

SPA

Siam Wellness Group PLC.
Annual Report



2016

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Message from Chairman

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

On behalf of the Board of Directors of Siam Wellness Group Public Company Limited [SPA], I would like to sincerely thank all of the shareholders for your trust and support in our company. This year is another good year for the Tourism industry, in which Thailand has received a total of 32.58 million tourists, a 9% growth from 29.88 million tourists in 2015. This is the highest record for the tourist numbers. Given that 75% of the Company's customers are tourists, as a result, the Company's performance has reflect this with the total revenue of 739.12 million bahts, a growth of 36 % and the total net profit of 140.97 million bahts, a growth of 32%. This year's performance also marks the Company's best financial record.

Despite two significant events, the passing of His Majesty the King Bhumibhol Adulyadej and the crackdown on Zero-dollar Chinese Tours, the overall spa industry continues to grow given that both locals and international tourist still has strong demands for spa –related services. Revenue from Tourism business for 2016 is expected to achieve its target of 2.5 trillion bahts* as a result of the Ministry of Tourism and Sports' initiatives of capturing Quality Leisure Tourists and the continuous support of Thailand as Spa Capital of Asia.

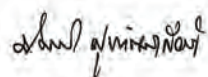
In 2016, Siam Wellness Group Public Company Limited has expanded 9 new branches in which 7 branches are expanded under Organic Growth Model including Let's Relax Spa MBK, Let's Relax Spa Airport Link Phayathai, Let's Relax Onsen & Spa Thonglor, Baan Suan Massage Prachanukul, Baan Suan Massage Charoennakorn 68, Baan Suan Massage Bharomratchachonnanee and Baan Suan Massage Terminal Korat and 2 branches are expanded a new Spa Operating in Hotel Model including Let's Relax Holiday Inn Resort Krabi Aonang Beach and Let's Relax The Berkeley Hotel Pratunam. Let's Relax Onsen & Spa Thonglor was one of the growth highlights this year being Thailand's most comprehensive Onsen Spa Facilities in the heart of Thonglor covering over 1,800 sq.m. completed with 5 onsen baths, Hot Stonebed Bath, Cool Down Room and Relaxing Room. Moreover, on 18th June 2016, the Company opens its first overseas outlet, Let's Relax Spa Kunming in TKP Building, Kunming, Yunnan, People's Republic of China. As a result, as of 31st December 2016, there are a total of 31 branches including 3 branches of RarinJinda Wellness Spas, 20 branches of Let's Relax Spa (19 domestic and 1 overseas) and 7 branches of Baan Suan Massage.

Together with our international standard of services, the Company has been awarded with many awards including People's Choice Thai Spa at the People's Choic Awards voted by Chinese Tourists organized by Wechat and Tourism Authority of Thailand (awarded for 2nd year in a row) and 4 awards at Thailand Spa & Well-Being Awards 2015. In terms of its Management, we are honored to receive Best CEO – mai Award from Investment Analysts Association and Best IR by mai Company from IR Magazine Awards Southeast Asia 2016.

Lastly, I would like to sincerely thank our management and staff for their contributions to the Company as well as our advisors for their continuously support for the Company throughout the year. These will be a great willpower and encouragement for the Company to continue to achieve its business goals and commitment and to become the Leader of the Spa Business in Asia in the forthcoming future.

On behalf of the Board of Directors

Yours sincerely,



Mrs. Pranee Suphawatanakiat

Chairman

*Ministry of Tourism and Sports

Board of Directors



Board of Directors

As of December 31, 2016, The Board of Directors composed of 9 Directors:

1. **Mrs. Pranee Suphawatanakiat**
Chairman of the Board of Directors
2. **Mr. Wiboon Utsahajit**
Director
President of the Executive Committee
Chief Executive Officer
3. **Mr. Prasert Jiravanstit**
Director
Member of the Executive Committee
Managing Director
4. **Mrs. Thanit Amorntirasan**
Director
Member of the Executive Committee
Deputy Managing Director
5. **Mr. Narun Wiwattanakrai**
Director
Member of the Executive Committee
Assistant Managing Director
6. **Mr. Polchet Likittanasombat**
Director
Chairman of the Audit Committee
Independent Director
(Audit Committee with Accounting Knowledge)
7. **Mr. Chaikut Thienvutichai**
Director
Member of the Audit Committee
Independent Director
8. **M.R. Pensiri Chakrabandhu**
Director
Member of the Audit Committee
Independent Director
9. **Mrs. Supee Pongpanich**
Director
Independent Director





General Information and Other Information

1. General Information

Company Name :	Siam Wellness Group Public Company Limited
Stock name :	SPA
Company Registration Number :	0107557000144
Business Type :	Spa under 3 brands • RarinJinda Wellness Spa • Let's Relax and Baan Suan Massage
Head Office Address :	483 Soi Suthiporn, Prachasongkroh Road, DinDaeng Bangkok 10400 THAILAND
Branch Address :	1) RarinJinda Wellness Spa • 14 Charoenraj Road, Wat Kate sub-district, Muang district, Chiang Mai • Grande Centre Point Ratchadamri Hotel, 6th and 8th Floor, No. 153/2 Soi Mahatlekluang 1, Ratchadamri Road, Lumpini sub-district, Pathumwan district, Bangkok • Grande Centre Point Ploenchit Hotel, 30th and 31st Floor, No. 100 Wireless Road, Lumpini sub-district, Pathumwan district, Bangkok 2) Let's Relax • Terminal 21 Shopping Mall, 6th Floor, Room SH-6-003, 004, No. 2,88 Soi Sukhumvit 19, Klongtoey Nua sub-district, Wattana district, Bangkok • Pavilion Night Bazaar Shopping Mall, 1st and 2nd Floor, No. 145 Changklan Road, Changklan sub-district, Muang district, Chiang Mai • 184/14 Pangmuang Sai Kor Road, Patong sub-district, Kathu district, Phuket • 209/22-24, Raj-u-thid 200 years old Road, Patong sub-district, Kathu district, Phuket • Centre Point Residence Phromphong, No. 77 Soi Sukhumvit 39, Sukhumvit Road, Klongtun Nua sub-district, Wattana district, Bangkok • 240/9 Moo 5, Naklua sub-district, Banglamung district, Chonburi • 108/42 Moo 1, Bophut sub-district, Koh Samui district, Suratthani • Mandarin Hotel Bangkok, M Floor, No. 662 Rama 4 Road, Mahapreuttharam sub-district, Bangrak district, Bangkok • Siam Square 1 Shopping Mall, 6th Floor, Room SS6032 and SS 6041, No. 388 Rama 1 Road, Pathumwan sub-district, Pathumwan district, Bangkok • Hua Hin Market Village Shopping Mall, 2nd and 3rd Floor, Room E201, E201_Terrace, E301, A313, No. 234/1 Phetkasem Road, Hua Hin sub-district, Hua Hin district, Prachuab Khiri Khan • Park Lane Bangkok, 2nd Floor Room B205-214, No. 18 Soi Sukhumvit 61, Sukhumvit Road, Klongton Nua sub-district, Wattana district, Bangkok

- 97/2, 97/3-4, 97/5, Ratchadamnoen Road, Phra Singha sub-district, Muang district, Chiang Mai
- 7/24 Soi Suanplu, Thungmahamek sub-district, Sathorn district, Bangkok
- The Street Ratchada, 3rd Floor, No. 139 Ratchadaphisek Road, Dindaeng sub-district, Dindaeng district, Bangkok
- MBK Center, 5th Floor, Room No. PLA.F05.A010000 No. 444 Phayathai Road, Wangmai sub-district, Pathumwan district, Bangkok
- Holiday Inn Resort Krabi Aonang Beach, 123 Moo 3, Nopparatthara Road, Aonang sub-district, Muang district, Krabi
- The Berkeley Hotel Pratunam, 10th Floor, No.559 Ratchaprarop Road, Makkasan sub-district, Ratchathewi district, Bangkok
- 47/3-6 Phayathai Road, Phayathai Road sub-district, Ratchathewi district, Bangkok
- Grande Centre Point Hotel Sukhumvit 55, 5th Floor, No. 300 Soi Sukhumvit 55, Sukhumvit Road, Klongton Nua sub-district, Wattana district, Bangkok
- 6th floor of TKP Building in Kunming, Yunnan, PRC

3.) Baan Suan Massage

- 1191/2 Ramkamhaeng Road, Hua-mark sub-district, Bangkapi district, Bangkok
- 70/40 Moo 9, Talad Kwan sub-district, Muang district, Nonthaburi
- 613/1 Ramintra Road, Khanna Yao sub-district, Khanna Yao district, Bangkok
- 293 Ratchadaphisek Road, Wongsawang sub-district, Bangsue district, Bangkok
- 624 Charoennakorn 68 Road, Daokanong sub-district, Thonburi district, Bangkok
- 488 Bharomratchachonnanee Road, Salathammasop sub-district, Thaweewattana district, Bangkok
- Terminal 21 Korat Shopping Mall, 2nd Floor, Room No. 2020-2021 No. 99 Mittraphap-Nongkhai Road, Naimuang sub-district, Muang district, Nakorn Ratchasima

Telephone/Facsimile :	(662) 641 6619-20 / (662) 641 6621
Website:	www.siamwellnessgroup.com
Registered Capital :	142,500,000 bahts (one hundred and forty-two millions five hundreds thousands bahts) after initial public offering on October 31, 2014
Par Value :	0.25 bahts (twenty-five satangs)

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

2.1 Siam Wellness Resort Company Limited

Head Office Address :	483 Soi Suthiporn, Prachasongkroh Road, DinDaeng, Bangkok 10400 THAILAND
Business Type :	Resort and Restaurant
Registered capital :	60,000,000 bahts (sixty millions bahts)
% Shares :	99.99

2.2 Siam Wellness Lab Company Limited

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

Business Type : Spa Products Trading

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

% Shares : 99.99

2.3 Siam Wellness Education Company Limited

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

Business Type : Massage School

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

% Shares : 99.97

3. Other references

Registrar : Thailand Securities Depository Company Limited (TSD)
62 Stock Exchange of Thailand
Ratchadaphisek Road, Klongtoey sub-district, Klongtoey district,
Bangkok
Tel. (662) 009-9000
Fax. (662) 009-9992
Website: <http://www.set.or.th>

Auditor : Ms. Sumana Punpongsanon, certified public accountant no. 5872 and/or
Mr. Sophon Pemsirivallop, certified public accountant no. 3182 and/or
Ms. Runghapa Lertsuwankul, certified public accountant no. 3516 and/or
Ms. Pimjai Manitkajohnkit, certified public accountant no. 4521 and/or
Mrs. Gingkam Atsawarangsali, certified public accountant no. 4496 and/or
Mr. Chayapol Suppaserttanon, certified public accountant no. 3972
EY Office Limited
Lake Ratchada Building, 33rd Floor, 193/136-137,
Ratchadaphisek Road, Klongtoey district, Bangkok 10110
Tel: (662) 264-9090
Fax: (662) 264-0789-90

4. Other information

- None -

News & Events 2016

January 2016



Siam Wellness Group Public Co.,Ltd partnered with Siam Commercial Bank (SCB) by offering SCB First Privilege Wellness & Relax in which SCB First and SCB Private Banking Cardholders can get complimentary 90 mins Thai Massage once a month at Let's Relax Spa

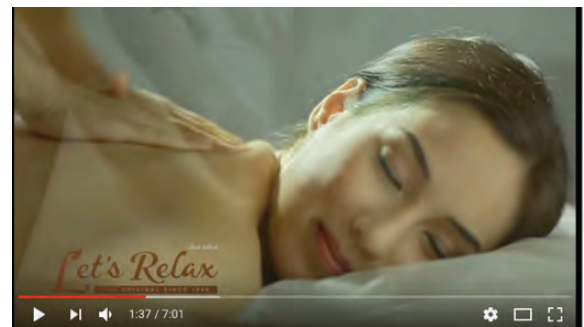


Siam Wellness Group Public Co.,Ltd signed a MOU with Sukhothai Commerce Technological College with the purpose of support and develop Students in Spa Business major to match with the requirement of Spa Operators

February 2016



SPA opened its 23rd branch "Let's Relax MBK"



Bangkok Airways Forever Fun - Bangkok Samui 2016

Let's Relax Spa, Thailand's Boutique Day Spa promoted its service on Bangkok Airways's In-flight Intro Video which is seen by over 6 million tourists who are Bangkok Airways's users

March 2016



RarinJinda Wellness Spa introduced 2 new packages - Pregnancy Massage for Moms and Therapeutic Massage for Executives with Office Syndrome Problems



Siam Wellness Group Public Co.,Ltd participated in several Inbound and Overseas Roadshow including SET Thai Corporate Day 2016, Phillip Capital Regional Corporate Day 2016 Singapore and CLSA Asean Forum : Hidden Gems - Spicy Small Caps



Siam Wellness Group Public Co.,Ltd received "People's Choice Opportunity Day Award" measured from the IP in mai FANZI Club 2016.6



Siam Wellness Group Public Co.,Ltd organized the Annual General Meeting 2016 at Mandarin Hotel Bangkok.

April 2016



Siam Wellness Group Public Co.,Ltd signed MOU with Dhurakij Pundit University with the purpose of developing academic curriculum and promoting Business apprenticeship for students

May 2016



SPA opened its 24th branch "Let's Relax Holiday Inn Krabi Aonang Beach" under Spa Operating in Hotel Agreement

June 2016



Siam Wellness Group Public Co.,Ltd opened its first overseas branch "Let's Relax Spa Kunming" in People's Republic of China



Siam Wellness Group Public Co.,Ltd received the Best Thai Spa Award under Let's Relax Spa in People's Choice Awards Thailand Voted by Chinese Tourists 2016 which is organized by Tourism Authority of Thailand and Wechat. This is the second year in a row that Let's Relax Spa has received this award.

July 2016



Siam Wellness Group Public Co.,Ltd participated in mai Forum 2016



Mr. Wiboon Utsahajit, Chief Executive Officer of Siam Wellness Group Public Co.,Ltd accepted the Best CEO Award for mai in IAA Awards for Listed Companies 2015/2016

August 2016



SPA opened its 25th branch
“Let’s Relax The Berkeley Hotel Pratunam” under Spa Operating in Hotel Agreement

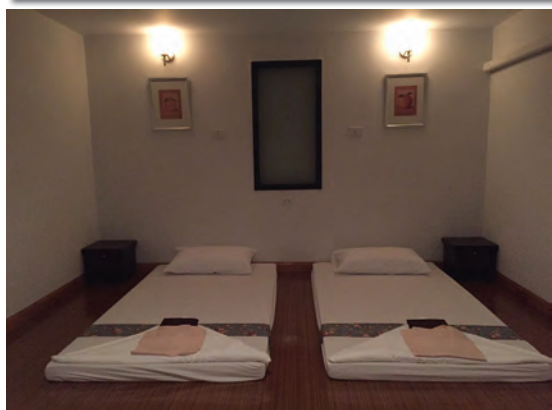
September 2016



Siam Wellness Group Public Co.,Ltd partnered with Alipay, the leader in electronic and mobile payment in China under Alibaba Group, to facilitate the incoming Chinese Tourists.



RarinJinda Wellness Spa and Let's Relax Spa received 4 People's Choice Awards for Best Hotel Spa, Resort Spa, Destination Spa and Value for Money Spa in Thailand Spa and Well-Being Awards 2016



SPA opened its 26th branch "Baan Suan Massage Charoennakorn 68"

November 2016



SPA opened its 27th branch
“Let’s Relax Airport Link Phayathai”



SPA opened its 28th branch
“Let’s Relax Onsen & Spa Thonglor”,
Thailand’s Most Comprehensive Onsen and Spa
with area over 1,800 sqm.

December 2016



SPA opened its 29th branch
“Baan Suan Massage Bharomratchachonnane”



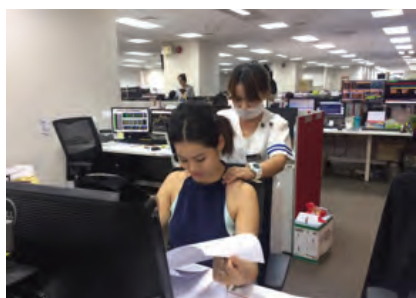
Siam Wellness Group Public Co.,Ltd organized
SPA Business Plan Meeting



Siam Wellness Group Public Co.,Ltd received
Best IR by mai Company award at IR Magazine
Awards South East Asia 2016



SPA opened its 30th branch
“Baan Suan Massage Terminal Korat”



Let's Relax Spa partnered with Uber Thailand by
offering UberMassage in which Office Workers
can request the Back & Shoulder Massage
via Uber app



Financial Highlights

Financial Position	2016	2015	2014
Total Asset (In Thousand bahts)	865,033	655,018	600,856
Total Liabilities (In Thousand bahts)	226,162	100,112	117,892
Total Shareholder's Equity (In Thousand bahts)	638,872	554,906	482,964

Operational Performance	2016	2015	2014
Total Revenues (In Thousand bahts)	739,116	543,505	343,358
Cost of Sales and Services (In Thousand bahts)	484,679	334,967	225,344
Selling Expenses (In Thousand bahts)	28,080	21,731	18,333
Administrative Expenses (In Thousand bahts)	60,961	52,043	54,222
Total Expenses (In Thousand bahts)	573,720	408,741	303,431
Profit for the Year Attributable to Shareholders of the Parent (In Thousand bahts)	140,965	106,495	33,247
Net Earnings per Share for the Profit for the Year Attributable to Shareholders of the Parent (Baht)	0.25	0.19	0.08

Ratio Analysis

Current Ratio (Times)	0.73	1.51	3.92
Gross Profit Ratio (%)	33.17	37.18	33.41
Net Profit Ratio (%)	19.44	19.97	9.68
Return on Equity (%)	22.62	20.52	9.66
Return on Assets (%)	18.55	16.96	7.00
Debt to Equity Ratio (%)	0.35	0.18	0.24

Audit Committee's Report

To Shareholders of Siam Wellness Group Public Company Limited

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

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

In 2016, the Audit Committee had a meeting total of 4 times. The Audit Committee's meeting had attended all meetings with the percentage of 91.66 of the meeting and also invited the management to attend the meeting according to the related agenda of those involved in order to explain the topics matter. As well as invited the internal auditors and certified public accountants to participate in the discussion, the audit results, and the evidences in each quarter. The Audit committee held a meeting with the certified public accountants without the management of the company with total of 4 times.

