

Siam Wellness Group Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2015



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

ปอง-อิสิง จิตววงวงศ์
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Independent Auditor's Report

To the Shareholders of Siam Wellness Group Public Company Limited

I have audited the accompanying consolidated financial statements of Siam Wellness Group Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Siam Wellness Group Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

ปองสิทธิ์ จันทวนิชสิทธิ์



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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siam Wellness Group Public Company Limited and its subsidiaries and of Siam Wellness Group Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Other matter

The consolidated financial statements of Siam Wellness Group Public Company Limited and its subsidiaries and the separate financial statements of Siam Wellness Group Public Company Limited for the year ended 31 December 2014 were audited by another auditor who expressed an unqualified opinion on those statements, under his report dated 25 February 2015.

Sumana Punpongsanon

Certified Public Accountant (Thailand) No. 5872

EY Office Limited

Bangkok: 23 February 2016



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

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Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	8	60,246,123	104,039,050	36,563,126	89,819,388
Current investments	9	26,245,682	100,000,000	26,245,682	100,000,000
Trade and other receivables	7, 10	4,085,201	6,324,136	2,450,211	4,183,505
Short term loans to and interest receivables from subsidiary	7	-	-	-	5,023,425
Inventories	11	13,827,086	7,482,996	11,066,434	6,886,145
Other current assets		9,218,830	3,159,069	8,736,008	2,975,542
Total current assets		113,622,922	221,005,251	85,061,461	208,888,005
Non-current assets					
Investments in subsidiaries	12	-	-	101,705,460	101,705,460
Leasehold rights	13	14,134,283	4,641,544	14,134,283	4,641,544
Property, plant and equipment	14	480,016,885	358,976,738	410,925,688	291,951,845
Goodwill	6	20,340,000	-	20,340,000	-
Intangible assets	15	5,022,223	538,137	4,742,592	303,761
Deferred tax assets	26	212,113	208,745	-	-
Other non-current assets	16	21,669,882	15,485,377	21,667,882	15,485,377
Total non-current assets		541,395,386	379,850,541	573,515,905	414,087,987
Total assets		655,018,308	600,855,792	658,577,366	622,975,992

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



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

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Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	7, 17	43,323,843	31,917,283	38,333,874	30,551,628
Current portion of long-term loans	18	-	12,240,000	-	12,240,000
Current portion of liabilities under financial lease agreements	19	494,034	467,835	494,034	467,835
Income tax payable		14,343,266	2,662,024	11,858,482	1,068,119
Advance received		14,847,703	7,481,763	12,984,374	5,793,939
Other current liabilities		2,405,249	1,614,766	2,084,521	1,112,382
Total current liabilities		75,414,095	56,383,671	65,755,285	51,233,903
Non-current liabilities					
Long term loans from financial institution - net of current portion	18	-	44,809,000	-	44,809,000
Liabilities under financial lease agreements - net of current portion	19	747,607	1,241,641	747,607	1,241,641
Provision for long-term employee benefits	20	4,173,332	3,760,414	3,543,420	3,210,420
Deferred tax liabilities	26	9,612,747	6,496,771	9,612,747	6,496,771
Other non-current liabilities		10,164,032	5,200,696	9,654,190	4,770,726
Total non-current liabilities		24,697,718	61,508,522	23,557,964	60,528,558
Total liabilities		100,111,813	117,892,193	89,313,249	111,762,461
Shareholders' equity					
Share capital					
Registered	21				
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
Retained earnings					
Appropriated - statutory reserve	23	9,919,593	4,836,092	9,473,612	4,836,092
Unappropriated		129,103,892	69,313,297	97,681,536	51,337,270
Other components of shareholders' equity		(5,523,364)	(12,592,164)	40,703,115	33,634,315
Equity attributable to shareholders' of the Company		554,905,975	482,963,079	569,264,117	511,213,531
Non-controlling interests of the subsidiaries		520	520	-	-
Total shareholders' equity		554,906,495	482,963,599	569,264,117	511,213,531
Total liabilities and shareholders' equity		655,018,308	600,855,792	658,577,366	622,975,992

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

Directors



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

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Siam Wellness Group Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit or loss:					
Revenues					
Revenue from sales		47,719,121	38,192,411	19,685,693	13,703,279
Revenue from services		485,523,611	300,220,952	449,862,578	271,641,591
Other income		10,262,023	4,945,061	22,229,123	11,297,549
Total revenues		<u>543,504,755</u>	<u>343,358,424</u>	<u>491,777,394</u>	<u>296,642,419</u>
Expenses					
Cost of sales		29,307,836	24,900,977	11,749,796	8,693,995
Cost of services		305,658,938	200,442,839	298,243,035	193,120,251
Selling expenses		21,731,331	18,333,016	18,833,681	15,792,649
Administrative expenses		52,042,724	54,370,422	46,041,695	48,279,719
Total expenses		<u>408,740,829</u>	<u>298,047,254</u>	<u>374,868,207</u>	<u>265,886,614</u>
Profit before finance cost and income tax expenses		<u>134,763,926</u>	<u>45,311,170</u>	<u>116,909,187</u>	<u>30,755,805</u>
Finance cost		(1,172,147)	(5,384,111)	(1,172,147)	(5,092,924)
Profit before income tax expenses		<u>133,591,779</u>	<u>39,927,059</u>	<u>115,737,040</u>	<u>25,662,881</u>
Income tax expenses	26	(27,097,104)	(6,679,896)	(22,986,654)	(3,929,553)
Profit for the year		<u>106,494,675</u>	<u>33,247,163</u>	<u>92,750,386</u>	<u>21,733,328</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Changes in revaluation of land - net of income tax		7,068,800	2,237,986	7,068,800	2,237,986
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gains (losses) - net of income tax		1,129,477	(421,168)	981,400	(541,813)
Total other comprehensive income for the year		<u>8,198,277</u>	<u>1,816,818</u>	<u>8,050,200</u>	<u>1,696,173</u>
Total comprehensive income for the year		<u>114,692,952</u>	<u>35,063,981</u>	<u>100,800,586</u>	<u>23,429,501</u>
Profit attributable to:					
Equity holders of the Company		106,494,675	33,247,163	92,750,386	21,733,328
Non-controlling interests of the subsidiaries		-	-	-	-
		<u>106,494,675</u>	<u>33,247,163</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		114,692,952	35,063,981	100,800,586	23,429,501
Non-controlling interests of the subsidiaries		-	-	-	-
		<u>114,692,952</u>	<u>35,063,981</u>		

Earnings per share

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Basic earnings per share

Profit attributable to equity holders of the Company

0.19	0.08	0.16	0.05
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The accompanying notes are an integral part of the financial statements.

