	(24,032)	(21,474)
Net book value as at 30 June 2016	538,764	471,002

As at 30 June 2016, the Company had vehicles with net book value of Baht 1.2 million (31 December 2015: Baht 1.5 million), which were acquired under finance lease agreements.

As at 30 June 2016, the Company has pledged its land and structures thereon amounting to Baht 119.3 million (31 December 2015: Baht 85.1 million) as collateral against its bank overdraft facilities, long-term loans facility and the letter of guarantees issuance as disclosed in Note 12 and 17.3 to the interim financial statements.

(Unaudited but reviewed)

10. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	June	December	June	December
	2016	2015	2016	2015
Deposits - lease agreements	25,896	21,034	25,896	21,034
Others	1,226	636	1,224	634
Total other non-current assets	27,122	21,670	27,120	21,668

11. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	June	December	June	December
	2016	2015	2016	2015
Trade accounts payable - unrelated parties	7,985	12,833	6,581	8,074
Trade accounts payable - related parties				
(Note 3)	2,240	1,509	3,698	3,546
Retention	5,040	3,071	5,040	3,071
Other payables - related parties				
(Note 3)	11	246	11	169
Accrued payroll and bonus expenses	8,933	10,309	8,599	9,794
Accrued expenses - others	8,877	10,169	8,346	9,579
Others payables	244	1,000	100	177
Total trade and other payables	33,330	39,137	32,375	34,410



12. Long-term loan

(Unit: Thousand Baht)

	Facility amount (Million Baht)	Interest rate (% p.a.)	Consolidated and Separate financial statements	
			30 June 2016	31 December 2015
Long-term loan from financial institution	240	MLR - 3.0	20,000	-
Less: Current portion			(2,000)	-
Long-term loan, net of current portion			18,000	-

The principal repayment is due on monthly basis, with 60 periods each. The first repayment is due in January 2017. The loan is secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 9 to the interim financial statements.

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

As at 30 June 2016, the long-term credit facilities of a Company which have not yet been drawn down amounted to Baht 220 million (31 December 2015: Nil).

Movements in the long-term loans from financial institution during the six-month periods ended 30 June 2016 are summarised below:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Balance as at 1 January 2016	-
Add: Increase during period	20,000
Balance as at 30 June 2016	20,000

13. Income tax

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



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Income tax expenses for the three-month and six-month periods ended 30 June 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	6,048	5,940	5,849	5,208
Deferred tax:				
Relating to origination and reversal of temporary differences	(303)	41	(325)	48
Income tax expenses reported in the statements of comprehensive income	5,745	5,981	5,524	5,256

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	14,534	11,847	13,107	9,847
Deferred tax:				
Relating to origination and reversal of temporary differences	(440)	(37)	(481)	(17)
Income tax expenses reported in the statements of comprehensive income	14,094	11,810	12,626	9,830

14. Earnings per share

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



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

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Profit for the period (Thousand Baht)	30,663	23,592	26,678	20,299
Weighted average number of ordinary shares (Thousand shares)	570,000	570,000	570,000	570,000
Profit per share (Baht/share)	0.054	0.041	0.047	0.036

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Profit for the period (Thousand Baht)	65,907	47,260	54,875	37,919
Weighted average number of ordinary shares (Thousand shares)	570,000	570,000	570,000	570,000
Profit per share (Baht/share)	0.116	0.083	0.096	0.067

15. Segment information

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

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2016 and 2015.

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 30 June

	Spa services		Sales of spa products and healthy products		Hotel and restaurant		Elimination		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from external customers	147	104	10	5	14	12	-	-	171	121
Internal - segment revenues	2	1	5	3	-	-	(7)	(4)	-	-
Total revenues	149	105	15	8	14	12	(7)	(4)	171	121
Segment profit	43	37	7	3	5	5	-	-	55	45
Revenues and expenses which have not been allocated :										
Other income									3	4
Selling expenses									(6)	(4)
Administrative expenses									(15)	(15)
Profit before income tax expenses									37	30
Income tax expenses									(6)	(6)
Profit for the period									31	24