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

1. Reviewed the annual financial statements for the year 2015 and quarterly financial statements for the year 2016 before submitting to the Board of Directors of the company, to be completely certain that the financial transactions prepared by related parties were accurate and adequate to the accounting standards and legal terms as well as enough disclosure in the notes of financial statements. Along with providing the observations and acknowledgement of the solutions as an advantage for the Company, the Audit Committee supposed that the financial transactions was prepared under the guaranteed accounting standards with the accuracy and adequacy which can be reliable, where the choices of accounting policy are reasonable.

2. By reviewing the adequacy of internal controls and internal audit, the Audit Committee supposed that as a matter fact, there are sufficient and effective and no deficiency with the internal auditor working independently. Herewith, the Audit Committee considered the approval of an internal audit plan for the year 2016, following the risk accordingly and focusing on effective and sufficient performance as well as continuing to improve the internal audit system to enhance internal control.

3. By reviewing the observance under the Securities and Exchange Commission, the regulations of The Stock Exchange of Thailand, and the company's related laws, the Audit Committee supposed that the Company has followed the regulations appropriately, as well as reviewing the related subjects or the conflict of interest matters. The Audit Committee agreed that it is reasonable to maximize the benefits of the Company following by the regulations and laws of The Stock Exchange of Thailand as noted in financial statements.

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

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

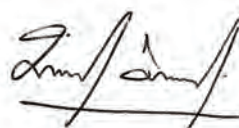
6. Considered selecting the auditors with the transparency and good corporate governance. Along with the overall results of the previous auditors considering the reputation and reliability in auditing with the ability to affirm the financial statements punctually, the Audit Committee suggested that the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

- Appointing the auditors of EY Office Co., Ltd. with the names as followed,
Ms. Sumana Punpongsanon, certified public accountant no. 5872 and/or
Mr. Sophon Permsirivallop, certified public accountant no. 3182 and/or
Ms. Rungnapa Lertsuwankul, certified public accountant no. 3516 and/or
Ms. Pimjai Manitkajohnkit, certified public accountant no. 4521 and/or
Mrs. Gingkam Atsawarangsalit, certified public accountant no. 4496 and/or
Mr. Chayapol Suppasertanon, certified public accountant no. 3972

To be auditors of Siam Wellness Group Public Company Limited for the fiscal year 2017 with the audit fees of 2,215,000 bahts

7. The Audit Committee evaluated the overall results of the Audit Committee by evaluating the overall for the year 2016 and had an agreement that the Audit Committee has followed the Charter of Audit Committee effectively and sufficiently.

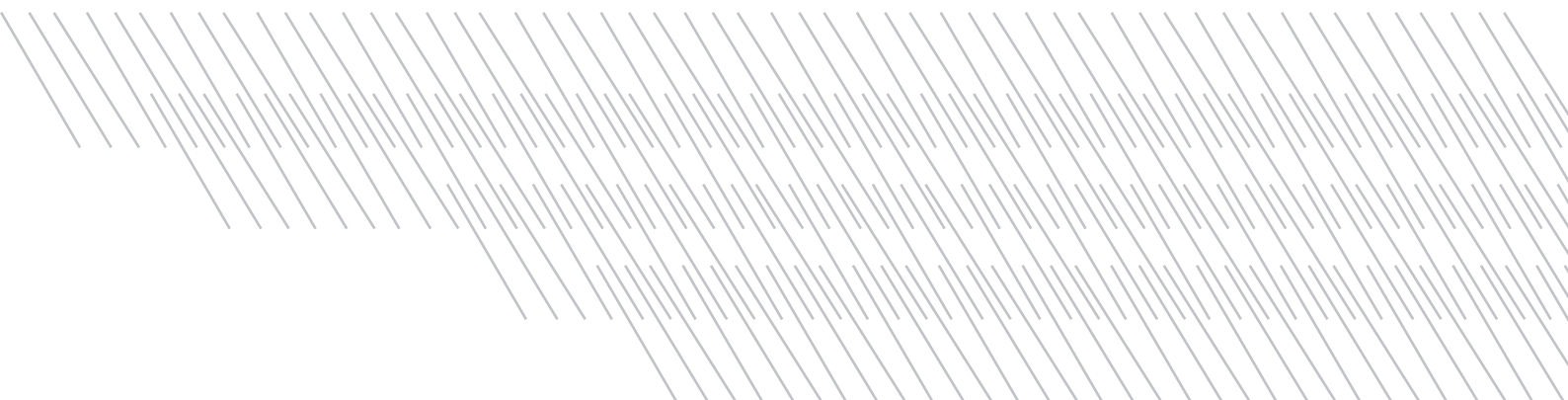
Siam Wellness Group Public Company Limited



(Mr. Polchet Likittanasombat)
Chairman of the Audit Committee

Section 1

Policy and Overview of Business Operations

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Policy and Overview of Business Operations

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

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

THE VISION

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

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

ITS BUSINESS OBJECTIVE

• SIAM WELLNESS GROUP PLC. : SPA

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

• SIAM WELLNESS RESORT CO., LTD. : SWR

SWR defines the target for its hotel operation business by emphasizing growth in occupancy rate and average room rate at the hotel by the customers through a launch of publicity for room occupancy sale, through the organizing of MICE for both private and government sectors, both nationally and internationally;

As for the restaurant business, SWR will emphasize on growth in occupancy rate and average bill per person. through organizing sales promotion during various festivity periods as to increase operating income for SWR.

- **SIAM WELLNESS LAB CO., LTD. : SWL**

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

- **SIAM WELLNESS EDUCATION CO., LTD. : SWE**

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

2. Significant Changes and Developments

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

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

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

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

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

In 2013, the Group of Companies underwent the shareholding restructuring in preparation for listing in the Stock Exchange of Thailand. For this purpose, Siam Wellness Group Limited issued shares for increase of the authorized capital in order to buy the share of Siam Wellness Resort Co., Ltd. previously "RarinJinda Co., Ltd." in the ratio of 99.99 percentage of the authorized capital.

In 2015, the Company acquired Baan Suan Massage, a 3-stars Massage in Bangkok and metropolitan area to expand its spa services for the domestic market.

In 2016, the Company opened its first shop overseas under Franchise Model in Kunming, Yunnan Province, People's Republic of China. Moreover, the Company expanded its branch through a new model "Spa Operating in Hotel".

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

Year	Significant changes and developments
2014	• Converted into a public company by changing its share par value from 100 Baht to 0.25 Baht per share and increased the authorized capital to 142.5 million Baht (570 million shares) to make public sale offering of 170 million ordinary shares for increase of the authorized capital and to apply for listing in the mai Stock Exchange. • The Company opened “Lets Relax” Siam Square One • The Company opened “Lets Relax” Hua Hin • The Company opened “RarinJinda Wellness Spa” Ploenchit • The Company rebranded RarinJinda Wellness Spa, Phuket to Let’s Relax, Patong Third Street branch.
2015	• The Company acquired S Sense Spa and converted to “Let’s Relax” Ekkamai • The Company acquired Sarahn Relax and converted to “Let’s Relax” Suanplu • The Company opened “Lets Relax” Thapae • The Company opened “D Bistro” Thapae • The Company acquired “Baan Suan Massage” with branches in Bangkok and Metropolitan • The Company sold the franchise rights of “Let’s Relax” in People’s Republic of China in 3 provinces which are Yunnan, Chongxing and Sichuan • The Company opened “Lets Relax” The Street Ratchada
2559	• The Company opened “Baan Suan Massage” Prachanukul • The Company opened “Lets Relax” MBK • The Company signed a Spa Operating in Hotel Agreement and opened “Let’s Relax” in Holiday Inn Resort Krabi Aonang Beach and The Berkeley Hotel Pratunam • The Company opened “Lets Relax” Kunming, our first branch outside Thailand • The Company opened “Baan Suan Massage” Charoennakorn 68 • The Company opened “Lets Relax” Airport Link Phayathai • The Company opened “Lets Relax” Onsen and Spa Thonglor, Thailand’s most comprehensive Onsen Spa • The Company opened “Baan Suan Massage” Bharomratchachonnanee • The Company opened “Baan Suan Massage” Terminal 21 Korat

As at 31 December 2016, the Company had its places of operation opened as follows:

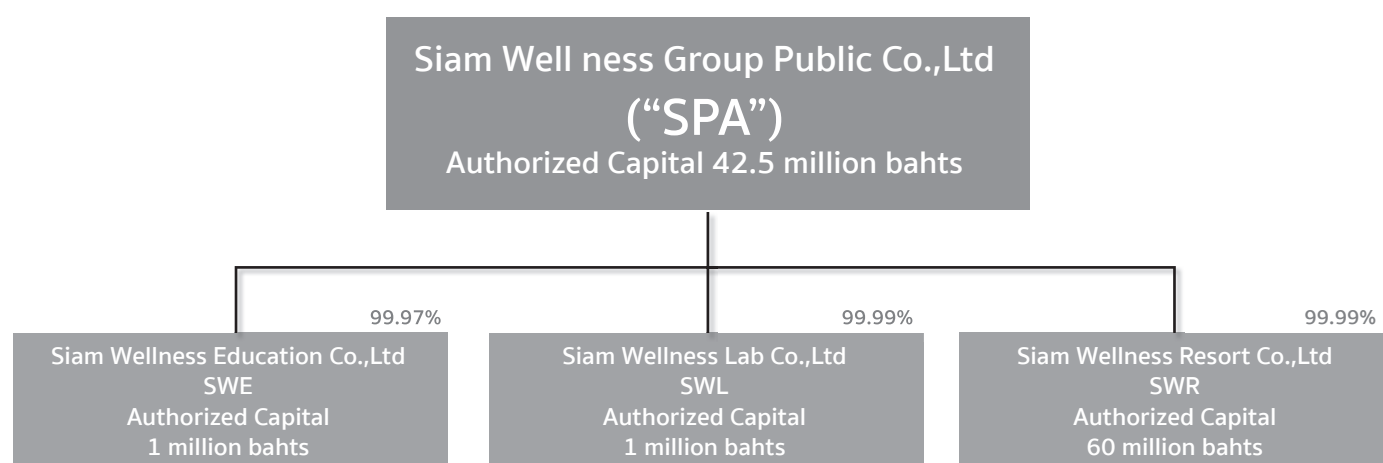
- 3 branches of “RarinJinda Wellness Spa” brand.
- 20 branches of “Let’s Relax” brand (19 branches in Thailand and 1 branches Overseas)
- 7 branches of “Baan Suan Massage” brand.

Branches in the process of being prepared for opening

- “Let’s Relax” Krabi Wake Up
- “Let’s Relax” Phuket Karon
- “Let’s Relax” Sukhumvit 31 Bangkok
- “Let’s Relax” Boat Lagoon Phuket
- “Let’s Relax” Nimman Chiang Mai
- “Let’s Relax” Charoenkrung Bangkok
- “Baan Suan Massage” Bangkai
- “Baan Suan Massage” The Mill Place Udon Thani
- “Baan Suan Massage” Nongkhai

3. Shareholding Structure of the Group of Companies

As of 31 December 2016, the Group of Companies had the shareholding structure as follows:



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

1) Siam Wellness Group Plc. (“Company”) or (“SPA”)

Founded on 28th November 2001 to operate a health spa business. Currently its authorized capital is 142.5 million Baht and 142.5 million Baht was fully paid up. The Company’s service is divided into 3 types as follows:

- **“RarinJinda Wellness Spa”** a 5-star Premium and Innovative Wellness Spa situated in 5-stars Hotels and Resorts targeted the upper segment. Fully equipped with all of the latest spa technologies and facilities at high international standards, yet deeply rooted in the Thai Massage and healing traditions, it offers relaxing and therapeutic spa treatments that harmonize all life sense.
- **“Let’s Relax”** a 4-star Boutique Day Spa situated in Shopping Malls, Hotels as well as Standalone in tourist areas targeted upper middle segments. It delicately offers fineness spa pleasure to perfectly balance the body and soul, offers high quality of equipment, products and treatments with experienced and well-trained therapists for a unique and remarkable experience for customers.
- **“Baan Suan Massage”** a 3-star Neighborhood Massage Outlet is a standalone in highly populated area targeted middle segment. It offers relaxing massage therapy for local consumers.

Summary of the details of “Rarinjinda Wellness Spa”

Branch No.	Year of Opening	Branch	Location
1	2005	Chiang Mai	RarinJinda Wellness Spa Resort, Charoenraj Road
2	2007	Ratchadamri	Grande Centre Point Hotel Ratchadamri, Ratchadamri Road
3	2557	Ploenchit	Grande Centre Point Hotel Ploenchit, Wireless Road

Summary of the details of “Let’s Relax”

Branch No.	Year of Opening	Branch	Location
1	2001	Pavillion	Chiang Mai Pavillion Night Bazaar, Chiang Mai
2	2003	Patong 2 nd Street	Raj-u-thit Road, Patong, Phuket
3	2004	Pattaya	Sunshine Garden Hotel, Pattaya
4	2004	Sukhumvit 39	Soi Sukhumvit 39, Bangkok
5	2011	Terminal 21	Terminal 21 Shopping Mall, Bangkok
6	2013	Samui	Bophut, Samui
7	2013	Mandarin	Mandarin Hotel Bangkok, Bangkok
8	2014	Siam Square One	Siam Square One Shopping Mall, Bangkok
9	2014	Hua Hin	Hua Hin Market Village, Hua Hin
10	2014	Patong 3 rd Street	Pangmuang Sai Kor Road, Patong, Phuket
11	2015	Ekkamai	Park Lane Bangkok, Bangkok
12	2015	Thapae	Ratchadamnoen Road, Chiang Mai
13	2015	Suanplu	Soi Suanplu, Bangkok
14	2015	The Street	The Street Ratchada, Bangkok
15	2016	MBK	MBK Center, Bangkok
16	2016	Krabi	Holiday Inn Resort Krabi Aonang Beach
17	2016	Kunming	TKP Building, Beijing Road, Kunming, Yunnan, PRC
18	2016	Pratunam	The Berkeley Hotel Pratunam
19	2016	Phayathai	Airport Link Phayathai Station
20	2016	Thonglor	Grande Centre Point Hotel Sukhumvit 55

Summary of the details of “Baan Suan Massage”

Branch No.	Year of Opening	Branch	Location
1	2015	Ramkamhaeng	Ramkamhaeng Road, Bangkok
2	2015	Nonthaburi	Nakorn-in Road, Nonthaburi
3	2015	Ramintra	Ramintra Road, Bangkok
4	2016	Prachanukul	Ratchadaphisek Road, Bangkok
5	2016	Charoennakorn 68	Charoennakorn Road, Bangkok
6	2016	Bharom	Bharomratchachonnanee Road, Bangkok
7	2016	Korat	Terminal 21 Korat Shopping Mall

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

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

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

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

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

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

4. Relationship with the Business Group of the Major Shareholders

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

The Characteristics of the Business Operation

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

1. Spa business

The spa business provides the spa service to Thai and foreign customers under the brand “RarinJinda Wellness Spa”, “Let’s Relax” and “Baan Suan Massage”

2. Hotel and restaurant businesses

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

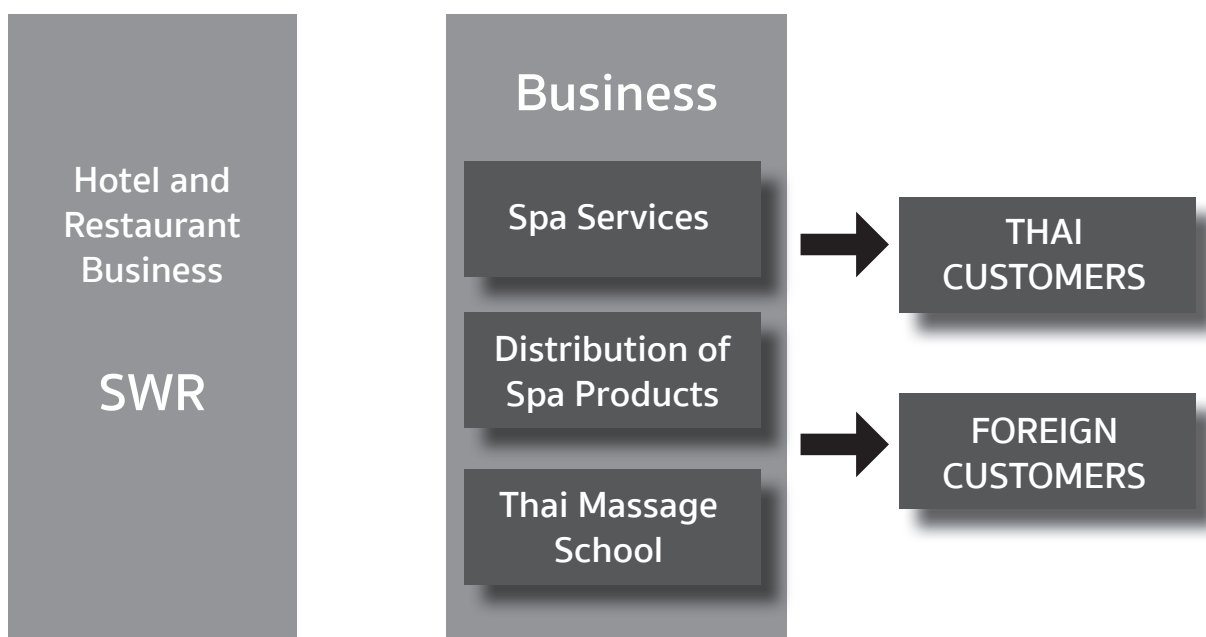
3. Distribution of spa products business

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

4. Thai massage school business

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

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



2.1 SPA Business

The spa business is the principal business of the Group of Companies. It provides service under 3 brands, i.e., “RarinJinda Wellness Spa”, “Let’s Relax” and “Baan Suan Massage”. The operation of the business must have a license to operate a health spa business which is deemed as hazardous to health and a certificate of standard of the health massage parlor. As of 31st December 2016, the details are as follows:

Summary of the License to operate a business that is hazardous to health and the Certificate of the Standard of the place of business of “RarinJinda Wellness Spa”						
Branch No.	Branch	The License		The Certificate		Remarks
		Issue Date	Expiry	Issue Date	Expiry Date	
1	Chiang Mai	14 May 16	14 May 16	7 Sep 15	7 Sep 15	Health Spa Certificate
2	Ratchadamri	22 Apr 16	26 Apr 17	26 Feb 15	25 Feb 17	Health Spa Certificate
3	Ploenchit	6 Jan 17	11 Jan 18	17 Jan 15	16 Jan 17	Health Spa Certificate