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

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Siam Wellness Group Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2015

(Unit: Baht)

Consolidated financial statements												
Equity attributable to shareholders of the Company												
Other components of shareholders' equity												
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Discount on business combination under common control	Other comprehensive income		Total 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					
Balance as at 1 January 2014		100,000,000	38,706,000	-	81,323,394	(46,226,479)	31,396,329	(14,830,150)	520	205,199,244	520	205,199,764
Profit for the year		-	-	-	33,247,163	-	-	-	-	33,247,163	-	33,247,163
Other comprehensive income for the year		-	-	-	(421,168)	-	2,237,986	2,237,986	-	1,816,818	-	1,816,818
Total comprehensive income for the year		-	-	-	32,825,995	-	2,237,986	2,237,986	-	35,063,981	-	35,063,981
Increase share capital	21	42,500,000	240,199,854	-	-	-	-	-	-	282,699,854	-	282,699,854
Appropriation of retained earnings		-	-	4,836,092	(4,836,092)	-	-	-	-	-	-	-
Dividend paid	24	-	-	-	(40,000,000)	-	-	-	-	(40,000,000)	-	(40,000,000)
Balance as at 31 December 2014		142,500,000	278,905,854	4,836,092	69,313,297	(46,226,479)	33,634,315	(12,592,164)	520	482,963,079	520	482,963,599
Balance as at 1 January 2015		142,500,000	278,905,854	4,836,092	69,313,297	(46,226,479)	33,634,315	(12,592,164)	520	482,963,079	520	482,963,599
Profit for the year		-	-	-	106,494,675	-	-	-	-	106,494,675	-	106,494,675
Other comprehensive income for the year		-	-	-	1,129,477	-	7,068,800	7,068,800	-	8,198,277	-	8,198,277
Total comprehensive income for the year		-	-	-	107,624,152	-	7,068,800	7,068,800	-	114,692,952	-	114,692,952
Appropriation of retained earnings		-	-	5,083,501	(5,083,501)	-	-	-	-	-	-	-
Dividend paid	24	-	-	-	(42,750,056)	-	-	-	-	(42,750,056)	-	(42,750,056)
Balance as at 31 December 2015		142,500,000	278,905,854	9,919,593	129,103,892	(46,226,479)	40,703,115	(5,523,364)	520	554,905,975	520	554,906,495

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



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

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Siam Wellness Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

Separate financial statements									
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity			
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income			
						Surplus on revaluation of assets	other components of shareholders' equity	Total	
2014									
Balance as at 1 January 2014		100,000,000	38,706,000	-	74,981,847	31,396,329	31,396,329	31,396,329	245,084,176
Profit for the year		-	-	-	21,733,328	-	-	-	21,733,328
Other comprehensive income for the year		-	-	-	(541,813)	2,237,986	2,237,986	2,237,986	1,696,173
Total comprehensive income for the year		-	-	-	21,191,515	2,237,986	2,237,986	2,237,986	23,429,501
Increase share capital	21	42,500,000	240,199,854	-	-	-	-	-	282,699,854
Appropriation of retained earnings		-	-	4,836,092	(4,836,092)	-	-	-	-
Dividend paid	24	-	-	-	(40,000,000)	-	-	-	(40,000,000)
Balance as at 31 December 2014		142,500,000	278,905,854	4,836,092	51,337,270	33,634,315	33,634,315	33,634,315	511,213,531
2015									
Balance as at 1 January 2015		142,500,000	278,905,854	4,836,092	51,337,270	33,634,315	33,634,315	33,634,315	511,213,531
Profit for the year		-	-	-	92,750,386	-	-	-	92,750,386
Other comprehensive income for the year		-	-	-	981,400	7,068,800	7,068,800	7,068,800	8,050,200
Total comprehensive income for the year		-	-	-	93,731,786	7,068,800	7,068,800	7,068,800	100,800,586
Appropriation of retained earnings		-	-	4,637,520	(4,637,520)	-	-	-	-
Dividend paid	24	-	-	-	(42,750,000)	-	-	-	(42,750,000)
Balance as at 31 December 2015		142,500,000	278,905,854	9,473,612	97,681,536	40,703,115	40,703,115	40,703,115	569,264,117