(Unit: Million Baht)

For the six-month periods ended 30 June

	Spa services		Sales of spa products and healthy products		Hotel and restaurant		Elimination		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from external customers	290	198	18	10	34	29	-	-	342	237
Internal - segment revenues	3	2	11	6	-	-	(14)	(8)	-	-
Total revenues	293	200	29	16	34	29	(14)	(8)	342	237
Segment profit	90	70	12	7	14	14	-	-	116	91
Revenues and expenses which have not been allocated :										
Other income									8	6
Selling expenses									(13)	(9)
Administrative expenses									(31)	(28)
Finance costs									-	(1)
Profit before income tax expenses									80	59
Income tax expenses									(14)	(12)
Profit for the period									66	47



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Geographic segments

Management considers that the Company and its subsidiaries operate in a single geographic area, mainly in Thailand, and has, therefore, only one major geographic segment.

Major customer

During the three-month and six-month periods ended 30 June 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues because their businesses are the sale and service to minor customers.

16. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2015	Annual General Meeting of the Company's shareholders on 28 March 2016	28.50	0.050
Final dividends for 2014	Annual General Meeting of the Company's shareholders on 30 March 2015	14.25	0.025

17. Commitments and contingent liabilities**17.1 Capital commitments**

As at 30 June 2016 and 31 December 2015, the Company has the outstanding commitments for construction, which the contracts have already been signed. These are summarised as follows:

	(Unit: Million Baht)	
	Consolidated and Separate financial statements	
	30 June 2016	31 December 2015
Construction costs	51.0	20.4



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17.2 Operating lease commitments

The Company and its subsidiaries have entered into several operating lease agreements in respect of the lease of service locations and equipment. The terms of the agreements are generally between 1 and 5 years. In addition, the Company has entered into operating lease agreements in respect of the lease of land with a related party for the period of 30 years, due in December 2042. Under the agreement, not more than 15% of rental fee will be increased every 3 years.

As at 30 June 2016 and 31 December 2015, future minimum payments required under these non-cancellable operating leases agreement and related service agreements were as follows.

	(Unit: Million Baht)	
	Consolidated and Separate financial statements ¹	
	30 June 2016	31 December 2015
Payable:		
In up to 1 year	78	87
In over 1 and up to 5 years	93	102
In over 5 years	13	19

In addition, 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. For the three-month and six-month periods ended 30 June 2016, such rental and service fees that the Company had to pay to such lessor amounted to Bath 0.1 million and Bath 0.2 million, respectively (2015: Nil).

As at 30 June 2016, future minimum sublease payments expected to be received under non-cancellable subleases for partial areas amounting to Baht 9.4 million (31 December 2015: Baht 5.1 million). During the three-month and six-month periods ended 30 June 2016, the Company recognised rental expenses of Baht 1.5 million and Baht 3.1 million, respectively (2015: Baht 1.0 million and Baht 2.0 million, respectively) and subleasing revenue for partial areas of Baht 0.9 million and Baht 1.8 million, respectively (2015: Baht 0.6 million and Baht 1.2 million, respectively).



17.3 Letters of guarantees

As at 30 June 2016, there were outstanding bank guarantees of Baht 2.2 million (31 December 2015: Baht 2.2 million) (the Company only: Baht 1.5 million (31 December 2015: Baht 1.6 million)) issued by the banks on behalf of the Company and its subsidiaries as required in the normal course of business.

18. Fair value of financial instruments

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

Fair value hierarchy

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

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

As of 30 June 2016 and 31 December 2015, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	30 June 2016			
	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Lands	-	68,778	-	68,778



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STAR WELLNESS GROUP PUBLIC COMPANY LIMITED

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(Unaudited but reviewed)

(Unit: Thousand Baht)

31 December 2015

Consolidated and Separate financial statements

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
Unit trusts - domestic	-	26,246	-	26,246
Lands	-	68,778	-	68,778

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

19. Approval of interim financial statements

These interim financial statements were authorised to issue by the Company's Board of Directors on 8 August 2016.



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