Summary of the License to operate a business that is hazardous to health and the Certificate of the Standard of the place of business of “Let’s Relax”						
Branch No.	Branch	The License		The Certificate		Remarks
		Issue Date	Expiry	Issue Date	Expiry Date	
1	Pavillion	14 Jul 16	17 Jul 17	24 Apr 15	23 Apr 17	Health Massage Certificate
2	Patong 2 nd Street	3 Aug 16	8 Jul 2017	12 Jan 15	11 Jan 17	Health Spa Certificate
3	Pattaya	13 Jan 17	14 Jan 18	4 Aug 2015	3 Aug 17	Health Massage Certificate
4	Sukhumvit 39	28 Oct 16	3 Nov 17	19 Sep 15	18 Sep 17	Health Spa Certificate
5	Terminal 21	13 Jul 16	17 Jul 17	12 Feb 16	11 Feb 18	Health Spa Certificate
6	Samui	25 May 16	6 Jun 17	30 Sep 16	29 Sep 18	Health Spa Certificate
7	Mandarin	15 Aug 16	21 Aug 17	26 Feb 15	25 Feb 17	Health Spa Certificate
8	Siam Square One (Phase 1)	9 Feb 16	15 Feb 17	17 Dec 15	16 Dec 17	Health Massage Certificate
9	Siam Square One (Phase 2)	4 Aug 16	6 Aug 17	12 May 16	11 May 18	Health Massage Certificate
10	Hua Hin	21 Oct 16	21 Oct 17	18 May 16	17 May 17	Health Spa Certificate
11	Patong 3 rd Street	28 Jul 16	3 Jul 17	26 Sep 16	25 Sep 18	Health Spa Certificate
12	Thapae	26 Oct 16	26 Oct 17	5 Aug 16	4 Aug 18	Health Massage Certificate
13	Ekkamai	15 Nov 16	18 Nov 17	12 May 16	11 May 18	Health Spa Certificate
14	Suanplu	28 Sep 16	27 Sep 17			For the certificate, it's in the application process
15	The Street Ratchada					For the certificate, it's in the application process
16	MBK	15 Jun 16	14 Jun 17			For the certificate, it's in the application process

Summary of the License to operate a business that is hazardous to health and the Certificate of the Standard of the place of business of “Let’s Relax”						
Branch No.	Branch	The License		The Certificate		Remarks
		Issue Date	Expiry	Issue Date	Expiry Dat	
17	Krabi	9 Aug 16	8 Aug 17			For the certificate, it’s in the application process
18	Pratunam	26 Aug 16	25 Aug 17			For the certificate, it’s in the application process
19	Phayathai					For the certificate, it’s in the application process
20	Thonglor					For the certificate, it’s in the application process

Summary of the License to operate a business that is hazardous to health and the Certificate of the Standard of the place of business of “Baan Suan Massage”						
Branch No.	Branch	The License		The Certificate		Remarks
		Issue Date	Expiry	Issue Date	Expiry Dat	
1	Nonthaburi	8 Oct 15	7 Oct 16	15 Nov 16	15 Nov 18	Health Massage Certificate
2	Ramintra	10 Mar 16	10 Mar 17	8 Jul 16	7 Jul 18	Health Massage Certificate
3	Ramkamhaeng	15 Sep 16	18 Sep 17			For the certificate, it’s in the application process
4	Prachanukul	4 Mar 16	24 Feb 17			For the certificate, it’s in the application process
5	Charoennakorn 68	8 Nov 16	7 Nov 17			For the certificate, it’s in the application process
6	Bharom					For the certificate, it’s in the application process
7	Korat					For the certificate, it’s in the application process

REMARKS:

1. As for the License and the Certificate are in the process of being applied for. The Company has already furnished the supporting documents to apply for the License and the Certificate to the competent officer. Currently, the matter is being considered by the local competent officer and the public health officer.
2. For the rules, regulations and procedure for applying for the License to Operate the Business which is hazardous to health and the Certificate of the Standard of the Place of Business of Health Spa category or the Certificate of the Standard of the Place of Business of the Health Massage category are available for viewing in the Share Offer Prospective for sale offer of ordinary share to increase the authorized capital of the Company or at the Website http://www.siamwellnessgroup.com /ir/files/prospectus_spa_2014.pdf.

2.1.1 Characteristics of the Products or Services

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

Characteristics of Wellness Spa service

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

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

The branches which provide service under the brand “RarinJinda Wellness Spa” offers relaxing and therapeutic treatments which combines the latest spa technologies from the West and East with the Thai massage techniques and traditions. Menu includes:

1. Hydrotherapy Service

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

2. Sauna Service

- Detoxifying Infared Sauna
- Herbal Rainforest Steam Sauna

3. Shirodhara Treatment

4. Warm Sand bed Therapy & Tibetan Sound Therapy

5. Four-Hands Aromatherapy Warm Oil Massage

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

- Gero Hot Springs Bath
- Soda Bath
- Cold Bath

7. Thai Massage

8. Thai Massage with Herbal Compress

9. Aromatherapy Oil Massage
10. Aromatic Hot Stone Massage
11. Back & Shoulder Massage
12. Facial Relaxation
13. Foot Reflexology
14. Body Scrub
15. Body Mask
16. Floral Bath

Currently, “RarinJinda Wellness Spa” has a total of 3 branches in Chiangmai and in Bangkok. Every branch is open for service from 10.00 hrs. to 24.00 hrs. The details of the branches are as follows:

- **Chiangmai Branch** is situated in the part of the front area adjacent to the RarinJinda Wellness Spa Resort with approx. size of 3,500 sq.m.
- **Rajdamri Branch** is situated on the 6th and 8th floor of the Grand Center Point Hotel, Rajdamri with approx. size of 903 sq.m.
- **Ploenchit Branch** is situated on 30th and 31st floor the Grand Center Point Hotel Ploenchit, with approx. size of 1,087 sq.m.

Characteristics of Day Spa service

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

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

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

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

- Gero Hot Springs Bath
- Cold Bath
- Soda Bath
- Whirlpool Bath
- Silk Bath

Currently, Let's Relax has a total of 20 branches (19 in Thailand and 1 outside Thailand). Let's Relax Spa is conveniently located across Bangkok and in major tourist destinations of Thailand, namely, Chiang Mai, Pattaya, Phuket, Samui Island, Krabi and Hua Hin. Every branch is open for service from 10.00 hrs. to 24.00 hrs. The details of the branches are as follows:

Branches inside Thailand

- **Terminal 21** Branch is situated on the 6th floor of Terminal 21 Shopping Mall with approx. size of 752 sq.m.
- **Sukhumvit 39** Branch is situated on Soi Sukhumvit 39 (Phromphong) with approx. size of 806.82 sq.m.
- **Mandarin** Branch is situated in Mandarin Hotel with approx. size of 1,100 sq.m.
- **Pavilion** Branch is situated in the Pavilion Night with approx. size of 668 sq.m.
- **Pattaya** Branch is situated on the premises on Sunshine Garden Hotel with approx. size of 540 sq.m.
- **Patong 2nd Street** is situated near Jungceylon Mall with approx. size of 1,292 sq.m.
- **Samui** Branch is located near Big C Super Center with approx. size of 1,588 sq.m.
- **Siam Square One** Branch is located on the 6th floor, Siam Square One Mall with approx. size of 756 sq.m.
- **Hua Hin** Branch is located at Hua Hin Market Village (Phase 2- on 2nd and 3rd floor) with approx. size of 743 sq.m.
- **Patong 3rd Street** branch is located near Jungceylon Mall with approx. size of 2,418 sq.m.
- **Ekkamai** branch is located on 2nd Floor of Park Lane Bangkok with approx. size of 578 sq.m.
- **Thapae** branch is located on Sunday Chiang Mai Walking Street with approx. size of 560 sq.m.
- **Suanplu** branch is located on in Soi Suanplu with approx. size of 560 sq.m.
- **The Street** branch is located on 3rd Floor of The Street Ratchada Bangkok with approx. size of 714 sq.m.
- **MBK** branch is located on 5th Floor of MBK Center with approx. size of 615 sq.m.
- **Krabi** branch is located inside Holiday Inn Resort Krabi Aonang Beach with approx. size of 200 sq.m.
- **Pratunam** branch is located near Airport Link Phayathai Station and BTS Phayathai Station with approx. size of 969 sq.m.
- **Phayathai** branch is located near Airport Link Phayathai Station and BTS Phayathai Station with approx. size of 969 sq.m.
- **Thonglor** branch is located on 5th Floor of Grande Centre Point Hotel Sukhumvit 55 with approx. size of 1,820 sq.m.

Branches outside Thailand

- **Kunming** Branch is situated on the 6th floor of TKP Building in Kunming, Yunnan, PRC with approx. size of 700 sq.m.

The branch in the Process of being Prepared for Opening

1. Let's Relax Krabi Wake Up
2. Let's Relax Phuket Karon
3. Let's Relax Sukhumvit 31
4. Let's Relax Boat Lagoon Phuket
5. Let's Relax Chiang Mai Nimman
6. Let's Relax Charoenkrung Bangkok

Characteristics of Massage Outlet service

The characteristics of providing service under the brand of “Baan Suan Massage”.

The provision of Massage Outlet type service is a 3-star spa service of the format that can be seen generally in locations where locals live. The use of this type of Day Spa is characterized by short period of service lasting for 1 to 2 hours for use of one type of the massage service to Thai and foreign customers using the Thai massage wisdom.

Categories of the provision of service of “Baan Suan Massage”

1. Thai massage
2. Thai massage with hot herbal ball
3. Aromatherapy Oil Massage
4. Foot Reflexology
5. Body Scrub
6. Body Mask

Currently, Baan Suan Massage has a total of 7 branches in Bangkok and Second Tier City area. Every branch is open for service from 09.00 hrs. to 23.00 hrs. The details of the branches are as follows:

- **Nonthaburi** branch is situated on Nakorn-in Road with approx. size of 465 sq.m.
- **Ramintra** branch is situated on Ramintra with approx. size of 614 sq.m.
- **Ramkamhaeng** branch is situated on Ramkamhaeng Road with approx. size of 369 sq.m.
- **Prachanukul** branch is situated on Ratchadaphisek Road with approx. size of 453 sq.m.
- **Charoennakorn 68** branch is situated on Charoennakorn Road with approx. size of 187 sq.m.
- **Bharom** branch is situated on Bharomratchachonnane Road with approx. size of 583 sq.m.
- **Korat** branch is situated in Terminal 21 Korat Shopping Mall with approx. size of 439 sq.m.

The branch in the Process of being Prepared for Opening

1. Baan Suan Massage Bang Khae, Bangkok
2. Baan Suan Massage Mill Place, Udon Thani
3. Baan Suan Massage Nong Khai

2.1.2 Marketing

Target Customer

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

Customer Group	Income per month (Baht)	แบรนด์ที่ใช้บริการ
A- จนถึง A+	>75,000	Brand of Service
B จนถึง A-	30,000 – 75,000	Let's Relax
C+ จนถึง B+	15,000 – 50,000	บ้านสวนมาสาธิต

ที่มา : Data Company

Distribution Channels

Majority of the Company's customers are foreigners. Our spa brands have been widespread from Word of Mouth to various media such as in magazines and participations in various spa booth events both domestic and abroad with principal objective to publicize the Company's spa business; therefore, the Company's spa brands become well-known among the group of foreign tourists. The overall distribution channels of the Company are summarized as follows:

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

Price Determination

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

Factors Affecting Competition

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

1. Experience and Professionalism in the Conduct of Business

As the Company has had more than 17 years of spa business experience, it is able to offer various types of massage service to be provided by able and skilled therapist staff that has been trained properly according to the school's training course of the subsidiary company (SWE) in tandem with the premium grade spa products of the subsidiary company (SWL) to create confidence in the consumers and to effectively respond to their needs. This is to make a good impression and create brand loyalty to the business and to the goods. When the customers are impressed with the goods, they are able to buy more for further consumption, thus, resulting in increased distribution of the products for the Group of Companies.

2. Location

The choice of the location for spa business, for "RarinJinda Wellness Spa", the Company would choose the location inside the 5-stars hotel which matches the targeted customer group. The customer prefers premium services with one-on-one service and seeks treatments that harmonize all life senses.

For “Let’s Relax”, the locations is chosen with convenience and the vicinity of tourist attractions factor. For example, for the branches in Bangkok, the Company would choose a location of the spa to be near to the BTS station. For the branches in the provinces of tourist attraction, they will be located in the vicinity of a tourist attraction or a department store.

For “Baan Suan Massage”, the location is chosen in main streets with highly populated area of middle class with great sight.

3. Creation of the difference in terms of quality

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

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

4. Sales Promotion

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

2.1.3 Procurement of Products or Services

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

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

The Company, therefore, procures various factors as follows:

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

The location of the spa business for each branch has importance for choice of use of service by customers.

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

• Lease of the space

Currently, there has been executed the agreement for long-term lease of the area to operate a total of 29 branches of the spa service. Most of the agreement for lease of the area is a 3-year lease. There is negotiation for renewal of the lease agreement for newly opened branches for around 6 - 9 years of lease (a 3-year lease with a further 3-year renewal and/or with a further 3-year renewal). This is for worthy returns on investment in terms of decoration for opening the spa branch; but thereafter, generally, the lease agree-

ment can be renewed once for 2-3 years of lease each. Due to good consistent relationship with the lessor, during the past, there was no problem encountered with the renewal of the lease agreement. For some branches, more than 17-year continuing lease is renewed to operate the business. The details are shown in the Table as follows:

Brand “RarinJinda Wellness Spa”

Branch	Year of Operation	TotalSpace (sqm.)	Lease Period	Start and Expiry Date of Lease	Remarks
Chiang Mai	2005	3,500	30 years	1 Jan 13 – 31 Dec 42	• Lease of land from affiliated person and improvement made on the wreckage of the building to be used as a place for operating a spa business and to sub-let part of the space connected to the subsidiary company to be converted into a hotel. • Renewal of the lease agreement is subject to a notice to be given by the lessee to the lessor not less than 3 years in advance prior to the expiry of the Lease Agreement.
Ratchadamri	2007	903	3 years	1 Jan 17 – 31 Dec 19	• Renewal of the lease agreement is subject to a notice to be given by the lessee to the lessor not less than 6 months in advance prior to the expiry of the Lease Agreement.
Ploenchit	2014	1,087	3 years	1 Nov 14 – 31 Oct 17	• Lease is renewable for two renewals of 3 years each

Brand “Let’s Relax”

Branch	Year of Operation	TotalSpace (sqm.)	Lease Period	Start and Expiry Date of Lease	Remarks
Pavillion	1998	668	3 years	16 Sep 16 – 15 Sep 19	• 4 lease agreements (expansion of area with renewal of the agreement to expire simultaneously • Lease is renewable for two renewals of 3 years each.
Pattaya	2004	540	2 years	1 May 15 – 30 Apr 18	• Lease is renewable for two renewals of 3 years each.
Sukhumvit 39	2004	806.82	3 years	1 Jan 17 – 31 Dec 17	• Renewal of the lease agreement is subject to a notice to be given by the lessee to the lessor not less than 6 months in advance prior to the expiry of the Lease Agreement.
Terminal 21	2011	752	3 years	11 Oct 14 – 10 Oct 17	• Lease is renewable for one renewal of 3 years each.
Samui	2013	1,588	3 years	1 Jan 16 – 31 Dec 18	• Lease is renewable for two renewals of 3 years each.
Mandarin	2013	1,100	3 years	1 Jan 14 – 31 Dec 16	• Lease is renewable for three renewals of 3 years each.
Siam Square One (Phase 1)	2014	424.43	3 years	1 Aug 14 – 31 Jul 17	• Lease is renewable for two renewals of 3 years each.
Hua Hin	2014	743	3 years	21 Jun 14 – 20 Jun 17	• Lease is renewable for two renewals of 3 years each.

Branch	Year of Operation	TotalSpace (sqm.)	Lease Period	Start and Expiry Date of Lease	Remarks
Patong 3 rd Street	2014	2,418	2 years 2 months	1 Dec 14 – 31 Jan 17	• Lease is renewable for one renewal of 3 years each.
Siam Square One (Phase 2)	2014	332.01	3 years	21 Jun 14 – 20 Jun 17	• Lease is renewable for two renewals of 3 years each.
Ekkamai	2015	578.25	9 years	1 Jul 15 – 30 Jun 24	• Renewal of the lease agreement is subject to a notice to be given by the lessee to the lessor not less than 6 months in advance prior to the expiry of the Lease Agreement.
Thapae	2015	920 (some are sub-lease to SWR)	3 years	1 Oct 15 – 30 Sep 18	• Lease is renewable for one renewal of 3 years each. • Renewal of the lease agreement is subject to a notice to be given by the lessee to the lessor not less than 6 months in advance prior to the expiry of the Lease Agreement.
Suanplu	2015	560	9 years 5 months	1 Aug 15 – 31 Dec 24	-
The Street Ratchada	2015	714	3 years	15 Dec 15 – 14 Dec 18	• Lease is renewable for two renewals of 3 years each. • Renewal of the lease agreement is subject to a notice to be given by the lessee to the lessor not less than 6 months in advance prior to the expiry of the Lease Agreement.
MBK	2016	615.49	3 years	1 Feb 16 – 31 Jan 19	• Lease is renewable for two renewals of 3 years each. • Renewal of the lease agreement is subject to a notice to be given by the lessee to the lessor not less than 6 months in advance prior to the expiry of the Lease Agreement.
Krabi	2016	200	3 years	18 May 16 – 17 May 19	• Renewal of the lease agreement is subject to review by tenant
Pratunam	2016	260.90	3 years	18 Jul 16 – 17 Jul 19	• Renewal of the lease agreement is subject to a notice to be given by the lessee to the lessor not less than 45 days in advance prior to the expiry of the Lease Agreement.
Phayathai	2016	969	3 years	Test Run 1 Nov 16 Rent Free 105 days from hand-over	• Lease is renewable for two renewals of 3 years each.
Thonglor	2016	1,819.5	3 years	15 Nov 16 – 14 Nov 19	• Lease is renewable for four renewals of 3 years each.

Brand “Baan Suan Massage”

Branch	Year of Operation	Total Space (sqm.)	Lease Period	Start and Expiry Date of Lease	Remarks
Nonthaburi	2015	465	3 years	1 Aug 15 – 31 Jul 18	• Lease is renewable for two renewals of 3 years each.
Ramintra	2015	614	2 years 2 months	1 Aug 15 – 30 Sep 17	• Lease is renewable for one renewal of 3 years each.
Ramkamhaeng	2015	2 rai 200 sq.wah	4 years 9 months	1 Aug 15 – 31 May 20	• Renewal of the lease agreement is subject to a notice to be given by the lessee to the lessor not less than 60 days in advance prior to the expiry of the Lease Agreement.
Prachanukul	2016	453	3 years	1 Nov 15 – 31 Oct 18	• Lease is renewable for two renewals of 3 years each.
Charoennakorn 68	2016	187	3 years	1 Apr 16 – 31 Mar 19	• Lease is renewable for three renewals of 3 years each.
Bharom	2016	583.3	3 years	1 Aug 16 – 31 Jul 19	• Lease is renewable for three renewals of 3 years each.
Korat	2016	349	3 years	19 Dec 16 – 18 Dec 19	• Lease is renewable for three renewals of 3 years each.
Udon Thani	2016	712.27	3 years	15 Dec 59 – 14 Dec 19	• Lease is renewable for three renewals of 3 years each.