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

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 cash flows

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before tax	133,591,779	39,927,059	115,737,040	25,662,881
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	39,018,757	27,846,111	34,549,646	23,134,483
Unrealised gain on the change in fair value of trading securities	(299,050)	-	(299,050)	-
Bad debts and allowance for doubtful accounts (reversal)	19,657	(149,897)	(2,994)	3,489
Reduction of inventories to net realisable value	5,790	761,673	43,705	481,723
Impairment loss on assets (reversal)	(2,565,416)	2,565,416	(2,565,416)	2,565,416
Gain (loss) on sales of property, plant and equipment	(499)	335,908	(1,231)	335,908
Loss on write-off of equipment	58,113	-	7,584	-
Loss on write-off of withholding taxes	-	64	-	-
Long-term employee benefits expenses	1,821,529	1,239,789	1,559,750	1,012,347
Dividend income	-	-	(4,992,556)	-
Interest income	(1,232,700)	(434,738)	(1,048,814)	(444,578)
Interest expenses	1,172,147	5,384,111	1,172,147	5,092,924
Profit from operating activities before changes in operating assets and liabilities	171,590,107	77,475,496	144,159,811	57,844,593
Decrease (increase) in operating assets				
Current investments	74,053,368	(100,000,000)	74,053,368	(100,000,000)
Trade and other receivables	2,219,278	(258,010)	1,736,288	(2,396,557)
Inventories	(6,115,664)	1,233,913	(3,989,778)	(24,720)
Other current assets	(6,059,762)	(1,844,995)	(5,760,467)	(1,943,639)
Other non-current assets	(5,762,505)	(5,672,875)	(5,760,505)	(5,677,065)
Increase (decrease) in operating liabilities				
Trade and other payables	12,943,622	2,807,321	9,907,495	4,483,057
Advance received	7,365,940	2,040,355	7,190,435	1,411,622
Other current liabilities	790,483	(183,301)	972,139	(160,670)
Other non-current liabilities	4,854,619	577,344	4,774,747	485,594
Cash flows from operating activities	255,879,486	(23,824,752)	227,283,533	(45,977,785)
Cash paid for interest expenses	(1,063,429)	(5,738,018)	(1,063,429)	(5,004,173)
Cash paid for income tax	(14,349,589)	(14,358,629)	(11,092,866)	(12,487,320)
Net cash flows from operating activities	240,466,468	(43,921,399)	215,127,238	(63,469,278)

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



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

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Siam Wellness Group Public Company Limited and its subsidiaries
Statement of cash flows (continued)
For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Decrease (increase) in loans to and interest receivables from subsidiary	-	-	5,023,425	(5,000,000)
Cash paid for purchase of spa business (Note 6)	(40,000,000)	-	(40,000,000)	-
Cash paid for acquisition of leasehold rights	(11,446,716)	(63,936)	(11,446,716)	(63,936)
Cash paid for acquisition of property, plant and equipment	(128,974,419)	(90,237,678)	(123,067,078)	(89,094,862)
Cash paid for acquisition of intangible assets	(4,808,084)	(283,537)	(4,677,570)	(283,537)
Proceeds from disposal of property, plant and equipment	4,015	1,686,543	9,904	1,686,543
Cash received from dividend	-	-	4,992,556	-
Cash received from interest income	1,232,700	220,217	1,048,814	206,632
Net cash flows used in investing activities	(183,992,504)	(88,678,391)	(168,116,665)	(92,549,160)
Cash flows from financing activities				
Decrease in short-term loans from financial institution	-	(16,000,000)	-	-
Decrease in liabilities under financial lease agreements	(467,835)	(443,025)	(467,835)	(443,025)
Increase in long-term loans from financial institution	-	80,500,000	-	80,500,000
Repayment of long-term loans from financial institution	(57,049,000)	(89,751,000)	(57,049,000)	(89,751,000)
Proceeds from increase in share capital	-	42,500,000	-	42,500,000
Proceeds from share premium	-	246,500,000	-	246,500,000
Transaction costs for issuance of share capital	-	(6,300,146)	-	(6,300,146)
Cash paid for dividend	(42,750,056)	(40,000,000)	(42,750,000)	(40,000,000)
Net cash flows from (used in) financing activities	(100,266,891)	217,005,829	(100,266,835)	233,005,829
Net increase (decrease) in cash and cash equivalents	(43,792,927)	84,406,039	(53,256,262)	76,987,391
Cash and cash equivalents at beginning of year	104,039,050	19,633,011	89,819,388	12,831,997
Cash and cash equivalents at end of year (Note 8)	60,246,123	104,039,050	36,563,126	89,819,388

Supplemental cash flows information

Non-cash transactions

Increase in surplus on revaluation of land	8,836,000	2,797,483	8,836,000	2,797,483
Increase (decrease) in liabilities from acquisition of property, plant and equipment	(1,537,062)	688,213	(2,125,249)	688,213
Transfer deposits to leasehold rights	-	1,823,976	-	1,823,976
Actuarial (gains) losses	(1,408,611)	524,751	(1,226,750)	677,266

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



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

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พงษ์วิทย์ จันทวนนภกิจ

Siam Wellness Group Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2015

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 massage for health. Its registered head office is at No. 483, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Dindang, Bangkok. As at 31 December 2015, the Company has a total of 21 branches in Bangkok and upcountry (2014: 13 branches).

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

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

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



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Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015 (Percent)	2014 (Percent)
Siam Wellness Resort Co., Ltd.	Hotel and restaurant operations	Thailand	99.99	99.99
Siam Wellness Lab Co., Ltd.	Manufacturing and distributing spa product	Thailand	99.99	99.99
Siam Wellness Education Co, Ltd.	A school for Thai massage	Thailand	99.97	99.97

- 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.
- 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

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of reporting and terminology, and provision of interpretations and

accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

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

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

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

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

TFRS 13 Fair Value Measurement

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

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

(b) Financial reporting standards that will become effective in the future

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

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.

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 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.



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

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

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.

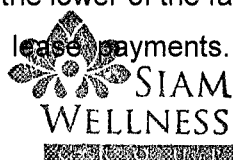
4.10 Related party transactions

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

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

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 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. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company 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.

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 post-employment benefits 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 recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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 categorise of input to be used in fair value measurement 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

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:

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 (bank and counterparty, both) 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 valuer 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.

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. Acquisition of spa business

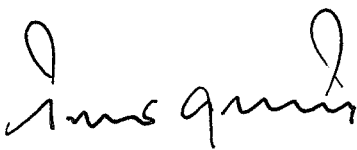
On 29 June 2015, a meeting of the Company's Board of Directors approved an acquisition of spa business from non-related persons for its business expansion regarding the Company's 3-stars spa project. The Company and non-related persons entered into the relevant agreements on 1 August 2015.

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

	(Unit: Thousand Baht)
Inventories	234
Property, plant and equipment (Note 14)	19,004
Other non-current assets	422
Total assets	19,660
Net assets value at the acquisition date	19,660
Excess of purchase price over net asset value	20,340
Purchase price	40,000

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


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


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(Unit: Thousand Baht)

Fair value of net assets received	19,660
Goodwill	20,340
Purchase price	40,000

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

During the 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.

	Consolidated		Separate		(Unit: Million Baht)
	financial statements		financial statements		Transfer pricing policy
	2015	2014	2015	2014	
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Revenue from services	-	-	0.4	0.5	Market price
Revenue from sales	-	-	0.1	-	Market price
Revenue from rental and utilities	-	-	6.5	5.7	Contract price
Other income	-	-	2.1	1.8	Actual price
Dividend income	-	-	5.0	-	Declared rate
Purchase of goods and services	-	-	17.4	14.5	Market price
Interest expenses	-	-	-	0.2	Fixed deposit rate plus 1.50% p.a.
Commission expenses	-	-	1.5	1.0	Contract price



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	(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2015	2014	2015	2014	
<u>Transactions with related parties</u>					
Revenue from services	0.1	0.1	0.1	-	Market price
Revenue from sales	0.3	0.1	-	-	Market price
Purchase of goods and services	11.3	7.4	9.9	6.6	Market price
Rental and utilities expenses	13.7	10.4	13.7	10.4	Contract price

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables - subsidiaries (Note 10)				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	631	320
Siam Wellness Lab Co., Ltd.	-	-	7	7
Siam Wellness Education Co., Ltd.	-	-	6	-
Total	-	-	644	327
Trade receivables - related parties (Note 10)				
Blooming Co., Ltd.	1	2	-	-
Cyberprint Co., Ltd.	112	49	96	24
B.U. Enterprise Co., Ltd.	-	2	-	-
Total	113	53	96	24
Short-term loans to and interest receivables from subsidiary				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.				
Short-term loans	-	-	-	5,000
Interest receivables	-	-	-	23
Total	-	-	-	5,023
Trade payables - subsidiaries (Note 17)				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	187	112
Siam Wellness Lab Co., Ltd.	-	-	1,828	1,575
Siam Wellness Education Co., Ltd.	-	-	339	287
Total	-	-	2,354	1,974



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	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<u>Trade payables - related parties (Note 17)</u>				
Blooming Co., Ltd.	898	703	767	635
B.U. Enterprise Co., Ltd.	63	65	47	48
Cyberprint Co., Ltd.	305	354	135	247
Asian Fortune Property Co., Ltd.	243	77	243	77
Total	1,509	1,199	1,192	1,007
<u>Other payables - related parties (Note 17)</u>				
Directors of the Company	246	362	169	276
Total	246	362	169	276

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

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2015	Increase	Decrease	31 December 2015
<u>Short-term loans to and interest receivables from subsidiary</u>				
Siam Wellness Resort Co., Ltd.	5,023	-	(5,023)	-
Total	5,023	-	(5,023)	-

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	Consolidated financial		(Unit: Million Baht)	
			Separate financial	
	statements		statements	
	2015	2014	2015	2014
Short-term employee benefits	17.7	16.1	17.7	16.1
Post-employment benefits	0.7	0.3	0.7	0.3
Total	18.4	16.4	18.4	16.4



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Significant agreements with related parties

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

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

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

2. On 1 January 2013, the Company entered into a head office rental agreement with a related person for the period of 3 years, due in December 2015 and such agreement is renewable twice for every 3 years. Under the agreement, the Company committed to pay an annual rental fee amounting to Baht 1.3 million and not more than 15% of rental fee can be increased every 3 years.

Furthermore, on 1 January 2013, the Company made sublease agreements with Siam Wellness Lab Co., Ltd. and Siam Wellness Education Co., Ltd. ("sublessees") for partial areas for the period of 3 years, due in December 2015 and such agreements are renewable twice for every 3 years. Under the agreements, the sublessees committed to pay an annual rental fee amounting to Baht 0.6 million.

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



4. On 1 February 2014, the Company has entered into a rental and service agreement with Asian Fortune Property Co., Ltd. for the period of 3 years, due in January 2017 and such agreement is renewable twice for every 3 years. Under the agreement, the Company committed to pay an annual rental and service fees amounting to Baht 6.6 million.
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 every 3 years. Under the agreement, the Company committed to pay an annual rental and service fees amounting to Baht 1.6 million.

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 committed to pay an annual rental and service fee amounting to Baht 1.1 million.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	3,245	2,629	2,755	2,257
Bank deposits	57,001	101,410	33,808	87,562
Total	60,246	104,039	36,563	89,819

As at 31 December 2015, bank deposits in saving accounts and fixed deposits carried interests between 0.25 and 0.38 percent per annum (2014: between 0.35 and 0.38 percent per annum).



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9. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Fixed deposits	-	100,000	-	100,000
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 trading securities	26,246	-	26,246	-
Total current investments	26,246	100,000	26,246	100,000

10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2015	2014	2015	2014
Trade receivables - related parties (Note 7)				
Aged on the basis of due dates				
Not yet due	113	51	740	351
Past due				
Up to 3 months	-	2	-	-
Total trade receivables - related parties, net	113	53	740	351
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	1,997	1,996	1,051	469
Past due				
Up to 3 months	318	956	101	364
3 - 6 months	38	126	-	109
6 - 12 months	11	6	-	6
Over 12 months	122	105	1	1
Total	2,486	3,189	1,153	949
Less: Allowance for doubtful debts	(128)	(108)	(1)	(4)
Total trade receivables - unrelated parties, net	2,358	3,081	1,152	945
Total trade receivable - net	2,471	3,134	1,892	1,296



	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2015	2014
<u>Other receivables</u>		
Other receivables - unrelated parties	1,850	3,426
Less: Allowance for doubtful debts	(236)	(236)
Total other receivables, net	1,614	3,190
Total trade and other receivables - net	4,085	6,324

11. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2015	2014	2015	2014	2015	2014
Finished goods	4,339	1,928	(219)	(159)	4,120	1,769
Supplies	7,363	5,012	(470)	(502)	6,893	4,510
Food and beverage	177	154	-	-	177	154
Others	3,022	1,457	(385)	(407)	2,637	1,050
Total	14,901	8,551	(1,074)	(1,068)	13,827	7,483

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2015	2014	2015	2014	2015	2014
Finished goods	4,433	2,880	(200)	(127)	4,233	2,753
Supplies	6,948	4,623	(461)	(490)	6,487	4,133
Others	346	-	-	-	346	-
Total	11,727	7,503	(661)	(617)	11,066	6,886



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During the current year, the Company reduced cost of inventories by Baht 0.3 million (2014: Baht 0.8 million) (The Company only: Baht 0.2 million and 2014: Baht 0.5 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 0.3 million (2014: Nil) (The Company only: Baht 0.2 million and 2014: Nil), and reduced the amount of inventories recognised as expenses during the year.