หมายเหตุ

รายละเอียดการเช่าและเงื่อนไขการเช่าตามรายละเอียดที่ปรากฏในหัวข้อที่ 4. ทรัพย์สินที่ใช้ในการประกอบธุรกิจ

• PURCHASE OF PROPERTY

1. The company made a capital investment to purchase 3 compartments in the commercial building located on Rat-Uthid 200 year road in Tambon Patong, Katu district, Phuket province, to operate “Let’s Relax”, Patong 2nd Street Branch, of the space of 1,292 sq.m. opened in 2002.

2. The company made a capital investment to purchase a 3-storeys commercial space (B, 1st and 2nd Floor / Building 1 / Condo Register No. 4/2547) in River Heaven Condo located on 1778 Bangkorlaem sub-district, Bangkorlaem district, Bangkok with the total area of 781.82 sq.m. Currently, it is under renovation for “Let’s Relax” Charoenkrung Branch

3. The company made a capital investment to purchase a commercial building located on 224/2-3 Karon Road, Karon sub-district, Muang district, Phuket with the total area of 41 sq. wah. Currently, it is under renovation for “Let’s Relax” Karon Branch

4. The company made a capital investment to purchase a commercial building located on 1245-1245/1 Moo 5 Naimuang sub-district, Muang district, Nongkhai with the total area of 1 Ngarn 51 Sq. wah. Currently, it is under renovation for “Baan Suan Massage” Nongkhai Branch

2. Therapist Staff

The therapist staff (the massage staff) is one of the important factors that will enable the Company to provide for spa service. Mostly the Company’s staffs have been working for the Company for a long time. Moreover, the Company had opened subsidiary companies in the name of Siam Wellness Education Co., Ltd. (SWE) to operate a massage training school to support the recruitment of therapist staff of the Company to replace the personnel who resigned and to prime additional staff in anticipation of the expansion of the Company’s branches in the future including its being used as a facility for training the Company’s therapists to provide service and maintain the standard of the therapists for the Company’s spa business to enable the

staff to be knowledgeable both in theory and in practice; they can learn to massage according to the correct method for safety to both the provider of service and the recipient of service to the extent that the provider of service is skilled and able to provide advice on relevant matters to the users of service. Moreover, the in case of some branches with great number of the service users, the Company will be able to relocate its therapist personnel from other branches to provide service in the branches as required to ensure smooth service and in timely manner.

As of 31 December 2016, the Company has approximately 750 therapist personnel stationed at various branches of the spa business.

3. Accessories for Providing Services

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

Equipment for Providing Wellness Spa Type as of 31 December 2016

RarinJinda Wellness Spa

Branch	Thai Bed	Foot Chair	Oil Bed	Quartz Bed	Vichy Bed	HYDRO TUB	Jacuzzi	Total
Chiang Mai	19	9	21	2	1	1	9	62
Ratchadamri	6	3	12	2	1	1	5	30
Ploenchit	12	4	16	2	-	-	5	38

Equipment for Providing Day Spa Type as of 31 December 2016

Let’s Relax

Branch	Thai Beds	Foot Chairs	Oil Bed	Back & Shoulder Chairs	Total
Pavillion	18	12	10	8	48
Patong 2 nd Street	32	18	18	8	76
Pattaya	10	9	10	7	36
Sukhumvit 39	19	10	13	5	47
Terminal 21	21	12	17	10	60
Samui	19	9	21	5	54
Mandarin	21	8	14	6	49
Patong 2 rd Street	34	13	29	10	86
Siam Square One	30	10	33	6	79
Hua Hin	12	6	9	4	31
Ekkamai	11	6	11	4	32
Thapae	10	7	11	4	32
Suanplu	22	6	8	4	40
The Street	24	6	17	4	51
MBK	23	10	20	6	59
Krabi	-	3	7	2	12
Pratunam	1	2	7	2	12
Phayathai	23	10	19	6	58
Thonglor	20	6	11	4	21

Equipment for Providing Massage Outlet Type as of 31 December 2016

Baan Suan Massage

Branch	Thai Bed	Foot Chair	Oil Bed	Total
Nonthaburi	26	3	4	33
Ramkamhaeng	31	3	4	38
Ramintra	30	3	5	38
Prachanukul	30	5	4	39
Charoennakorn 68	24	5	3	32
Bharom	30	4	2	26
Korat	23	5	3	31

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

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

2.1.4 Industry Situation and Competition

Industry situation

Since the Government's announcement of its policy for the development of Thailand to become the International Health Center in the year 2004 and its plan to push for realization of Health Care Service business within a period of 5 years (2009-2013) to promote Thailand to become the "Spa Capital of Asia" by pushing for the creation of the standard for Thai spa business coupled with an offensive marketing strategy through the launch of publicity campaign, the organizing of business promotion activities and support to be given to expansion of the market abroad including investment/joint venture for setting up a business, the creation of a network and a unique brand. The said push is responsible for the Thai spa and Thai massage businesses to be well-known and to be of service standard recognized internationally and it has become another branch of service business to play an important role in strengthening the economic growth of Thailand. It is a service business that Thailand has the potential to become the "exportable service" in the format of accommodating foreigners who enter to use the service in the country, the export of the service including the export of spa personnel to provide the service abroad. Moreover, it is the business that supports the expansion of other secondary service businesses concerned, e.g tourism, health products, etc., resulting in the increased influx of foreign currency from this group of service businesses.

Market Value of the Spa Business

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

Analysis of the market value of Thai spa business according to the compilation of data by the relevant organizations, namely,

The Thai Spa Association reported that the total market value for spa is approximately 3.5 billion bahts, a growth from 2015's sum value of 3.11 billion bahts. The market is expected to grow as a result of increasing demand from locals and foreigners. Similar expectation is anticipated for the spa products market. The strategy is to maintain the unique Thai ness in both the therapists and the Thai Herbs. This goes in line with Tourism Authority of Thailand's policy of Discover Thainess which targets quality leisure tourists. The Ministry of Tourism and Sports is expected that the revenue from the tourism business is expected to be 2.5 trillion bahts.

For the local market, there is also expectation of strong growth as the economy continues to grow which results in higher income per capita and higher proportion of expenses on health related products. Moreover, the people are taking better care of themselves. According to Kasikornbank Research, More than 48% of Bangkok population use natural remedies for relaxation and rejuvenation. Thus, the health sector has potential positive growth.

Overview of Competition

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

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

As the trend of paying attention to health among the middle income group is on the increase which forms the majority of the population or accounts for 70 percent of total Thai population, it is an opportunity for the spa business to be expanded into the middle level market comprising the target group of both Thai customers and foreigners who are staying in Thailand including the tourists with the purchasing power of the middle income upwards. The majority of the spa operators are Thai nationals, launching the business in large cities or in business districts, covering the spa business outside of the hotels but focusing on catching the upper market and small-sized spa business focusing on the middle market. Based on the reason stated above, the overview of the spa business within Thailand is a market of high competition thanks to the increase in large number of the spa business operators both in Bangkok and in the provinces, in the format of the full-cycle spa service with luxurious design and decoration including the diversity of spa service together complete with amenities and conveniences that give a feel of relaxation when entering into using the spa service to the format of the row-house spa being open for massage and beautifying services in various formats without placing emphasis on the beauty of the design of the spa shop or luxury, but the emphasis is placed on providing service specially prepared for the customer only.

2.1.5 The Environmental Impact

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

2.2 HOTEL AND RESTAURANT BUSINESSES

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

2.2.1 Characteristics of the Products or Services

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

The Hotel Service

It is the hotel service under the name of “RarinJinda Wellness Spa Resort”. It is a boutique-resort hotel of 5-star level and with the maintenance of the ambience of the Northern Lanna style. Every room has the private balcony overlooking the scenic view of Doi Suthep hill and Ping river complete with amenities and conveniences, whether or not it is the high-speed Wi-Fi Internet, the fitness room and Yoga room, an open-air swimming pool, a imousine service and tour-guide service, laundry service including the library with free computer service and DECK 1 restaurant including the availability of RarinJinda Wellness Spa, Chiangmai Branch, to provide full-cycle service; it is situated in the area in front of the hotel.

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

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

• Guest Room Service

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

Room Type	Size (sq.m.)	No. of rooms	Room Rate (THB)
Deluxe	46	22	6,500
Deluxe Pool Access	53	7	10,000
Wellness Suite	93	5	16,000
RarinJinda Villa	164	1	27,000
Total		35	

REMARKS * The price of the guest room according to the Website of the Hotel as of 31 December 2016.

** The above price does not included 10% of Service Charge and 7% VAT.

• Food and Beverage Services

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

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

Breakfast service	07.00 – 10.00 น.
Lunch	11.00 – 14.00 น.
Afternoon snack	14.00 – 17.00 น.
Dinner	17.00 – 24.00 น.

Moreover, the Company has expanded an additional outlet under “D Bistro” on Ratchadamnoen Road, or better known as Sunday Chiang Mai Walking Street. Offering the Casual Dining style, the bistro serves Sandwiches, Salads, Burgers, Soup, Cakes and Fresh bakeries. The bistro opens from 8.00 am to 11.00 pm (except Sunday opens until midnight). The bistro has a capacity of 50 seas.

2.2.2 Marketing

Characteristics of the customers and target groups of the hotel business

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

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

Distribution and Distribution Channel of the Hotel Business

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

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

Competition Strategy of the Hotel Business

Price Strategy

For the pricing of guest rooms of SWR, as the Group of Companies is positioning its business as a 5-star Luxury Boutique Hotel by focusing on the customers group having a health awareness lifestyle with the

introduction of spa service including Healthy Food for health as well as the service and the privacy of the 5-star hotel standard; the Company therefore opts for the Price Skimming strategy as to create an image of being a luxury 5-star boutique hotel and apply the strategy of price adjustment predicated upon the tourist season and Occupancy Rate with the price for walk-in customers at 6,500 – 27,000 Bhat per night, depending on the size of the room and interior decoration.

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

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

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

2.2.3 Procurement of Products or Services

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

SUB-LEASE OF LAND AGREEMENT

Contract party :	Siam Wellness Group Co., Ltd. (Sub-lessor) (Currently it changed its name to Siam Wellness Group Plc.) RarinJinda Co., Ltd. (Lessee) (currently it changed its name to Siam Wellness Resort Co., Ltd.)
Date of the Contract :	1 January 2013
The Objective of the Sub-lease :	To operate the hotel and restaurant businesses.
Ownership of the Building :	Both parties agree that the building of the hotel and the restaurant building which were constructed on the land as of the date of entry into this Agreement is the ownership of the sub-lessee without the rental being charged on the said buildings from the sub-lessee throughout the period of the sub-lease; but for the land lease, the rental will be charged.
Sub-lease of the property :	Specifically for the land size of 0-3-96 rai on which the building of the hotel RarinJinda Wellness Spa Resort and Deck 1 Restaurant is situated and the right to utilize some space on Baan Ruan Thai. Incidentally, for the building which the Sub-lessee has renovated, constructed or made any addition to the leased property, the Sub-Lessee agrees to become the property of the Sub-Lessor upon the expiry of the lease.

Period of Lease :	The overall period of the sub-lease is 30 years with effect from 1 January 2013 to 31 December 2042. Incidentally, if, upon the expiration of the sub-lease, the Sub-lessee wishes to renew the sub-lease, the Sub-lessee must give a written notice of the intention to renew the sub-lease agreement to the Sub-Lessor for information for not less than 3 years prior to the expiry of the Sublease Agreement. If the Sub-lessor wishes to permit the Sub-lessee to continue the sub-lease, both parties agree to allow the various terms and conditions under the new Sub-lease Agreement to be identical to the terms and conditions of this Agreement in every respect except Clause 3 of the Agreement re: Period of Sub-lease and Clause 4 re: The sub-lease rental payment, in respect of which there will be further mutual agreement in writing.
Sub-lease Rental :	The rental payment will be made on a monthly basis subject to rental adjustment to be made by the Sub-Lessor according to the market situation, but not exceeding 15 percent of the sub-lease rental effective for every 3 years.
Termination of the Agreement :	The lease agreement will be terminated in the following cases: 1) Upon the expiration of the sub-lease and there is no exercise of the right to renew the sub-lease according to the terms and conditions of this Agreement. 2) Upon the parties mutually agreeing voluntarily to terminate this Agreement. 3) When the land is expropriated or the leased property are damaged to the extent that they are rendered useless according to the objective of the lease under this Agreement

As for D Bistro, SWR has made a rental contract with SPA as details below:

Branch	Opening Date	Area (Sq.m)	Lease Period	Start date and Expiry Date of Lease	Remarks
Thapae	2015	560	3 years	1 Oct 15 – 30 Sep 18	Lease is renewable for one renewals of 3 years each.

2.2.4 Situation of the Industry and Competition

Situation of the industry

In 2016, the economy of Thailand was expected to expand at the rate of 2.0-3.0 percent, a growth from previous period which has a growth of only 0.7%. Tourism will be the key driver for the Thai economy. According to the Department of Tourism, Ministry of Tourism and Sports, Thailand has received a total of 32.58 million tourists in 2015, a growth of 9% from 2014. Thailand is expected to welcome 34 million tourists for 2017, an increase of 4% from 2016 with the total economic value of 2.5 trillion bahts from local and foreign tourism revenue.

Overview of the Competition

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

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

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

2.3 SPA PRODUCTS DISTRIBUTION BUSINESS

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

2.3.1 The Characteristics of the Products or Services

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

1. Spa product for body care

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

2. Other spa products

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

3. Products for consumption

- Cookies
- Snacks
- Herbal Drink

2.3.2 Market and Competition Condition

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

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

Distribution and Distribution Outlets of the Spa Products

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

Business Competition Strategy

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

- **The Products strategy**

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

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

- **Marketing Strategy**

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

2.3.3 Procurement of the Products or Services

The spa products of Siam Wellness Lab Co., Ltd. are such as massage oil, essential oil, body scrub products and body massage pack as well as herbal products such as herbal balls. Orders for domestic products are possible. The formula will be defined by the Company based on its know-how, knowledge, experience in the spa business. Thereafter, several firms are engaged to make to products according to the formula required by the Company. Currently, most of the spa products are produced by the producers who are experienced in the spa products with export profile.

2.3.4 Industry Situation and Competition

Industry situation

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

(*Data available from the Department of Agriculture)

2.4 THAI MASSAGE SCHOOL BUSINESS

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

2.4.1 The Characteristics of the Products or Services

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

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

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

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

Risk Factors

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

Risk from the Fluctuation of Tourism Industry

For the operation of the spa and hotel businesses of the Company and of the subsidiary companies, there are major groups of foreign tourists in whom there are some factors impacting the confidence in travel for tourism which the Company cannot control such as terrorism, epidemic of the disease, natural disaster, civil commotions within the country and global economic recession, etc. The said impact has had comprehensive effect not only in Thailand alone, but is spread to tourism industry in other countries.

The Company has a policy of managing the said risk by way of spreading the business along principal tourist attractions of the country to reduce risk in the event of any particular tourist attraction is facing the problem and has introduced a business plan as to increase the proportion of domestic customers in order to reduce risk of relying on any particular group of the customers.

Risk from the Fluctuation of Tourism Industry

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

Competition in Spa Business

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

Competition in the Hotel Business

The Company has its subsidiary, that is, Siam Wellness Resort Co., Ltd. operating the hotel and restaurant businesses in Chiangmai province in which there are numerous competitors. Currently, the tourism industry has increased in competition with more opening of hotels by various operators in Chiangmai resulting in price competition, which may impact on the earning and profit of the Company. However, the Company is convinced that with its strategy emphasizing the provision of specific service in the line of the spa and wellness business with a limited number of rooms and avoidance of price competition coupled with a marketing plan and efficient management of cost will enable Siam Wellness Resort Co., Ltd. to compete with its competitors. The salient point of RarinJinda Wellness Spa Resort is its determination to allow the customers to be in touch with the culture and tradition of Chiangmai integrated with leading therapeutic spa technology and unique quality of service and various amenities.

Risk Due to Renewal of Lease Agreement

Lease with the Outsider

Mostly, the Company would use the method of leasing the space to operate its spa business if the said lease agreement is not renewed, the Company may risk losing its income from the Company's branches.

However, the Company would enter into an agreement before the commencement of the Lease Agreement to enable it to renew the Lease Agreement for at least about 9 years to 12 years (3 years lease to renew for another 3 years then another 3 years and/or to renew for 3 years) to reduce risk of investment in the leased branch. Moreover, the lease of the business premises instead of investment to buy the business premise as the Company's own property, it would provide the flexibility for the Company to run its business with the ability to manage the cost for expansion or reduction of service premises as to maximize the returns for the stakeholders. Incidentally, the Company would have good relationship with every lessor by being a good lessee to maintain the leased premises to good order and proper compliance with the terms and conditions of the lease agreement in every respect. Thus, the Company is able to secure the renewal of the lease with the Lessor consistently. If the Company is unable to secure the renewal of the lease agreement for any particular branch, the Company will be able to procure a location to set up a new branch in place of the said unrenewed leased branch.

Lease Agreement with Affiliated Person

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

as a prototype for operating the Health Resort Hotel. If successful as anticipated and with the availability of sufficient accommodating market, the Company may consider expanding this business into the market and in a suitable time frame. The lease of the said premises enables the Company to reduce investment risk in immovable property and to maximize the efficient management of investment capital. However, nearing the expiration of the lease agreement, the Company would assess the feasibility of the renewal of the lease agreement by taking into account the maximum returns of the stakeholders.