12. Investments in subsidiaries

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

Company's name	Called-up share capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
			(%)	(%)				
Siam Wellness Lab Co., Ltd.	1,000	1,000	99.99	99.99	2,000	2,000	2,363	-
Siam Wellness Education Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	-	-
Siam Wellness Resort Co., Ltd.	60,000	60,000	99.99	99.99	98,705	98,705	2,629	-
Total					101,705	101,705	4,992	-

13. Leasehold rights

	(Unit: Thousand Baht) Consolidated and Separate financial statements
Cost	
1 January 2014	4,313
Additions	64
Transfer in	1,824
31 December 2014	6,201
Additions	11,447
31 December 2015	17,648
Amortisation	
1 January 2014	603
Amortisation for the year	957
31 December 2014	1,560
Amortisation for the year	1,954
31 December 2015	3,514



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ปองสวัสดิ์ จักรวรรพณ์

(Unit: Thousand Baht)
Consolidated and
Separate financial
statements

Net book value

31 December 2014

4,641

31 December 2015

14,134

Amortisation

2014

957

2015

1,954

14. 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				
Cost/Revalued amount:									
1 January 2014	55,182	2,684	333,771	66,790	13,627	4,632		476,686	
Additions	1,963	-	9,005	9,698	958	69,301		90,925	
Revaluations	2,797	-	-	-	-	-		2,797	
Disposals/Write-off	-	-	(2,773)	(4,540)	-	-		(7,313)	
Transfer in (out)	-	-	67,259	2,803	-	(70,062)		-	
31 December 2014	59,942	2,684	407,262	74,751	14,585	3,871		563,095	
Additions	-	-	61,625	11,473	1,668	52,670		127,436	
Revaluations	8,836	-	-	-	-	-		8,836	
Increase due to acquisition of business (Note 6)	-	-	16,492	2,512	-	-		19,004	
Disposals/Write-off	-	-	-	(3,211)	-	-		(3,211)	
Transfer in (out)	-	-	40,030	2,523	-	(42,553)		-	
31 December 2015	68,778	2,684	525,409	88,048	16,253	13,988		715,160	
Accumulated depreciation:									
1 January 2014	-	2,647	120,904	48,751	7,774	-		180,076	
Depreciation for the year	-	19	18,107	6,770	1,872	-		26,768	
Depreciation on disposals/write-off	-	-	(1,001)	(4,290)	-	-		(5,291)	
31 December 2014	-	2,666	138,010	51,231	9,646	-		201,553	
Depreciation for the year	-	12	26,002	8,728	1,998	-		36,740	
Depreciation on disposals/write-off	-	-	-	(3,150)	-	-		(3,150)	
31 December 2015	-	2,678	164,012	56,809	11,644	-		235,143	
Allowance for impairment loss:									
1 January 2014	-	-	-	-	-	-		-	
Increase during the year	-	-	-	-	-	2,565		2,565	
31 December 2014	-	-	-	-	-	2,565		2,565	
Decrease during the year	-	-	-	-	-	(2,565)		(2,565)	
31 December 2015	-	-	-	-	-	-		-	



(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			
Net book value:								
31 December 2014	59,942	18	269,252	23,520	4,939	1,306		358,977
31 December 2015	68,778	6	361,397	31,239	4,609	13,988		480,017
Depreciation for the year								
2014 (Baht 23.9 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)								26,768
2015 (Baht 33.7 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)								36,740

(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			
Cost/Revalued amount:							
1 January 2014	55,182	219,148	45,637	11,879	4,632		336,478
Additions	1,963	8,622	8,939	958	69,301		89,783
Revaluations	2,797	-	-	-	-		2,797
Disposals/Write-off	-	(2,773)	(4,540)	-	-		(7,313)
Transfer in (out)	-	67,259	2,803	-	(70,062)		-
31 December 2014	59,942	292,256	52,839	12,837	3,871		421,745
Additions	-	59,192	9,500	1,668	50,582		120,942
Revaluations	8,836	-	-	-	-		8,836
Increase due to acquisition of business (Note 6)	-	16,492	2,512	-	-		19,004
Disposals/write-off	-	-	(16)	-	-		(16)
Transfer in (out)	-	38,034	2,503	-	(40,537)		-
31 December 2015	68,778	405,974	67,338	14,505	13,916		570,511
Accumulated depreciation:							
1 January 2014	-	73,168	30,889	6,323	-		110,380
Depreciation for the year	-	14,981	5,392	1,766	-		22,139
Depreciation on disposals/write-off	-	(1,001)	(4,290)	-	-		(5,291)
31 December 2014	-	87,148	31,991	8,089	-		127,228
Depreciation for the year	-	22,916	7,544	1,898	-		32,358
Depreciation on disposals/write-off	-	-	(1)	-	-		(1)
31 December 2015	-	110,064	39,534	9,987	-		159,585



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(Unit: Thousand Baht)

Separate financial statements

	Separate financial statements					
	Revaluation basis	Cost basis				
		Buildings and building improvements	Furniture, fixtures and equipment	Motor vehicles	Assets under installation and under construction	Total
	Lands					
Allowance for impairment loss:						
1 January 2014	-	-	-	-	-	-
Increase during the year	-	-	-	-	2,565	2,565
31 December 2014	-	-	-	-	2,565	2,565
Decrease during the year	-	-	-	-	(2,565)	(2,565)
31 December 2015	-	-	-	-	-	-
Net book value:						
31 December 2014	59,942	205,108	20,848	4,748	1,306	291,952
31 December 2015	68,778	295,910	27,804	4,518	13,916	410,926
Depreciation for the year						
2014 (Baht 19.3 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)						22,139
2015 (Baht 29.4 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)						32,358

The Company arranged for an independent professional valuer to appraise the value of land in 2015 and 2014. Land was revalued using the comparable market approach for the basis of the revaluation.

Had the lands carried in the financial statements on a historical cost basis, their net book value as of 31 December 2015 and 2014 would have been as follows:

(Unit: Thousand Baht)

Consolidated and Separate
Financial statements

	2015	2014
Land	17,899	17,899



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

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2015	2014
Original costs	17,899	17,899
Surplus from revaluations	50,879	42,043
Revalued amount	68,778	59,942

As at 31 December 2015, the Company had vehicles with net book value of Baht 1.5 million (2014: Baht 2.2 million), which were acquired under finance lease agreements.

As at 31 December 2015, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 87.8 million (2014: Baht 88.5 million) (The Company only: Baht 54.6 million (2014: Baht 52.7 million)).

As at 31 December 2015, the Company has pledged its land and structures thereon amounting to Baht 85.1million (2014: Baht 78.5 million) as collateral against its bank overdraft, the letter of guarantees issuance, and long-term loans facility received from financial institution as disclosed in Note 18 and Note 30.3 to the financial statements.

15. Intangible assets

The net book value of intangible assets as at 31 December 2015 and 2014 is presented below.

	Consolidated financial statements				Separate financial statements		
	Computer						
	Licences	software	Trademark	Total	Licences	Trademark	Total
As at 31 December 2015							
Cost	579	680	4,673	5,932	579	4,673	5,252
Less: Accumulated amortisation	(314)	(400)	(196)	(910)	(314)	(196)	(510)
Net book value	265	280	4,477	5,022	265	4,477	4,742



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	(Unit: Thousand Baht)						
	Consolidated financial statements				Separate financial statements		
	Computer						
	Licences	software	Trademark	Total	Licences	Trademark	Total
As at 31 December 2014							
Cost	575	550	-	1,125	575	-	575
Less: Accumulated amortisation	(271)	(316)	-	(587)	(271)	-	(271)
Net book value	304	234	-	538	304	-	304

A reconciliation of the net book value of intangible assets for the years 2015 and 2014 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	538	375	304	59
Acquisition during the year	4,807	284	4,677	284
Amortisation	(323)	(121)	(239)	(39)
Net book value at end of year	5,022	538	4,742	304

16. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deposits - lease agreements	21,034	14,521	21,034	14,521
Others	636	964	634	964
Total other non-current assets	21,670	15,485	21,668	15,485

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Trade accounts payable	12,833	11,343	8,074	9,366
Trade accounts payable - related parties				
(Note 7)	1,509	1,199	3,546	2,981
Retention	3,071	4,766	3,071	4,766
Other payables - related parties				
(Note 7)	246	362	169	276
Accrued payroll and bonus expenses	10,309	7,455	9,794	7,265
Accrued expenses - others	10,169	5,241	9,579	4,914
Other payables	5,187	1,551	4,101	984
Total trade and other payables	43,324	31,917	38,334	30,552

18. Long-term loans from financial institution

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

The loans are secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 14 to the financial statements.

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



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

Movements in the long-term loans from financial institution during the year 2015 are summarised below:

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2015	57,049
Less: Repayments	(57,049)
Balance as at 31 December 2015	-

19. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2015	2014
Liabilities under finance lease agreements	1,328	1,878
Less: Deferred interest expenses	(86)	(168)
Total	1,242	1,710
Less: Portion due within one year	(494)	(468)
Liabilities under finance lease agreements - net of current portion	748	1,242

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



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

	(Unit: Million Baht)		
	Consolidated and Separate financial statements		
	2015		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	0.6	0.7	1.3
Deferred interest expenses	(0.1)	-	(0.1)
Present value of future minimum lease payments	0.5	0.7	1.2

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

20. 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 financial statements		Separate financial statements	
	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	3,760	1,996	3,210	1,521
Included in profit or loss:				
Current service cost	1,598	1,092	1,368	896
Interest cost	224	148	192	116
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(2,126)	-	(1,833)	-
Financial assumptions changes	1,240	307	989	236
Experience adjustments	(523)	217	(383)	441
Provision for long-term employee benefits at end of year	4,173	3,760	3,543	3,210



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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	
	2015	2014	2015	2014
Cost of sales	515	464	348	331
Selling and administrative expenses	1,307	776	1,212	681
Total expenses recognised in profit or loss	1,822	1,240	1,560	1,012

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 17 - 33 years (the Company only: 20 - 27 years) (2014: 24 - 33 years, the Company only: 27 - 29 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Discount rate	3.34 - 4.09	4.01 - 4.46	3.62 - 3.91	4.76 - 4.95
Salary increase rate	6.07	5.00	6.07	5.00
Turnover rate	5.00	1.82 - 5.88	5.00	1.82

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(0.2)	0.3	(0.2)	0.2
Salary increase rate	0.3	(0.2)	0.2	(0.2)
Turnover rate	(0.3)	0.3	(0.2)	0.2



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21. Share capital

At the Extraordinary Shareholders' Meeting No.1/2014 held on 7 May 2014, the shareholders had a resolution to change registered share capital from 1 million shares at Baht 100 par value to 400 million shares at Baht 0.25 par value and increase its registered share capital from Baht 100 million to Baht 142.5 million by issuing 170 million new ordinary shares at Baht 0.25 par value. Then, after its increase in registered share capital, its registered share capital will be Baht 142.5 million, divided into 570 million ordinary shares at Baht 0.25 par value. The Company registered such changes with the Department of Business Development on 8 May 2014.