Risk from Dependence on the Executives

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

Risk from Lawsuit from the Customers Using the Service

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

Risk due to Shortage of Therapist Staff

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

The Principal Property Used in the Operation

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

4.1 Land, Building And Equipment

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

Unit: Thousand Bath

Items	Items	Net value according to the Book as of 31 Dec 2016	Encumbrances/Obligations
1. The Land*¹	Company	53,175	Nor.Sor.3 Kor No 5241, 5242, 5243 and 5919 are mortgaged to the credit line of 80 million Baht as a loan guarantee of 80 million Baht and used as a guarantee for 2 new additional loan agreements amounting to 55 million Baht and 10 million Baht with Kasikornbank Plc.
1.1) Nor.Sor. 3 Kor (Certificate of Utilization) No. 5241, 5242, 5243, 5896,5918 and 5919, of total area of 112.50 sq.wah located on Rat-Uthid 200-Year Road, in Tambon Patong, Katu district, Phuket province (Let's Relax Patong 2 nd Street and Staff Living Quarters			Nor.Sor. 3 Kor No 5896 to the credit line of 10 million Baht as a guarantee against the overdraft facility of 3 million Baht and the Letter of Guarantee of 10 million Baht used as a guarantee for 2 new additional loan agreements amounting to 55 million Baht and the amount of 10 million Baht with Kasikornbank Plc.
1.2) Land Title Deed No. 110538 of area 18.1 square wah, located on Pattaya Nua Road, in Tambon Naklua, Banglamong district, Chon-buri province (the staff living quarters)	Company	2,715	None
1.3) Land Title Deed No 20725 of 26.4 sq. wah in area, located on Rob Koh Road, Tambon Bo Phud, Koh Samui district, Suratthani province (Samui staff living quarters)	Company	3,168	Mortgage of additional security against the mortgage of Land Title Deed No. 90025 and Nor.Sor. 3 Kor No 5896 as a security for overdraft facility of 3 million Baht and the Letter of Guarantee of 10 million Baht and used as a guarantee for 2 new additional loan agreements amounting to 55 million Baht and the amount of 10 million Baht with Kasikornbank Plc.
1.4) Land Title Deed No. 90025, of 54 sq.wah in area, located on Soi Yoo Charoen Soi 5, Khwaeng Huay Khwang, Bangkok (The land for construction of the Bangkok Staff Living Quarters.	Company	9,720	The mortgage of first rank to the credit line of 10 million Baht and second rank to the credit line of 10 million Baht as a security against the overdraft facility of 3 million Baht and 10 million Baht against the Letter of Guarantee and is used as security against 2 new additional loan contracts to the credit line of 55 million Baht and 10 million Baht with the Kasikor bank Plc.

Items	Ownership	Net value according to the Book as of 31 Dec 2016	Encumbrances / Obligations
1.5) Land Title Deed No. 884, 885, located in Karon district, Phuket	Company	20,632	None
1.6) Land Title Deed No., 42920, 42921, 29922 located in Aonang district, Krabi	Company	19,763	None
1.7) Land Title Deed No. 1288 located in Muang district, Nongkhai	Company	18,755	None
Total Land		127,928	
2. Improvements on Land	Subsidiary	0	None
3. Building and improvements on the building*¹			
3.1) A 5-storey commercial building, 3 compartments, No. 209/22-24; a 5-storey commercial building together with the deck floor, 1 compartment, No. 207/47 and a 4-storey commercial building, 2 compartments, No. 207/6 and No. 207/5. (Let's Relax, Patong 2 nd Street and Phuket staff living quarters.)	Company	14,441	Is part of collateral security encumbered on Nor.Sor. 3 Kor No. 5241, 5242, 5243, 5896, and 5919 in Tambon Patong, Katu district, Phuket province, which are mortgaged with Kasikornbank Plc.
3.2) A 4-storey commercial building together with deck floor, 1 compartment, No 6/67 (Pataya staff living quarters).	Company	1,025	None
3.3) A 3-storey commercial building together with mezzanine floor No 119/25 in Tambon Bo Phud, Koh Samui district, Suratthani province (The living quarters of Koh Samui staff.)	Company	2,845	Is part of collateral security encumbered on the Title Deed No. 20725, in Tambon Bo Phud, Koh Samui district, Suratthani province, which are mortgaged with Kasikornbank Plc.
3.4) RarinJinda Wellness Spa Resort Hotel and Deck1 Restaurant building at No. 14 on Charoenrat Road, Tambon WatKet, Amphoe Muang, Chiangmai province.	Subsidiary	57,888	None
3.5) Staff Living Quarters on Soi Yoo Charoen 5	Company	11,033	Is part of collateral security encumbered on the Title Deed No. 90025, in Soi Yu Charoen 5, Huaykwang sub-district, Huaykwang district, Bangkok, which are mortgaged with Kasikornbank Plc.

Unit: Thousand Bath

Items	Ownership	Net value according to the Book as of 31 Dec 2016	Encumbrances / Obligations
3.6) The Compartment at River Heaven Condominium No. 2258/529 Building 1, River Heaven, Condominium Register No. 4/2547 Bangkorlaem sub-district, Bangkorlaem district, Bangkok	Company	30,377	None
3.7) A 3-storey commercial building No 224/2, 224/3 Karon district, Phuket	Company	4,244	None
3.8) A 3-storey commercial building No 437/2-4 Aonang district, Krabi	Company	7,378	None
3.9) A commercial building No 1288 Muang district, Nongkhai	Company	5,204	
3.10) Part of improvement on the building comprising:	Company and Subsidiary	372,853	None
- Head Office Building - Let's Relax Pavilion branch - Let's Relax Sukhumvit 39 branch - Let's Relax Pattaya branch - Let's Relax Patong 2nd Street branch - Let's Relax Samui branch - Let's Relax Terminal 21 branch - Let's Relax Mandarin branch - Let's Relax Patong 3rd Street branch - Let's Relax Siam Square One branch - Let's Relax Hua Hin branch - Let's Relax Thapae branch - Let's Relax Ekkamai branch - Let's Relax Suanplu branch - Let's Relax The Street branch - Let's Relax MBK branch - Let's Relax Krabi branch - Let's Relax Pratunam branch - Let's Relax Phayathai branch - Let's Relax Thonglor branch - Rarinjinda Wellness Spa, Chiangmai Branch - Rarinjinda Wellness Spa, Rajdamri Branch - Rarinjinda Wellness Spa, Ploenchit Branch - RarinJinda Wellness Spa Resort, Deck1, D Bistro - Baan Suan Nonthaburi branch - Baan Suan Ramkamhaeng branch - Baan Suan Ramintra branch - Baan Suan Prachanukul branch - Baan Suan Bharom branch - Baan Suan Charoennakorn 68 branch - Baan Suan Terminal Korat branch - Phuket and Pattaya Staff Living Quarters - Container Warehouse - Office at B.U. Place			
TOTAL BUILDING AND PARTS OF IMPROVEMENTS		507,288	

Items	Ownership	Net value according to the Book as of 31 Dec 2016	Encumbrances / Obligations
3. Decorations, fixtures and equipment	Company and Subsidiaries	42,361	None
4. Vehicles	Company and Subsidiaries	6,161	None
5. Works under construction as at 31 Dec 2016 consisting of the buildings and improvements on the buildings of:	Company	15,173	None
- Head Office - Rarinjinda Wellness Spa Chiang Mai branch - Let's Relax Thonglor branch - Let's Relax Patong 3rd Street branch - Let's Relax MBK branch - Let's Relax Suanplu branch - Let's Relax Pratunam branch - Let's Relax Phaya Thai branch - Baan Suan Ramkamhaeng branch - D.Bistro Thapae branch			
Total Land, Building and Equipment Net		698,911	

Remarks:

*1 The land is valued at cost price according to the Book is at 77,048,642 Baht. There was improvement on the value based on new assessment totalling 50,878,894 Baht (improvements made in 2012 amounting 38,593,865 Baht and improvements made in 2013 amounting to 651,546 Baht and the improvements made in 2014 amounting to 2,797,483 Baht and improvements made in 2015 amounting 8,836,000) amounting to grand total according to the Book of 127,927,436 Baht. The details of the new assessment are as follows:

1.1 Nor.Sor. 3 Kor No. 5241, 5242, 5243, 5896 and 5919 in Tambon Patong, Katu district, Phuket province, has the cost price according to the Book of 10,071,520 Baht. The price was appraised by the CPM Capital Co., Ltd., represented by Mr. Noppan Leerittikulchai, the principal appraiser, who signed in the Report. The appraisal was carried out on 28 December 2015 for public purpose. The appraisal was made exclusively of the value of the land by means of comparison with the market price being at 53,175,000 Baht (As details in 1.1)

1.2 The Land Title Deed No. 110538 Tambon Naklua, BangLamoong district, Chonburi province, has the cost price according to the Book of 1,427,332 Baht. Price was appraised by CPM Capital Co., Ltd., represented by Mr. Noppan Leerittikulchai, the principal appraiser, who signed in the Report. The appraisal was carried out on 28 December 2015 for public purpose. The appraisal was made exclusively of the value of the land by means of comparison with the market price being at 2,715,000 Baht (As details in 1.2)

1.3 The Land Title Deed No. 20725 Tambon Bo Phud, Koh Samui district, Suratthani province, has the cost price according to the Book of 1,988,454 Baht. Price was appraised by CPM Capital Co., Ltd., represented by Mr. Noppan Leerittikulchai, the principal appraiser, who signed in the Report. The appraisal was carried out on 28 December 2015 for public purpose. The appraisal was made exclusively of the value of the land by means of comparison with the market price being at 3,168,000 Baht (As details in 1.3)

1.4 The Land Title Deed No. 90025, Khwaeng HoueyKhwang, Khet HoueyKhwang, Bangkok, has the cost price according to the Book of 4,411,800 Baht. The price was appraised by CPM Capital Co., Ltd., represented by Mr. Noppan Leerittikulchai, the principal appraiser, who signed in the Report. The appraisal was carried out on 29 March 2013 for public purpose. The appraisal was made exclusively of the value of the land by means of comparison with the market price being at 9,720,000 Baht (As details in 1.4).

4.2 Right Of Land Lease/ Building Lease

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

Unit: Thousand Bath

Items	Ownership	Net value according to the Book as of 31 Dec 2016	Encumbrances / Obligations
Right of Land Lease/building lease (Let's Relax Pattaya and Koh Samui, SQ1, Suanplu, Thapae)	Company	13,101	Right of lease shows the cost price less accumulated write-off calculated by straight line according the period of lease

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

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

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
29 Jan 2016	The Company enters into the lease of the building agreement with Ms. Tamontorn Amontirasarn, for the lease of the building No.322/202 on Asoke Din Daeng road to be used as a living quarters of the therapist staff in Bangkok.	3 years to be expired on 31 Dec 2019	The building No. 322/202, the monthly rental for the years 2017-2019 is at 36,080 Baht	- Renewable for 3 years subject to advance notice of 60 days before expiration of the agreement.
13 Nov 2015	for total utility space of 1,392 square meters for use as the office building of the Company and of the subsidiary.	3 years to be expired on 31 Dec 2018	The rental is 110,000 Baht/ per month and the increased rental may be adjustable according to the market condition, but not exceeding 15 per cent of the rental in force on every 3 years.	- Lease is renewable for 2 times of 3 years each subject to 30-day advance notice prior to expiration. - The Lessee has the duty to maintain, improve, repair the leased building to good condition. -The Lessee is liable for payment of property tax and other fees. - The Lessee is responsible for the cost of public utilities.

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
26 Aug 2014	The Company enters into the land and structure lease agreement with Mrs. Pranee Suphawatanakiat, Mr. Narun Wiwattanakrai, Mr. Thanawat Utsahajit, Mr. Prasert Jiravanstit, Mrs. Thanit Amorntirasan and Mr. Wiboon Utsahajit, by paying the rental to RarinJinda Limited Partnership jointly founded by the 6 persons, for the land under the Land Title Deed No. 117, 2875, 8985, 554, 3010, 3009 and 103754 totalling 7 Land Title Deeds, having total area of 2 rai 3 ngan 62.4 square wah for operating the spa business (RarinJinda Wellness Spa, Chiangmai branch) and some part of the land being sub-leased to Siam Wellness Resort Co., Ltd., to operate the hotel and restaurant business (RarinJinda Wellness Spa Resort and Deck 1 Restaurant).	30 years. Effective on 1 January 2013. Expires on 31 December 2042.	The rental of 241,125 Baht/per month and the increased rental may be adjustable but not exceeding 15 percent of the rental in force on every 3 years.	- The lease is renewable subject to not less than 3 years advance notice in writing before expiration. - Upon the expiration of the Lease Agreement, the Lessee must remove the Lessee's property from the leased premises failing which, the Lessor shall be entitled to repossess the leased premises and remove the property of the Lessee from the leased premises at the expense of the Lessee. - The lease parties must register the right of lease at the Land Officer for which the Lessee is liable to meet all the expenses for registration of the lease (The lease was registered on 29 Aug 2014). - The debris of the 4-storey of the building No 14/1 and 2-storey Thaistyle Charoenrat Road, in Tambon WatKet, Amphoe Muang, Chiangmai province, on the land, the Lessee shall be responsible for improvement without charging the rental throughout the period of the Lease Agreement. - The Lessee has the duty to maintain, improve the leased premises to good condition. - The Lessee is responsible for property tax and other fees. - The Lessee is responsible for paying the cost of public utilities. - The agreement is substituted for the original agreement dated 1 January 2013.

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
22 Jan 2014	The Company enters into the Lease Agreement and Space Service Agreement with Asian Fortune Property Co., Ltd. Located at No 184/14 Pung Muang Sai Kor Road, in Tambon Patong, Katu district, Phuket province, on the side of the shop, of 2,418 square meters in area to use to operate the Spa business Let's Relax, Patong 3 rd Street branch.	3 years. To expire on 31 Jan 2017. Being the renewal of the 4 th -6 th year.	The rental for the 4 th year at 150,000 Baht per month; for the 5 th and the 6 th year, the rental is 172,500 Baht per month. Lease Agreement security deposit of 600,000 Baht; The service charge for the 4 th year is at 350,000 Baht per month; the 5 th year and then 6 th year at 402,500 Baht per month; the Agreement security deposit of 1,400,000 Baht.	- Renewable for 3 years subject to advance notice of 6 months before expiration. - The Lessee is responsible for property tax, tax on insurance premium and other fees. - The Lessee is responsible for public utilities actually incurred at the rate defined by PEA and PWA. - The rental and the service charge are adjusted downward from 172,500 Baht to 150,000 Baht; the service charge is reduced from 402,500 Baht to 350,000 Baht during 1 Feb 2014 - 31 Jan 2015 according to the Notice of the Reduction Adjustment dated 13 Jan 2014. - Adjusted reduction of the rental and service charge from 150,000 Baht to 75,000 Baht; the service charge is reduced from 350,000 Baht to 175,000
1 Nov 2016	The Company enters into the Space and Service Lease Agreement with Madarin Hotel Plc. for the space on M floor of the Hotel on the Mandarin Hotel No. 662 on Rama IV road, Khwaeng MahaPheutaram, Khet Bangkrak, Bangkok, of 1,100 square meters in utility area for use to operate the spa business (Let's Relax, Mandarin Hotel branch)	3 years to be expired on 31 December 2019.	Monthly rental payment is 316,800 Baht and monthly service charge is 211,200 Baht altogether totaling 528,000 Baht and the rental is adjustable according to the market situation, but not more than 15 percent of the rental effective for every 3 years. Security deposit for lease and service agreement totaling 2,112,000 Baht.	- Renewable each subject to advance notice of not less than 6 months. - The Lessee is responsible for property tax and other fees to be averaged out according to the area. - The Lessee is responsible for cost of public utilities as actually incurred. For electricity, the charge rate is 5.50 Baht/unit and the charge rate for water supply is 50 Baht for the first unit and the following unit is 20 Baht/unit.

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
1 Nov 2016	The Company enters into the Lease and Space Service Lease Agreement with L&H Property Co., Ltd., for the utility space of Grand Center Point Rajdamri hotel No. 153/2 on Soi MahaadlekLuang 1, on Rajdamri road, Khwaeng Lumpini, Khet Pathumwan, Bangkok; part of the shop on 6th floor and on 8th floor, of 823 square wah in space for use in operating the spa business (RarinJinda Wellness Spa, Rajdamri Branch).	To be expired on 31 December 2016	The rental for the 10 th year – the 12 th year at monthly of 246,900 Baht. The security deposit against the lease agreement is 760,452 Baht. The service charge of the 10th month – 12 th month at 370,350 Baht per month. The security deposit against the agreement is 1,283,880 Baht. Fee for use of the carpark area at 8,000 Baht per month.	- If the agreement is to be renewed, 3 months advance notice before expiry must be given. - The Lessee is responsible for property tax, other taxes, insurance premium and other fees averaged out according to the area. - The power charge is 5.50 Baht/ unit; the water supply is 20 Baht per cubic meter.
1 Jan 2016	The Company enters into the Lease and Space Service Agreement with the Property Mutual Fund and Land & House Lease Right Agreement, the space on 1st -3rd floor of the Center Point Residence Building Phromphong No 77 on Soi Sukhumvit 39 (Phromphong), Sukhumvit road, Khwaeng Khlongtan Nua, Khet Watthana, Bangkok, of totaling space of 706.82 sq.m and the car park space on 3 rd floor, of 100 sq.m in space to be used for operating the spa business (Let's Relax Sukhumvit 39 branch).	3 years to be expired on 31 Dec 2016. Being the renewal of the 10 th -12 th year.	The monthly rental is 190,841.40 Baht. Security deposit against the agreement of 735,092.82 Baht. The monthly service charge is 282,262.10 Baht. Security deposit against the agreement of 1,102,639.20 Baht. Lease of car park space on 3rd floor at 11,000 Baht per month.	- If wishing to renew the agreement, 6-month prior notice is required before expiration. - The Lessee is responsible for property tax, tax on insurance premium and other fees to be averaged out according to the area. - Power charge is at 4.50 Baht / unit; the water supply charge is 20 Baht/cubic meter to be adjustable according to the ratio to be levied by PEA and PWA.

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
1 Jan 2017	The Company enters into the Lease and Space Service Agreement with the Property Mutual Fund and Land & House Lease Right Agreement, the space on 1st -3rd floor of the Center Point Residence Building Phromphong No 77 on Soi Sukhumvit 39 (Phromphong), Sukhumvit road, Khwaeng Khlongtan Nua, Khet Watthana, Bangkok, of totaling space of 706.82 sq.m and the car park space on 3rd floor, of 100 sq.m in space to be used for operating the spa business (Let's Relax Sukhumvit 39 branch).	3 years to be expired on 31 Dec 2019. Being the renewal of the 13 th -15 th year.	The monthly rental is 155,500.40 Baht. Security deposit against the agreement of 735,092.82 Baht. The monthly service charge is 233,250.60 Baht. Security deposit against the agreement of 1,102,639.20 Baht. Lease of car park space on 3 rd floor at 11,000 Baht per month.	- If wishing to renew the agreement, 6-month prior notice is required before expiration. - The Lessee is responsible for property tax, tax on insurance premium and other fees to be averaged out according to the area. - Power charge is at 4.50 Baht / unit; the water supply charge is 20 Baht/cubic meter to be adjustable according to the ratio to be levied by PEA and PWA.
27 Jan 2011	The Company enters into the Lease Agreement and Space Service Agreement with L&H Property Co., Ltd., the space on the 6 th floor of the Terminal 21 Trade Center, at No 2, 88 Soi Sukhumvit 19 (Soi Watthana), Sukhumvit Road, Khwaeng Khlong ToeyNua, Khet Watthana, Bangkok, of 752 sq.m as utility area for operating the spa business (Let's Relax, Terminal 21 Branch)	3 years. Starting 1 Jul 2014 to be expired on 30 Jun 2017	The monthly rental is at 96,256 Baht. The security deposit for the agreement is 577,536 Baht. Monthly service charge is 144,384 Baht. The cost of public utilities is 172,960 Baht per month (230 Baht/sq.m subject to adjustment for increase during the validity of the agreement.) Security deposit against damage is 866,304 Baht.	- If wishing to renew the agreement, 90 days advance notice before expiration is required. Renewable for 1 time for 3 years each. The rental and the service charge can be increased to not more than 25 percent of the rental and the service charge of the 3rd year. - The Lessee is responsible for property tax, other taxes, insurance premium and other fees to be averaged out according to the area. - The Lessor adjusted the monthly cost of public utilities to 275 Baht/sq.m. on 1 Oct 2013.