On 20 to 22 October 2014, the Company offered 170 million ordinary shares, with a par value of Baht 0.25 each, at an offering price of Baht 1.70 each through Initial Public Offering. The net amount received from share subscription was Baht 282.7 million (less the subscription expenses of Baht 6.3 million.) The Company recognised premium on share capital of Baht 240.2 million. The Market for Alternative Investment (MAI) approved the 570 million ordinary shares with a par value of Baht 0.25 each as listed securities to be traded, effective from 31 October 2014.

Reconciliation of number of ordinary shares

	Consolidated and Separate financial statements		
	Number of ordinary		
	Par value (Baht per share)	shares (shares)	Amount (Thousand Baht)
<u>Registered share capital</u>			
As of 1 January 2014	100.00	1,000,000	100,000
Decrease par value of ordinary shares from approval of the Extraordinary General Meeting of the Company's shareholders on 7 May 2014	0.25	400,000,000	100,000
Increase share capital from approval of the Extraordinary General Meeting of the Company's shareholders on 7 May 2014	0.25	170,000,000	42,500
As of 31 December 2014	0.25	570,000,000	142,500



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	Consolidated and Separate financial statements		
	Number of ordinary		
	Par value	shares	Amount
	(Baht per share)	(shares)	(Thousand Baht)
<u>Issued and paid-up share capital</u>			
As of 1 January 2014	100.00	1,000,000	100,000
Decrease par value of ordinary shares from approval of the Extraordinary General Meeting of the Company's shareholders on 7 May 2014	0.25	400,000,000	100,000
Increase share capital from approval of the Extraordinary General Meeting of the Company's shareholders on 7 May 2014	0.25	170,000,000	42,500
As of 31 December 2014	0.25	570,000,000	142,500

22. Revaluation surplus on revaluation of assets

This represents surplus arising from revaluation of land. Its movement during the years 2015 and 2014 are detailed below.

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2015	2014
Balance - beginning of year (before net of income tax)	42,043	39,246
Add: Revaluation (before net of income tax)	8,836	2,797
Balance - end of year (before net of income tax)	50,879	42,043

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

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.

24. Dividends

Dividends	Approved by	Dividend (Million Baht)	Dividend per share (Baht)
Interim dividends for 2015	Board of Directors' Meeting No.6/2015 on 28 November 2015	28.50	0.050
Final dividends for 2014	Annual General Meeting of the Company's shareholders on 30 March 2015	14.25	0.025
Final dividends for 2013	Annual General Meeting of the Company's shareholders on 19 April 2014	40.00	40.000

25. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial		Separate financial	
	statements		statements	
	2015	2014	2015	2014
Changes in inventories	(6,350)	1,234	(4,224)	(25)
Purchases of inventories	57,057	38,127	46,969	32,672
Depreciation and amortization	39,019	27,846	34,550	23,134
Impairment losses on assets (reversal)	(2,565)	2,565	(2,565)	2,565
Employee expenses	182,341	121,161	166,617	105,412
Directors' remuneration	1,700	1,912	1,700	1,912
Rental expenses ^f	62,664	45,350	62,664	46,557
Public utilities	15,804	11,699	15,042	10,808
Maintenance and decorate locations expenses	10,892	7,295	10,906	7,979
Advertising and promotion expenses	13,373	12,210	13,314	12,470
Laundry expenses	12,130	5,680	11,358	5,680
Consulting fees	2,967	3,977	2,243	3,480



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26. Income tax

26.1 Deferred tax assets / liabilities

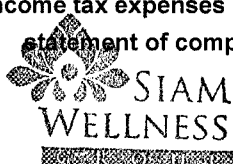
The components of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Deferred tax assets				
Allowance for doubtful accounts	73	69	47	48
Allowance for diminution in value of inventories	202	200	132	123
Allowance for impairment of assets	-	513	-	513
Provision for long-term employee benefits	825	746	709	642
Rental straight-line method	431	508	431	501
Interest and depreciation from decommissioning estimation	144	84	144	84
Total	1,675	2,120	1,463	1,911
Deferred tax liabilities				
Surplus on revaluation of land	10,176	8,408	10,176	8,408
Unrealised gain from revaluation of trading investments	60	-	60	-
Deferred sales and marketing revenues	840	-	840	-
Total	11,076	8,408	11,076	8,408
Deferred tax assets - net	212	209	-	-
Deferred tax liabilities - net	9,613	6,497	9,613	6,497

26.2 Income tax expenses

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Current income tax:				
Current income tax charge	26,031	7,834	21,884	5,104
Deferred tax:				
Relating to origination and reversal of temporary differences	1,066	(1,154)	1,103	(1,174)
Income tax expenses reported in the statement of comprehensive income	27,097	6,680	22,987	3,930



26.3 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 2015 and 2014 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deferred tax on gain from revaluation of land	1,767	559	1,767	559
Deferred tax on actuarial gains (losses)	279	(103)	246	(135)
	<u>2,046</u>	<u>456</u>	<u>2,013</u>	<u>424</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Accounting profit before tax	<u>133,592</u>	<u>39,927</u>	<u>115,737</u>	<u>25,633</u>
Applicable tax rate	0% - 20%	0% - 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	27,263	7,845	23,148	5,133
Effects of:				
Exempt dividend income	(999)	-	(999)	-
Non-deductible expenses	849	163	849	112
Additional expense deductions allowed	(11)	(1,315)	(11)	(1,315)
Others	(5)	(13)	-	-
Total	<u>(166)</u>	<u>(1,165)</u>	<u>(161)</u>	<u>(1,203)</u>
Income tax expense reported in the statement of comprehensive income	<u>27,097</u>	<u>6,680</u>	<u>22,987</u>	<u>3,930</u>



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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, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the change in the par value from Baht 100 to Baht 0.25 per share as if the change in par value had occurred since the earliest period reported, in accordance with the resolution of the Extraordinary General Meeting of the Company's shareholders held on 7 May 2014.