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
25 Sep 2014	The Company enters into the lease of space agreement and the provision public utilities service agreement, the Terminal 21 Shopping mall	3 years. Starting 11 Oct 2014. To be expired on 10 Oct 2017.	The monthly rental is 120,320 Baht. Security deposit against the agreement is 721,920 Baht. Monthly service charge is 180,480 Baht. Monthly public utility cost is 206,800 Baht (230 Baht/sq.m. Subject to increase adjustment during the life of the Agreement). The security deposit against damage of 1,082,880 Baht.	- Other terms and conditions will be according to the agreement specified in the Lease of Space Agreement and Public Utility Service Agreement, Terminal 21 Shopping Mall dated 27 January 2011.
21 Aug 2012	The Company enters into the Land and Structure Lease Agreement with PhumLampha Resident Co., Ltd., a 1-storey building at No. 108/42 Moo 10, Tambon Bo Phud, Koh Samui district, Suratthani province, of 1,588 sq.m. of the utility area to be used for operating the spa business (Let's Relax Samui Branch).	3 years starting from 1 January 2013, to be expired on 31 Dec 2015.	The rental for the 1 st - 3 rd year is 100,000 Baht per month. The rental for the 4 th -6 th year is 110,000 Baht per month. The rental for the 7 th -9 th year is at 121,000 Baht per month. The service charge for the 1 st - 3 rd year is at 100,000 Baht per month. The service charge for the 4 th - 6 th year is at 110,000 Baht per month. The service charge for the 7 th - 9 th year is at 121,000 Baht per month. The Special Remuneration of 3,000,000 Baht. Payment made in Spa Reward Coupon of 575,000 Baht.	- If wanting to renew the agreement must give 6-month advance notice before expiration. - Is renewable for 2 times at 3 years each. - The Lessee is responsible for property tax, other taxes, insurance premium and other fees. - The Lessee is responsible for - cost of public utilities.

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
1 Dec 2015	The Company enters into the Land and Structure Lease Agreement with PhumLampha Resident Co., Ltd., a 1-storey building at No. 108/42 Moo 10, Tambon Bo Phud, Koh Samui district, Suratthani province, of 1,588 sq.m. of the utility area to be used for operating the spa business (Let's Relax Samui Branch).	3 years starting from 1 January 2016, to be expired on 31 Dec 2018	The rental for 1 Jan 2016 – 31 Dec 2018 is 110,000 Baht per month. The service charge is at 110,000 Baht per month.	- If wanting to renew the agreement must give 6-month advance notice before expiration. - Is renewable for 1 time at 3 years each. - The Lessee is responsible for property tax, other taxes, insurance premium and other fees. - The Lessee is responsible
24 Apr 2015	The Company enters into the Building Lease Agreement with Sunshine Garden Pattaya Co., Ltd. The Building No. 240/9 Moo 5 Tambon Naklua, BangLamoong district, Chonburi province; the utility space is 500 sq.m. to be used for operating the spa business (Let's Relax Pattaya branch)	3 years starting from 1 May 2015 to be expired on 30 April 2018.	The rental is 150,000 Baht per month.	- The Lessee is responsible for cost of public utilities and other service charges. - The Lessee is responsible for every category of taxes concerned with the business (such as property tax, signboard tax and VAT) - Is renewable for 2 times at 3 years each.
24 Apr 2015	The Company enters into the Building Lease Agreement with Sunshine Garden Pattaya Co., Ltd. A one-storey building at No. 240/9 Moo 5, in Tambon Naklua, BangLamoong district, of the utility space of about 40 sq.m. for use as a living quarters for Pattaya therapist staff.	3 years starting from 1 May 2015 to be expired on 30 Apr 2018.	The rental is at 19,500 Baht per month.	- The Lessee is responsible for the cost of public utilities. - Is renewable for 1 time at 3 years each.

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
1 Mar 2012	The Company enters in the Lease and Service Agreement with Moo Baan Seri Co., Ltd., for the utility space of the Pavilion Night Bazaar No. 145 on Chang Klan Road, Tambon Chang Klan, Amphoe Muang, Chiang Mai province, 2 nd floor, Room U32 special, U41 and U42, of total space of 122 sq.m for use to operate the spa business (Let's Relax Pavilion branch).	3 years starting from 1 Apr 2012 to be expired on 31 Mar 2015 and the agreement was renewed on 16 Sep 2013 ; to be expired on 15 Sep 2016.	The rental is at 34,160 Baht per month; monthly service charge is 14,640 Baht. Electricity guarantee deposit is 60,000 Baht. Water supply guarantee deposit is 4,000 Baht.	- If wishing to renew the agreement, 6 months advance notice must be given before expiration. -It is renewable for 2 times for 3 years each. -The Lessor can readjust the service charge by giving 1 month advance notice. - The power charge is 4 Baht/ unit; the water supply charge is at 23 Baht/cu.m subject to rate adjustment by giving advance notice. - Letter of Lease Guarantee to the credit line of 429,000 Baht. -The rental and service charge are adjusted downward from 42,700 Baht and 18,300 Baht to 34,160 Baht and 14,640 Baht respectively according to the Memorandum of Understanding attached to the Space Lease Agreement and Service Agreement for
1 Aug 2016	The Company enters into the Lease and Service Agreement with Moo Baan Seri Co., Ltd., for the utility space of the Pavilion Night Bazaar No. 145 on Chang Klan Road, Tambon Chang Klan, Amphoe Muang, Chiang Mai province, 2 nd floor, U41 and U42, of total space of 122 sq.m for use to operate the spa business (Let's Relax Pavilion branch)	3 years starting from 16 Sep 2016 to be expired on 15 Sep 2019	The rental is at 35,868 Baht per month; monthly service charge is 15,372 Baht. Security Deposit is 712,050 Baht swap proportionately with the existing contract	Is part of the existing contract

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
5 Mar 2012	The Company enters into the Lease and Space Service Agreement with Moo Baan Seri Co., Ltd., for the utility space at Pavilion Night Bazaar Building No. 145 on Chang Klan road, Tambon Chang Klan, Amphoe Muang Chiangmai, Chiangmai province, on 1st floor, Room U 27, of 150 sq.m in space, for use to operate the spa business (Let's Relax, Pavilion Branch)	3 years starting from 1 April 2012 to expired on 31 Mar 2015 and the agreement was renewed on 16 Sep 2013 to be expired on 15 Sep 2016.	The rental is at 105,000 Baht per month. The monthly service charge is at 45,000 Baht. Electricity guarantee deposit is 30,000 Baht. Water supply guarantee deposit is 2,000 Baht.	- If wishing to renew the agreement, 6 months advance notice must be given. - It is renewable for 2 times at 3 years each. - The Lessor can adjust the service charge subject to 1 month advance notice. - The power charge is 4 Baht/unit; the water supply charge is 23 Baht/cu.m. The rate is adjustable subject to advance notice. - Letter of Lease Guarantee is to the credit line of 517,500 Baht. -The rental and service charge are adjusted downward from 120,750 Baht and 51,750 Baht to 105,000 Baht and 45,000 Baht respectively according to the Memorandum of Understanding attached to the Space Lease Agreement and Service Agreement for use of the premises dated 16 Sep 2013.
1 Aug 2016	The Company enters into the Lease and Space Service Agreement with Moo Baan Seri Co., Ltd., for the utility space at Pavilion Night Bazaar Building No. 145 on Chang Klan road, Tambon Chang Klan, Amphoe Muang Chiang Mai, Chiang Mai province, on 1st floor, Room U 27, of 150 sq.m in space, for use to operate the spa business (Let's Relax, Pavilion Branch)	3 years starting from 16 Sep 2016 to expired on 15 Sep 2019	The rental is at 110,250 Baht per month. The monthly service charge is at 47,250 Baht. Security Deposit is 712,050 Baht swap proportionately with the existing contract	Is part of the existing contract

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
1 Jun 2012	The Company enters into the Lease and Space Service Agreement with Moo Baan Seri Co., Ltd., for the utility space at Pavilion Night Bazaar Building No. 145 on Chang Klan road, Tambon Chang Klan, Amphoe Muang Chiangmai, Chiangmai province, on 2nd floor, Room U 39 and U40 , of 64 sq.m in space, for use to operate the spa business (Let's Relax, Pavilion Branch).	2 years 10 months ending on 31 Mar 2015 to and the agreement was renewed on 16 Sep 2013 to be expired on 15 Sep 2016.	The rental is at 17,920 Baht per month. The monthly service charge is at 7,680 Baht. Electricity guarantee deposit is 20,000 Baht. Water supply guarantee deposit is 2,000 Baht.	- If wishing to renew the agreement, 6 months advance notice must be given. - It is renewable for 2 times at 3 years each. - The Lessor can adjust the service charge subject to 1 month advance notice. - The power charge is 4 Baht/unit; the water supply charge is 23 Baht/ cu.m. The rate is adjustable subject to advance notice. - Letter of Lease Guarantee is to the credit line of 96,000 Baht. -The rental and service charge are adjusted downward from 22,400 Baht and 9,600 Baht to 17,920 Baht and 7,680 Baht respectively according to the Memorandum of Understanding attached to the Space Lease Agreement and Service Agreement for use of the premises dated 16 Sep 2013
1 Aug 2016	The Company enters into the Lease and Space Service Agreement with Moo Baan Seri Co., Ltd., for the utility space at Pavilion Night Bazaar Building No. 145 on Chang Klan road, Tambon Chang Klan, Amphoe Muang Chiang Mai, Chiang Mai province, on 2nd floor, Room U 39 and U40 , of 64 sq.m in space, for use to operate the spa business (Let's Relax, Pavilion Branch).	3 years to be from 16 Sep 2016 and expired on 15 Sep 2019.	The rental is at 18,816 Baht per month. Service charge is at 8,064 Baht per month. Security Deposit is 712,050 Baht swap proportionately with the existing contract	Is part of the existing contract

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
16 Sep 2013	The Company enters into the Lease and Space Service Agreement with Moo Baan Seri Co., Ltd., for the utility space at Pavilion Night Bazaar Building No. 145 on Chang Klan road, Tambon Chang Klan, Amphoe Muang Chiangmai, Chiangmai province, on A-G and A-2 Floor, Room U14-U16, U32, U35, U35/1, U36 and U37 totaling 8 units with total space of 332 square meters for use to operate the spa business (Let's Relax, Pavilion Branch).	3 years to be expired on 15 Sep 2016.	The rental is at 89,040 Baht per month. Service charge is at 38,160 Baht per mionth.	- If wishing to renew the agreement, 6 months advance notice must be given. - It is renewable for two times of 3 years each. - The Lessor can readjust the service subject to 1 month advance notice. - The power charge is 4 Baht/unit. The water supply charge is 23 Baht/cu.m. The rate is adjustable subject to advance notice. There is the Letter of Lease Guarantee, Power Charge Guarantee Deposit and Water Supply Guarantee Deposit to the credit line of 489,600 Baht.
1 Aug 2016	The Company enters into the Lease and Service Agreement with Moo Baan Seri Co., Ltd., for the utility space of the Pavilion Night Bazaar No. 145 on Chang Klan Road, Tambon Chang Klan, Amphoe Muang, Chiangmai province, A-G, A-2, U14-U16, U32, U35, U35/1, U36, U37, of total 8 units space of 332 sq.m for use to operate the spa business (Let's Relax Pavilion branch)	3 years starting from 16 Sep 2016 to be expired on 15 Sep 2019	The rental is at 81,144 Baht per month; monthly service charge is 34,776 Baht. Security Deposit is 712,050 Baht swap proportionately with the existing contract.	Is part of the existing contract.

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
1 May 2014	The Company enters into the Lease Agreement and Space Service Agreement with Q.H. International Co., Ltd. for lease of space on 30th floor and some part of 31st floor, The Grand Center Point Hotel Building, Ploenchit No. 100 on Wireless Road, Khwaeng Lumpini, Khet Pathumwan, Bangkok, of total space of 1,087 sq.m, for use to operate the spa business (RarinJinda Wellness Spa, Ploenchit Branch).	3 year Starting from 1 Nov 2014 Expiring on 31 October 2017.	The rental is at 200,000 Baht per month. First rental instalment is due in January 2015. The Lease guarantee deposit is 600,000 Baht. Space service charge is at 300,000 Baht/month. Space service charge guarantee deposit is 900,000 Baht.	- Decoration during the months of May 2014-Oct 2014. - It is renewable for 2 times at 3 years each. - If the agreement is renewed, the rental and service charge may increase not exceeding 15 % of the rental and the service charge in the 3rd year. - The Lessee is responsible for property tax, other taxes, insurance premium and other fees to be averaged according to the space. - On 1 Sep 2014, the Company entered into the Memorandum of Understanding to assign the rights and duty under the Space Lease Agreement and Provision of Service Agreement from Q.H. International Co., Ltd., to L&H Hotel Management Co., Ltd., with effect from 1 Sep 2014 onwards.

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
15 May 2014	The Company enters into the Lease Agreement and Space Service Agreement with Market Village Co., Ltd. The Hua Hin Market Village Trade Center Project, on the 2 nd floor, Room E201 and E201 Terrace, on the 3 rd floor, Room A313 and E301, of total space of 743 sq.m. at No. 234/1 on Phetkasem Road, Tambon Hua Hin, Hua Hin district, Prachuab Khirikhan province, for use to operate the spa business (Let's Relax, Hua Hin Branch).	3 years starting on 21 June 2014 and to be expired on 20 June 2017.	The rental is at 88,836 Baht/month. The Lease Guarantee Deposit of 533,016 Baht. Space Service charge at 59,224 Baht/month. Space Service Charge Guarantee Deposit of 355,344 Baht. Power Meter Guarantee deposit of 60,000 Baht. Common Area Service Charge of 188,440 Baht/ month (at 280 Baht/sq.m).	- It is renewable for 2 times at 3 years each subject to not less than 180 days advance Notice before expiration of the agreement. - If the agreement is renewed, the rental and the space service charge is to be increased not exceeding 15 % of the rental and the service charge in the 3rd year. - The common area service is adjustable according to the policy of the Lessor and according to the burden of direct cost and expense incurred. - The Lessee is responsible for insurance premium to be averaged out according to the area. The power charge and water supply charge are payable according to the amount actually consumed at the rate defined by the service provider. Presently the power charge is 5.02 Baht per unit and the water supply is 20.50 Baht per unit.
1 Jan 2015	The Company enters into the House Lease Agreement with Ms. Sarinna Suramogkol. A House at 236/17 Phetkasem Road Hua Hin sub-district, Hua Hin district as a living quarters for Hua Hin therapist staff	3 years starting on 1 Jan 2015 and to be expired on 31 Dec 2017	The rental is at 25,000 Baht per month. The security deposit is 75,000 Baht.	- The Lessee is responsible for cost of public utilities and other associated cost caused by the lessee.

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
5 Sep 2014	The Company enters into the Lease Agreement and Space Service Agreement with Chulalongkorn University. The Project Siam Square One, 6 th floor, Room SS 6032, having total space of 424.43 sq.m on Rama 1 Road Bangkok to be used for operating the spa business (Let's Relax, Siam Square One Branch	3 years. Starting on 1 Aug 2014 Expiring on 31 Jul 2017	The rental is at 114,841 Baht/month. The Lease Guarantee deposit of 459,364 Baht. Space Service Charge is at 172,261 Baht / month. Space Service Charge Guarantee deposit of 689,044 Baht. Public	- The Lease is renewable for 2 times at 3 years each subject to advance notice of not less than 3 months. - The rental rate and other terms and conditions are as defined by the Lessor. - The Lessee is responsible for property tax, other levies and other fees to be averaged out by the space area. - Power charge and water supply charge are as actually consumed. The power charge rate is 5 Baht/ unit and the water supply rate is 20 Baht per unit. Incidentally, in the case of the adjustment of the service charge is based on these external sources of service charge, the provider of service can read-just the price subject to advance notice in writing of not less than 7 days.
31 Oct 2014	The Company executes the Letter of Booking for the Lease Right with Chulalongkorn University for the Siam Square One Project on 6th floor, Room SS6041, of the space of 321.29 sq.m, on Rama I Road, Bangkok, to be used for operating the spa business (Let's Relax, Siam Square Phase 2 Branch).	3 years	Pay the education subsidy of 1,387,980 Baht for signing the Lease Agreement on the date of booking for lease right.	

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
31 Jan 15	The Company enters into the Lease Agreement with Chulalongkorn University. The Project Siam Square One, 6 th floor, Room SS 6041, having total space of 332.01 sq.m on Rama 1 Road Bangkok to be used for operating the spa business (Let's Relax, Siam Square One Branch Phase 2)	3 years. Starting on 18 Apr 2015 Expiring on 17 Apr 2018	The rental is at 87,391 Baht/month. The Lease Guarantee deposit of 349,564 Baht. Space Service Charge is at 172,261 Baht / month. Power Meter guarantee deposit of 10,700 Baht (Not including VAT). Water supply meter guarantee deposit of 5,350 Baht (Not including VAT). Education cost subsidy of 1,696,716 Baht (Not including VAT). Pay the education subsidy of 9,561,888 Baht on the date of signing the Lease Agreement	- Monthly Rental shall be paid on every 5th of the month - The Lessee is responsible for property tax, other levies and other fees to be averaged out by the space area. - Power charge and water supply charge are as actually consumed. - For default or renewal of contract, each subject to advance notice of not less than 3 months. - The Lease is renewable for 2 times at 3 years and the rate shall not increase more than 15% every 3 years.
31 Mar 2015	Amendment of the Lease Agreement of Siam Square One branch	3 years. Starting on 18 Apr 2015 Expiring on 17 Apr 2018		- Amend the details in the Lease Agreement No. 0211-58/090101 as followed: - No. 7.6 "The lessee will remove decorations and adjust the floor space within 30 days after the contract completion date - No. 16.1 (Khor) In the event of the default of the contracts, the lessee will have the liability of rental contract. - No. 17.3 "The lessee will need to remove all assets and personnels from the rental space within 30 days after the contract completion date

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
31 Mar 2015	The Company enters into the Space Service Agreement with Chulalongkorn University. The Project Siam Square One, 6 th floor, Room SS 6041, having total space of 332.01 sq.m on Rama 1 Road Bangkok to be used for operating the spa business (Let's Relax, Siam Square One Branch Phase 2)	3 years. Starting on 18 Apr 2015 Expiring on 17 Apr 2018	Space Service Charge is at 140,262.02 Baht/month (VAT included). Space Service Charge Guarantee deposit of 845,248.64 Baht, payable on signing date. Public utilities service charge of 71,050.14 Baht/month (200 THB/sq.m.).	- Space Service Charge should be paid within the 5th of the month - Space Service includes roads within Siam Square One Building, Entrance and Exit, Stairs, Balconies, Common Area, 24 hours securities, electricity and air conditioning in common area, elevators, fire security system, cleaning and pest control service (except rental area), property and landscape maintenance in common area,
1 Jul 2015	The Company enters into the Lease Agreement and Space Service Agreement with Gelson Development Co., Ltd. for lease of space in Park Lane Bangkok located at 18 Soi Sukhumvit 61, Room No. B205-214, 2nd Floor of total space of 578.25 sq.m, for use to operate the spa business (Let's Relax Spa Ekkamai).	9 years. Starting on 1 Jul 2015 Expiring on 30 Jun 2024	For Year 1-3, monthly rental is 54,000 baht, First month, pays one month rental and one month advance rental total 108,000 baht. Security rental deposit is 108,000 baht. For Year 4-6, monthly rental is 62,100 baht. First month, pays one month rental and one month advance rental total 124,200 baht. Security rental deposit is 124,200 baht. For Year 7-9, monthly rental is 71,415 baht, First month, pays one month rental and one month advance rental total 142,830 baht. Security rental deposit is 142,830 baht	- Rental waive for July (total 30 days) - Monthly rental shall be paid on every 5th of the month - Start payment on 1 August 2015. - Electricity is 5.50 baht+VAT/unit - Water is 18 baht+VAT/unit - Lessee is responsible for property tax and govt levy - For renewal of contract, each subject to advance notice of not less than 6 months and contract should be signed at least 3 months

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
1 Jul 2015	The Company enters into the Space Service Agreement with Gelson Development Co., Ltd. for lease of space in Park Lane Bangkok located at 18 Soi Sukhumvit 61, Room No. B205-214, 2nd Floor of total space of 578.25 sq.m, for use to operate the spa business (Let's Relax Spa Ekkamai).	9 years. Starting on 1 Jul 2015 Expiring on 30 Jun 2024	For Year 1-3, monthly service charge is 60,000 baht and monthly public utility charge is 50,000 baht, First month, pays one month service charge and one month advance service charge total 120,000 baht. Security service charge deposit is 120,000 baht. For Year 4-6, monthly service charge is 69,000 baht and monthly public utility charge is 50,000 baht. First month, pays one month rental and one month advance rental total 138,000 baht. Security rental deposit is 124,200 baht. For Year 7-9, monthly service charge is 79,350 baht and monthly public utility charge is 50,000 baht. First month, pays one month rental and one month advance rental total 158,700 baht. Security rental deposit is 158,700 baht	- Monthly service charge and public utility charge shall be paid on every 5th of the month
17 Aug 15	The Company enters into the Lease Agreement with Asian Fortune Property Co., Ltd. for lease of space in 3 storeys commercial building located at 97/2-5 Ratchadamnoen Road, Phra Singha sub-district, Muang district, Chiang Mai to operate the spa business (Let's Relax Spa Thapae)	3 years. Starting on 1 Oct 2015 Expiring on 30 Sep 2018	The rental is at 39,000 Baht/month. The Lease Guarantee deposit of 117,000 Baht. Pay the subsidy of 7,000,000 Baht. Space Service Charge is at 91,000 Baht / month. Space Service Charge Guarantee is at 273,000 Baht	- The Lease is renewable for 1 times at 3 years - For renewal of contract, each subject to advance notice of not less than 6 months. - Power charge and water supply charge are as actually consumed.

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
2 Nov 2015	The Company enters into the Lease Agreement with MBK Public Co., Ltd. for lease of space No. PLA.F05.A010000 on 5th Floor with total area of 615.49 sq.m. to operate the spa business (Let's Relax Spa MBK)	3 years. Starting on 1 Feb 2016 Expiring on 31 Jan 2019	The rental is at 615,490 Baht/month (Not including VAT). The Lease Guarantee deposit of 5 months is 3,228,245.03 Baht (VAT included). The deposit is separated into 3 payments. Advance one month rental rate and property tax	- The Lease is renewable for 2 times at 3 years - For renewal of contract, each subject to advance notice of not less than 3 months with no more than 15% increase in rental rate every 3 years.
15 Dec 2015	The Company enters into the Lease Agreement with The Street Retail Development Co., Ltd. for lease of space No. 310 on 3rd Floor with total area of 714 sq.m. to operate the spa business (Let's Relax Spa The Street)	3 years. Starting on 15 Dec 2015 Expiring on 14 Dec 2018	The rental for Year 1-3 is at 299,880 Baht/month. Space Service Charge is at 342,720 /month (Not including VAT). The Lease Guarantee deposit of 1,541,383.20 Baht (VAT included).	- The lessee will pay the property tax to the lesser as a monthly payment of 37,485 bahts. This will be paid along with the monthly rental rate. - The Lease is renewable for 2 times at 3 years - For renewal of contract, each subject to advance notice of not less than 3 m
1 Aug 2015	The Company enters into the Lease Agreement with Un-Pan Limited Partnership for lease of land and building at 7/24 Soi Suanplu, Bangkok to operate the spa business (Let's Relax Spa Suanplu)	9 years 5 months. Starting on 1 Aug 2015 Expiring on 31 Dec 2024	First 5 month (Aug 2015-Dec 2015), monthly rental rate of 130,000 baht Year 1-3, monthly rental rate of 140,000 baht Year 4-6, monthly rental rate of 160,000 baht Year 7-9 monthly rental rate of 180,000 baht Subsidy of 2,750,000 baht	- Telephone, Power charge and water supply charge are as actually consumed. Other associated costs are beared by lessee.
1 Aug 2015	The Company enters into the sub-Lease Agreement with Ms. Chuenjit Raipitaksin for lease of land and building at 613/1 Ramintra Road, Bangkok to operate the spa business (Baan Suan Massage Ramintra)	2 years 2 months. Starting on 1 Aug 2015 Expiring on 30 Sep 2017	The rental is 76,000 Baht/month. The Lease Guarantee deposit of 120,000 Baht The electricity charge of 36,000 Baht	- Monthly Rental shall be on every 5th of the month - The Lease is renewable for 1 times at 3 years at the same rate - For default or renewal of contract, each subject to advance notice of not less than 2 months.

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
29 Jul 2015	The Company enters into the Lease Agreement with Ms. Withara Pornsubsit for lease of land and building at 1191/2 Ramkamhaeng Road, Bangkok to operate the spa business (Baan Suan Massage Ramkamhaeng)	4 years 10 months. Starting on 1 Aug 2015 Expiring on 31 May 2020	The rental for 1 Aug 2015-31 May 2017 is at 70,000 Baht/month. Payment must be made in sum of 3 months in advance. The rental for 1 Jun 2017 - 31 May 2020 is at 90,000 Baht/month. Payment must be made in sum of 3 months in advance. The Lease Guarantee deposit of 240,000 baht	- Monthly Rental shall be on every 5th of the month (every 3 months) - For default or renewal of contract, each subject to advance notice of not less than 2 months.
1 Aug 2015	The Company enters into the Lease Agreement with Ms. Chuleeporn Vichinrojjarus for lease of land and building at 70/40 Moo 9 Nonthaburi to operate the spa business (Baan Suan Massage Nonthaburi)	3 years Starting on 1 Aug 2015 Expiring on 31 Jul 2018	The rental is at 72,000 Baht/month. The Lease Guarantee deposit of 144,000 baht	- Monthly Rental shall be on every 5th of the month - The Lease is renewable for 2 times at 3 years with the increasing rate of no more than 15% every 3 years - For default or renewal of contract, each subject to advance notice of not less than 2 months.
1 Sep 2015	The Company enters into the Lease Agreement with Chuenratchada Co.,Ltd for lease of land and building at 293 Wongsawang sub-district, Bangsue district, Bangkok to operate the spa business (Baan Suan Massage Prachanukul)	3 years Starting on 1 Nov 2015 Expiring on 31 Oct 2018	The rental for the first 2 years is at 92,650 Baht/month. The rental for the third year is at 70,000 Baht/month. The Lease Guarantee deposit of 277,950 baht. The Electricity and Water Guarantee Deposit is 500,000 Baht paid on contract date	- The Lease is renewable for another 2 years at the same rate of 3rd year - For default or renewal of contract, each subject to advance notice of not less than 2 months. - Monthly Rental shall be on every 1st -5th of the month
1 Oct 2015	The Company enters into the Lease Agreement with Asian Fortune Property Co.,Ltd for lease of land and building at 207/47 Raj-u-thid 200 years Road, Patong sub-district, Kathu district, Phuket to operate the spa business (Let's Relax Patong 3rd Street extension)	3 years Starting on 1 Feb 2016 Expiring on 31 Jan 2019	The rental for Year 1-3 is at 60,000 Baht/month. The Lease Guarantee deposit of 240,000 Baht Space Service Charge is at 140,000 /month. The Service Guarantee deposit of 560,000 Baht	- The Lease is renewable as per negotiated - For renewal of contract, each subject to advance notice of not less than 6 months. - Lessee is responsible for any levies related to the contract

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
1 May 2016	The Company enters into the Lease Agreement with Noppranang Resort and Spa Co.,Ltd for lease of land and building at 123 Mooban Klonghaeng Moo 3 Nopparatthra Road, Aonang sub-district, Muang district, Krabi approx. 200 sqm. to operate the spa business (Let's Relax Holiday Inn Resort Krabi Ao Nang Beach)	3 years Starting on 18 May 2016 Expiring on 17 May 2019	The rental for Year 1-3 is at 100,000 Baht/month.	- The Lease is renewable for another 3 years - Rental Rate is subject to the Occupancy Rate between 3-5% - Lessee is subject to all taxed related to the Agreement - The Lease Guarantee deposit of 300,000 Baht - Utilities Fee is 10,000 Baht fixed per month
2 Jun 2016	The Company enters into the Lease Agreement with Great China Millenium (Thailand) Co.,Ltd for lease of land and building at 559 Ratprarop Road, Makkasan, sub-district, Ratchathewi district, Bangkok approx. 260.90 sqm.to operate the spa business (Let's Relax Pratunam)	3 years Starting on 18 Jul 2016 Expiring on 17 Jul 2019	The rental for Year 1-3 is at 200,000 Baht/month. The Lease Guarantee deposit of 600,000 Baht	- For renewal of contract, each subject to advance notice of not less than 45 days.
15 Mar 2016	The Company enters into the Lease Agreement with Mr. Chatri Wonnawit for lease of land and building at 624 Charoennakorn 68 Road, Daokanong sub-district, Thonburi district, Bangkok approx. 187 sqm. to operate the spa business (Baan Suan Massage Charoennakorn 68)	3 years Starting on 1 Apr 2016 Expiring on 31 Mar 2019	The rental for Year 1-3 is at 120,000 Baht/month. The Lease Guarantee deposit of 600,000 Baht	- The Lease is renewable for another 3 years for 3 times - For renewal of contract, each subject to advance notice of not less than 30 days with no more than 10% increase in rental rate for first renewal and no more than 15% increase in rental for second and third renewal
25 Feb 2016	The Company enters into the Lease Agreement with Mrs. Sangchan Praewpraikul for lease of land and building at 47/3-6 Phayathai Road, Phayathai Road sub-district, Ratchathewi district, Bangkok approx. 969 sqm. and rooftop approx. 223 sqm. to operate the spa business (Let's Relax Phayathai)	3 years effective from the handover notice date	The rental for Year 1-3 is at 400,000 Baht/month. The Lease Guarantee deposit of 1,200,000 Baht	- The Lease is renewable for another 3 years for 3 times - For renewal of contract, no more than 10% increase in rental rate
1 Aug 2016	The Company enters into the Lease Agreement with Mr. Manus and Mrs. Kanchna Leelaphatthraapun for lease of land and building at 488 Bharomratchachonnanee Road, Salathammasop sub-district, Taweewattanaa district, Bangkok approx. 583.3 sqm. to operate the spabusiness (Baan Suan Massage Bharom)	3 years Starting on 1 Aug 2016 Expiring on 31 Jul 2019	The rental for Year 1-3 is at 859,200 Baht/year. The Lease Guarantee deposit of 500,000 Baht	- The Lease is renewable for another 3 years for 3 times - For renewal of contract, each subject to advance notice of not less than 30 days

Date of the Lease Agreement	Particulars	Period of Time	Rental and Service	Other Terms & Conditions
11 Mar 2016	The Company enters into the Lease Agreement with L&H Malls & Hotels for lease of land and building at 300 Sukhumvit 55 Road, Klongtonnua sub-district, Wattana district, Bangkok approx. 621.2 sqm..to operate the spa business (Let's Relax Thonglor)	3 years Starting on 15 Nov 2016 Expiring on 14 Nov 2019	The rental for Year 1-3 for Spa Area is at 149,080 Baht/month. The Lease Guarantee deposit of 447,264 Baht Space Service Charge is at 223,632 Baht/month. The Service Guarantee deposit of 670,896 Baht. The rental for Onsen Area is 15% of Revenue	- The Lease is renewable for another 3 years for 4 times - For renewal of contract, each subject to advance notice of not less than 90 days
15 Dec 2016	The Company enters into the Lease Agreement with LPN Development Public Co.,Ltd for lease of commercial space at 689 Pohsri Road, Markkaeng sub-district, Muang district, Udon Thani approx. 712.27 sqm. to operate the spa business (Baan Suan Massage Udon Thani)	3 years Starting on 15 Dec 2016 Expiring on 14 Dec 2019	The rental for Year 1 is at 32,978.50 Baht/month. The rental for Year 2-3 is at 98,935.50 Baht/month. The Lease Guarantee deposit of 534,251.70 Baht Space Service Charge is at 98,935.50 Baht/month. The Service	- The Lease is renewable for another 3 years for 2 times - For renewal of contract, Rental is 210 Baht per sqm. and Service is 150 Baht per sqm. for first renewal and Rental is 270 Baht per sqm. and Service is 150 Baht per sqm. for second renewal
19 Dec 2016	The Company enters into the Lease Agreement with Siam Retail Development Co.,Ltd for lease of commercial space at 99 Mittrapap-Nongkhai Road, Naimuang sub-district, Muang district, Nakorn Ratchasima approx. 349 sqm. to operate the spa business (Baan suan Korat)	3 years Starting on 19 Dec 2016 Expiring on 18 Dec 2019.	10% Revenue Sharing for Revenue less than 1,000,000 Baht per month. 15 % Revenue sharing for Revenue above 1,000,000 Baht per month. 40% is calculated as Rental and 60% is calculated as Service Fee. The Lease Guarantee deposit of 200,000 Baht. The Service Guarantee deposit of 797,325 Baht.	- For renewal of contract, each subject to advance notice of not less than 30 days - Service Fee is 285 Baht per sqm.

Trademarks

Company has registered Trademarks with the Trademark Office, Department of Intellectual Property, as followed:

Trademarks	Registered Company	Product/ Service Type	egistration No. / Country of Register	Length
	Siam Wellness Group Public Co.,Ltd	For service: Spa Centers, Wellness Spa, Massage Center	Bor 64221 / Thailand	10 years (10 May 2013 – 9 May 2023)
	Siam Wellness Group Public Co.,Ltd	For service: Hotel, Resort, GuestHouse	Bor 64220 / Thailand	10 years (10 May 2013 – 9 May 2023)
	Siam Wellness Group Public Co.,Ltd	For service: Spa Center, Wellness Spa, Massage Center	Bor 64219 / Thailand	10 years (10 May 2013 – 9 May 2023)
	Siam Wellness Group Public Co.,Ltd	For service: Catering	Bor 64713 / Thailand	10 years (10 May 2013 – 9 May 2023)

4.3 Investment Policy In Subsidiary And Associated Company

4.3.1 Principal Definitions

1. The Definitions in this Policy

(1) “Company” means Siam Wellness Group Public Limited Company.

(2) “Subsidiary” means “associated company” and “persons who may have conflicts” shall have the same meaning as defined in the Notification of the Securities and Exchange Commission S.E.C No GorJor. 17/2551 Re Determination of the Definition Clause in the Notification In Relation to the Issuance and Offer for Sale of the Securities (including those amended).

2. This policy besides applying to the case of the “company” as an investor, it also applies to the subsidiary and associated company which has invested in other companies to the extent that such other companies also directly become a subsidiary or an associated company of the “company” in every succession as well.

4.3.2. A Business to be Considered Investing

1. The company falling within the scope of being considered investing.

(1) It does not operate illegal businesses nor takes part in the support of illegal activities.

(2) It does not operate the business which “a person who may have conflicts” has already operated.

(3) There has been assessed the worthiness or feasibility thereof necessarily or appropriately.

(4) The “company”, “the subsidiary” and the “associated company” will not hold share retroactively to the company which is its own shareholder in the characteristic of cross holding of the share except there is a necessary reason but, incidentally, it does not contravene the law to the extent that the company becomes disqualified to be authorized to make a public offering of the share in accordance with the law concerned.

2. Persons with whom the company will consider jointly investing.

(1) The Company will not jointly make an investment with “a person who may have conflicts” unless there is a necessary reason. Incidentally, such person who may have conflicts to jointly invest in the amount that the company is disqualified to be authorized to make a public offering.

- There is no history of committing illegal activities.
- The person has the knowledge, experience, ability or a comprehensive network of relationship that helps support the operation of the business of the subsidiary or the associated company to make such joint investment.

3.The ratio or the amount of investment in the subsidiary or associated company.

(1) If it does not contradict the other requirements, the company should hold share in the company in which it has made investment directly and/or indirectly combined in the ratio or in the characteristic that the company is able to control or to participate in the formulation of a policy and in the management of the business in which the company has made investment or will receive other interest which the company requires.