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

	Consolidated financial		Separate financial	
	statements		statements	
	2015	2014	2015	2014
Profit for the year (Thousand Baht)	106,495	33,247	92,750	21,733
Weighted average number of ordinary shares (Thousand shares)				
Issued ordinary shares at 1 January	570,000	400,000	570,000	400,000
Effect of ordinary shares issued	-	30,274	-	30,274
Total	570,000	430,274	570,000	430,274
Earnings per share (Baht)	0.19	0.08	0.16	0.05

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 service, which operates day spa and destination spa. Also, provides spa management and spa consultancy services.
- Sales of spa products and healthy products, which distributes natural spa products both for domestic and international market.
- Hotel and restaurant, which operates boutique resort and restaurant.



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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, profit and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014, respectively.

(Unit: Million Baht)

	Spa services		Sales of spa products and healthy products		Hotel and restaurant		Elimination		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues from external customers	450	271	20	14	64	53	-	-	534	338
Internal - segment revenues	4	2	13	10	1	-	(18)	(12)	-	-
Total revenues	454	273	33	24	65	53	(18)	(12)	534	338
Segment profit	153	81	3	10	42	22	-	-	198	113
Revenues and expenses which have not been allocated :										
Other income									10	5
Selling expenses									(22)	(18)
Administrative expenses									(52)	(54)
Finance cost									(1)	(6)
Profit before income tax expenses									133	40
Income tax expenses									(27)	(7)
Profit for the year									106	33



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The segment assets of the Company and its subsidiaries as at 31 December 2015 and 2014 are as follows:

(Unit: Million Baht)

	Spa services and sales of spa products and healthy products*		Hotel and restaurant		Elimination		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Property, plant and equipment	411	292	69	67	-	-	480	359
Other assets	260	340	21	12	(106)	(110)	175	242
Total assets	671	632	90	79	(106)	(110)	655	601
Additions (decreasing) to non-current assets other than financial instruments and deferred tax assets	153	67	2	(4)	-	-	155	63

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

Geographic information

The Company and its subsidiaries operate in Thailand only. 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 2015 and 2014, 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 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 2015 and 2014, the contributions to the fund is as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2015	2014
Contributions to provident fund	0.6	0.5

30. Commitments and contingent liabilities

30.1 Capital commitments

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

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2015	2014
Construction costs	20.4	12.3

30.2 Operating lease commitments

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

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

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2015	2014
Payable:		
In up to 1 year	90	58
In over 1 and up to 5 years	114	75
In over 5 years	84	69



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As at 31 December 2015, future minimum sublease payments expected to be received under non-cancellable subleases amounting to Baht 55.6 million (2014: Baht 53.0 million). For the year 2015, the Company recognised rental expenses of Baht 4.9 million (2014: Baht 4.5 million) and subleasing revenue of Baht 2.8 million (2014: Baht 2.5 million).

30.3 Guarantees

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

31. Fair value hierarchy

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

	(Unit: Million Baht)			
	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Unit trusts - domestic	-	26,246	-	26,246
Lands	-	68,778	-	68,778

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, investments, trade and other receivables, loans, 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 loans. 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 business is sales and services to minor customers. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their deposit at financial institutions, investments, loans, liabilities under finance lease agreements, and long-term loans. 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.

As at 31 December 2015 and 2014, 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 2015							
Fixed interest rates							
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
Financial Assets							
Cash and cash equivalent	-	-	-	56	4	60	0.25 - 0.38
Current investments	-	-	-	-	26	26	-
Trade and other receivables	-	-	-	-	4	4	-
	-	-	-	56	34	90	
Financial liabilities							
Trade and other payables	-	-	-	-	43	43	-
Liabilities under financial lease agreements	-	1	-	-	-	1	5.46
	-	1	-	-	43	44	



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(Unit: Million Baht)

Separate financial statements

31 December 2015

Fixed interest rates

	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
Financial Assets							
Cash and cash equivalent	-	-	-	34	3	37	0.25 - 0.38
Current investments	-	-	-	-	26	26	-
Trade and other receivables	-	-	-	-	2	2	-
	-	-	-	34	31	65	
Financial liabilities							
Trade and other payables	-	-	-	-	38	38	-
Liabilities under financial lease agreements	-	1	-	-	-	1	5.46
	-	1	-	-	38	39	

(Unit: Million Baht)

Consolidated financial statements

31 December 2014

Fixed interest rates

	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
Financial Assets							
Cash and cash equivalent	-	-	-	101	3	104	0.35 - 0.38
Current investments	100	-	-	-	-	100	2.90
Trade and other receivables	-	-	-	-	6	6	-
	100	-	-	101	9	210	
Financial liabilities							
Trade and other payables	-	-	-	-	32	32	-
Liabilities under financial lease agreements	1	1	-	-	-	2	5.46
Long-term loans	-	-	-	57	-	57	Note 18
	1	1	-	57	32	91	



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(Unit: Million Baht)

Separate financial statements							
31 December 2014							
Fixed interest rates							
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
Financial Assets							
Cash and cash equivalent	-	-	-	88	2	90	0.35 - 0.38
Current investments	100	-	-	-	-	100	2.90
Trade and other receivables	-	-	-	-	4	4	-
Short-term loans to subsidiary	-	-	-	5	-	5	MLR - 1.05
	100	-	-	93	6	199	
Financial liabilities							
Trade and other payables	-	-	-	-	31	31	-
Liabilities under financial lease agreements	1	1	-	-	-	2	5.46
Long-term loans	-	-	-	57	-	57	Note 18
	1	1	-	57	31	90	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises from deposit at overseas bank 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 business is 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 2015 and 2014, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated and Separate financial statements				
Foreign currencies	Financial assets		Average exchange rate	
	2015	2014	2015	2014
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	0.3	0.3	36.09	32.96
Hong Kong dollar	132.4	993.9	4.66	4.25



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32.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature. Loans are bearing floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

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 business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.18:1 (2014: 0.24:1) and the Company's was 0.16:1 (2014: 0.22:1).

34. Event after the reporting period

On 23 February 2016, 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 October 2015 to 31 December 2015, at a rate of Baht 0.05 per share, totally Baht 28.5 million. This dividend will be paid in April 2016.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2016.



อรุณรัตน์ จันทนพงศ์