(2) The amount of capital invested in each business is to be approved by the authorized person according to the manual of work performance regarding the power of action of the company.

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

(1) Lending the money to the company which is investing must charge the interest at the rate applicable in the market or is in proximity to the interest rate which the financial institution charges to a preferred customer or a general customer or is slightly higher than the cost of borrowing of the lending company so that the lender company is not put at a disadvantage and to eliminate the doubt regarding the transfer of the property.

(2) To allow the “Company” to underwrite particularly the subsidiary or the associated company which the “Company” holds share directly only and the terms and conditions of underwriting must be reasonable in relation to the debt which such subsidiary or associated company has received; incidentally, the line of credit which the company underwrites must not exceed the ratio of shareholding which the company holds in such company.

5. The management of the subsidiary and associated company.

(1) The company should have its agent to sit as a director on the Board of Directors of the subsidiary company or of the associated company. The number of the agent of the company will be at least according to the ratio of shareholding of the company.

(2) The authorized director to sign binding upon the subsidiary or the associated company should always have the company’s agent to countersign.

(3) The company’s agent should have the right to participate in choosing the high executive or any person who is responsible for accounting and finances.

(4) In the case that the subsidiary agrees to enter into a related transaction or acquired transaction or to dispose of the property of material importance, the company should take action according to the criteria stipulated by the law for executing the said transaction.

6. Steps of approving the investment and evaluation

(1) Approval of investment

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

(2) Evaluation of the investment

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

(3) Audit of the implementation of this policy.

- The management of the company is to conduct an internal audit or to have the internal audit department of the company to conduct an audit of the implementation of this policy. Incidentally in the case of the subsidiary or the associated company, the management of the company is to coordinate the work with the agent of the company in such company to furnish adequate documentation for audit by the internal auditor or by the internal audit department.
- The internal auditor or the Internal Audit Department of the Company is to submit the report on the result of the audit to the Audit Committee within 45 days of the end of each quarter so the Audit Committee will further report to and offer the opinion to the meeting of the company's board of directors.

4.4 The Policy To Open New Branches

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

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

- The area surrounding the branch to be opened is a source of the presence of the target customers who have easy access to use the service.
- Suitability and adequacy of the area for opening new branch.
- Cost of rental and service charge of the space is appropriate and the lease agreement is renewable to medium length of time, that is, inclusive of the lease period and renewal period, the lease period is about 6 - 9 years.
- Availability of the location for use as a living quarters for the therapist personnel in the neighborhood and at attractive price.
- Having made a financial estimate, it is expected that the branch would be profitable and the point of returns on capital invested will not exceed 3-4 years.

As in the case of additional hotel is to be opened of the subsidiary, if investment will be made , the hotel would be characterized by a Wellness Spa Report of small size, of Low Rise type, with the capacity of not less than 35 guest rooms. By estimate, about 50 guest rooms would worth a return on the capital invested.

The hotel would be a health hotel in tandem with the spa of the Company to reciprocally support a joint business only. The Company and the subsidiary do not have a policy to principally focus on the hotel business. Incidentally, the project depends on the feasibility of the area; there are available clear groups of the target customers; the study of the feasibility study of the project, source of financial support and opportunity for investment at that time without fixed requirement that investment must be made in the company's own area or on the leased premises. However, if the project is on the leased land, the lease period must be not less than 30 years and the right of lease can be granted continuously as to be worthy of investment in the hotel project involving a large investment and longer period of return on capital. Incidentally, based on the data of the feasibility study on investment in the said branch, the management is of the opinion that the project is feasible. Then the proposal should be made via the Executive Committee for consideration to be further proposed to the Company's Board of Directors for consideration and approval or may be presented to the meeting of the shareholders according to the criteria of acquisition of the property for approval before further carrying out the investment in the said branch.

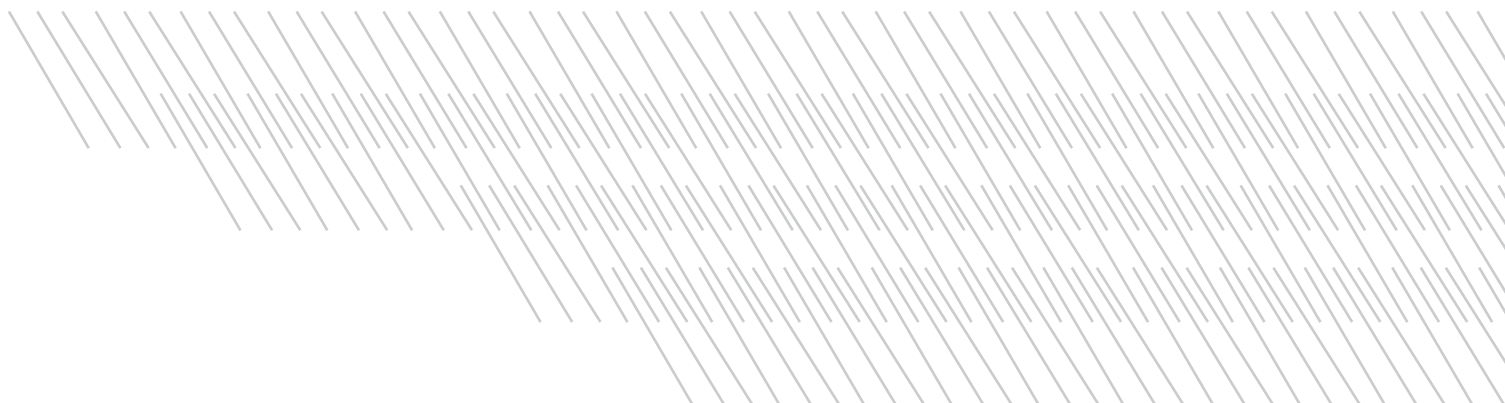
Legal Dispute

As of 31 December 2016, the Company had no legal dispute whatsoever or there is no case in the process of lawsuit which may have negative impact on the operation of the business of the Company and the Company have no legal dispute which have negative impact or requires indemnity exceeding 5 percent of the Company's shareholders' equities.

On 11 August 2016, the Company's Subsidiary, Siam Wellness Resort Company Limited ("SWR") filed a lawsuit with Administrative Court regarding the Notice of Mayor of Chiang Mai Municipality and the ruling of the Appeals Commission regarding the suspension of construction and use as well as the removal of the building of SWR which uses to operate Deck1 Restaurant, its restaurant business. This is followed from a notice sent on 18 March 2016 from the Mayor of Chiang Mai Municipality to SWR's Board of Directors to suspend the construction and use as well as the removal of the building, which is currently Deck1 Restaurant. The notice refers that some part of the building is constructed outside the area specified in the land deed and may cover parts of the Ping River. On 25 April 2016, SWR has made an appeal to the Appeals Commission. On 14 July 2016, the Appeals Commission issued the ruling that the appeal of SWR is lifted and acknowledge the Statement of the Mayor of Chiang Mai Municipality.

Section 2

Good Corporate Governance



Securities and Shareholder Information

6.1 Registered Capital and Paid up Capital

As of December 31, 2016, the Company has the registered capital of 142.5 million bahts and the paid up capital of 142.5 million bahts with the ordinary shares of 570 million shares with par value of 0.25 bahts

6.2 Shareholders

As of December 21, 2016, the Company has the following shareholders:

No.	Name	No. of Shares	%
1.	Utsahajit Group		
	Mr. Wiboon Utsahajit	70,140,000	12.31
	Mrs. Pranee Suphawatanakiat	57,720,000	10.13
	Mrs. Thanit Amornpirasarn	56,631,900	9.94
	Mr. Narun Wiwattanakrai	20,240,000	3.55
	Mr. Napat Wiwattanakrai	18,740,000	3.29
	Mr. Narut Wiwattanakrai	16,240,000	2.85
	Mr. Chanodom Utsahajit	8,190,000	1.44
	Ms. Tanatchaporn Utsahajit	8,185,000	1.44
	Ms. Chalisa Utsahajit	8,185,000	1.44
	Total	264,271,900	46.36
2.	Jiravanstit Group		
	Mr. Prasert Jiravanstit	70,140,000	12.31
	Ms. Pornpit Jiravanstit	18,000,000	3.16
	Mrs. Praorn Jiravanstit	18,000,000	3.16
	Total	106,140,000	18.62
3	The Hong Kong and Shanghai Banking Corporation, Fund Services	37,700,000	6.61
4	Mr. Kachen Benjakul	7,197,200	1.26
5	Tisco Mid-Small Cap Equity	4,767,100	0.84
6	Ms. Sutthinan Asavasopon	3,349,100	0.59
7	Mr. Songpon Sumsiripong	3,335,200	0.59
8	Mr. Wossorn Anurakvongsri	3,000,000	0.53
9	Ms. Naline Thongthae	3,000,000	0.53
10	Mr. Pisit Durongpittaya	2,971,000	0.52
	Total	65,319,600	11.46
11	Other Shareholders	134,268,500	23.56
	รวมจำนวนหุ้นทั้งสิ้น	570,000,000	100.00

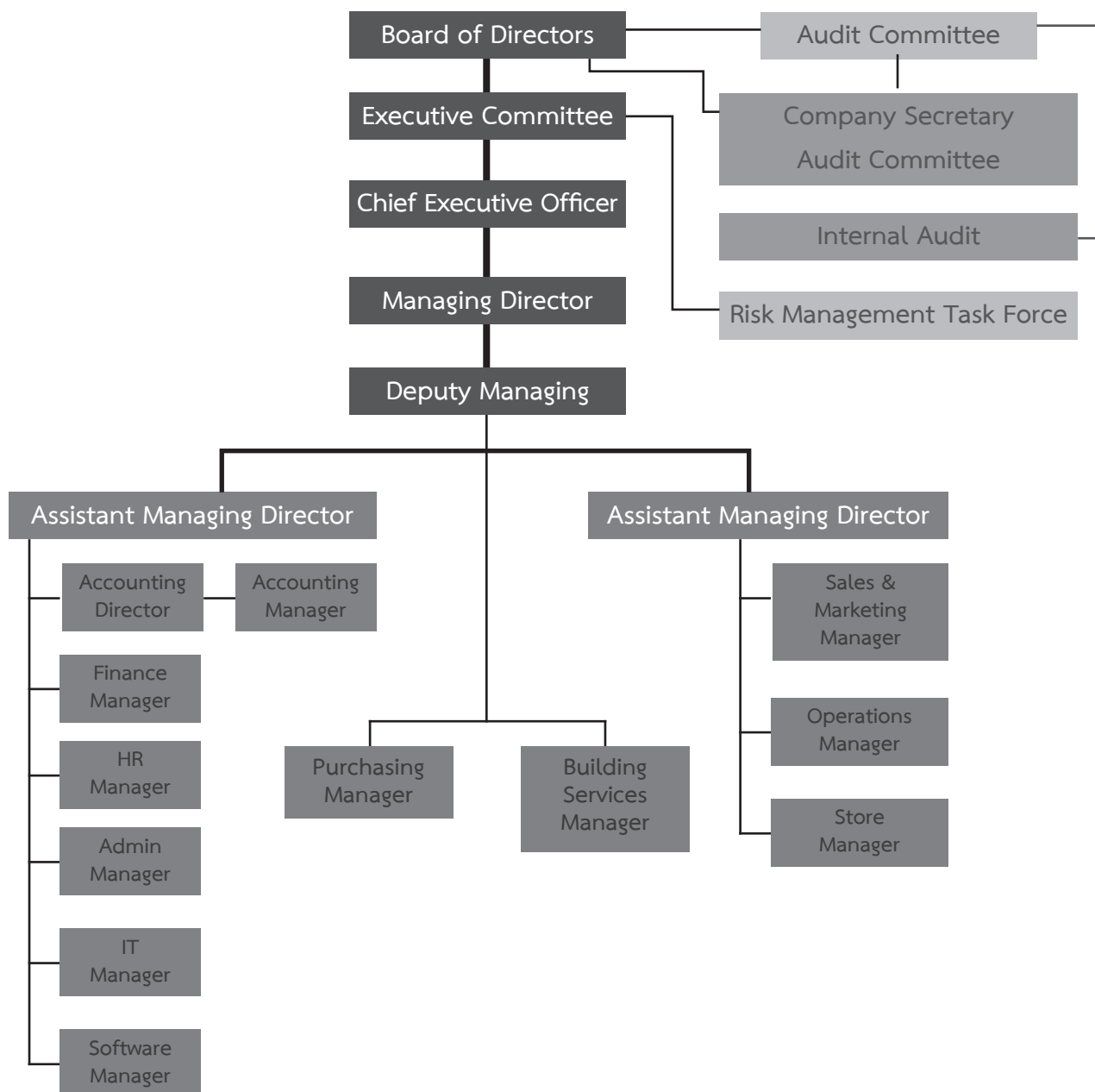
6.3 Dividend Policy

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

Organizational Structure

7.1 Organizational Structure

As of December 31, 2016, The Company's Organization is as followed:



7.2 Board of Directors

As of December 31, 2016, The Company's Board of Directors composed of 9 Directors as followed:

	Name	Position
1	Mrs. Pranee Suphawatanakiat	Chairman
2	Mr. Wiboon Utsahajit	Director / President / Chief Executive Officer
3	Mr. Prasert Jiravanstit	Director / Member of Executive Committee / Managing Director
4	Mrs. Thanit Amorntirasarn	Director / Member of Executive Committee / Deputy Managing Director
5	Mr. Narun Wiwattanakrai	Director / Member of Executive Committee / Assistant Managing Director
6	Mr. Polchet Likittanasombat	Director / Chairman of the Audit Committee / Independent Director (Audit Committee with Accounting Knowledge)
7	Mr. Chaiyut Thienvuthichai	Director / Member of the Audit Committee / Independent Director
8	MR. Pensiri Chakrabandhu	Director / Member of the Audit Committee / Independent Director
9	Mrs. Supee Pongpanichs	Director / Independent Director

Authorized Persons

Mr. Wiboon Utsahajit or Mr. Prasert Jiravanstit or Mrs. Thanit Amorntirasarn, two out of the three directors sign together accompanied by the Company seal.

Board of Directors' Meeting Attendance as of December 31, 2016

No.	Name	2016
		Meetings Attended / Total Meetings
1	Mrs. Pranee Suphawatanakiat	8/8
2	Mr. Wiboon Utsahajit	8/8
3	Mr. Prasert Jiravanstit	8/8
4	Mrs. Thanit Amorntirasarn	7/8
5	Mr. Narun Wiwattanakrai	8/8
6	Mr. Polchet Likittanasombat	8/8
7	Mr. Chaiyut Thienvuthichai	7/8
8	MR. Pensiri Chakrabandhu	6/8
9	Mrs. Supee Pongpanich	8/8

7.3 Audit Committee

Audit Committee composed of 3 Directors as followed:

Name	Position
Mr. Polchet Likittanasombat	Chairman of the Audit Committee / Independent Director (Audit Committee with Accounting Knowledge)
Mr. Chaiyut Thienvuthichai	Member of the Audit Committee / Independent Director
MR. Pensiri Chakrabandhu	Member of the Audit Committee / Independent Director

Audit Committee's Meeting Attendance as of December 31, 2016

Name	2016
	Meetings Attended / Total Meetings
Mr. Polchet Likittanasombat	4/4
Mr. Chaiyut Thienvuthichai	3/4
MR. Pensiri Chakrabandhu	4/4

7.4 Executive Committee

As of December 31, 2016, The Company's Executive Committee composed of 5 Directors as followed:

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

Executive Committee's Meeting Attendance as of December 31, 2016

Name	2016
	Meetings Attended / Total Meetings
1. Mr. Wiboon Utsahajit	13/13
2. Mr. Prasert Jiravanstit	13/13
3. Mrs. Thanit Amorntirasan	13/13
4. Mr. Narun Wiwattanakrai	13/13
5. Mr. Juckpat Jiravanstit	10/13

7.5 Management Team

As of December 31, 2016 The Company's Management Team composed of 5 Members as followed:

Name	Position
1. Mr. Wiboon Utsahajit	Chief Executive Officer
2. Mr. Prasert Jiravanstit	Managing Director
3. Mrs. Thanit Amorntirasarn	Deputy Managing Director
4. Mr. Narun Wiwattanakrai	Assistant Managing Director
5. Ms. Yonlawan Eiamalongkorn	Assistant Managing Director (Chief Financial Officer)

7.6 เลขานุการบริษัท

On November 11, 2016 at the BOD 7/2016, the Board of Directors approved the appointment of Mr. Prin Ekmanochai, Legal Director, as Company Secretary to comply with the Securities and Stock Exchange Act B.E. 2535 with responsibilities as followed:

1. Documenting and Recording important documents
 - 1.1 Director's Record.
 - 1.2 Invitation Letter for Board of Director's Meeting, Minutes of Board of Director's Meeting and Annual Report.
 - 1.3 Invitation Letter for Shareholder's Meeting and Minutes of Shareholder's Meeting.

2. Keep in record all documents that may have conflict of interest with directors or management and send to Chairman or Chairman of Audit Committee within 7 days after receive of such report.

3. Administering other matters according to Securities Commission announcement.

7.7 Director's and Management Remuneration

7.7.1 Monetary Remuneration

Director's Remuneration

On February 23, 2016 at the BOD 1/2016, the Board of Directors approved the remuneration for Directors and Audit Committee as followed :

(Bahts)

Position	Monthly Allowance	Meeting Allowance	Annual Bonus
Chairman of Board of Directors	20,000	10,000	300,000
Director	10,000	10,000	200,000
Chairman of Audit Committee	20,000	10,000	300,000
Member of Audit Committee	15,000	10,000	200,000

Remark :

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

In 2016, Company has paid total remuneration to Director and Audit Committee as followed:

Director's Remuneration as of December 31, 2016

Name	Position	2016	
		Monthly Allowance (Bahts)	Meeting Allowance (Bahts)
Mrs. Pranee Suphawatanakiat	Chairman	240,000	80,000
Mr. Wiboon Utsahajit	Director / President / Chief Executive Officer	-	80,000
Mr. Prasert Jiravanstit	Director / Member of Executive Committee / Managing Director		80,000
Mrs. Thanit Amorntirasan	Director / Member of Executive Committee / Deputy Managing Director		70,000
Mr. Narun Wiwattanakrai	Director / Member of Executive Committee / Assistant Managing Director		80,000
Mr. Polchet Likittanasombat	Director / Chairman of the Audit Committee / Independent Director (Audit Committee with Accounting Knowledge)	240,000	120,000
Mr. Chaiyut Thienvuthichai	Director / Member of the Audit Committee / Independent Director	180,000	100,000
MR. Pensiri Chakrabandhu	Director / Member of the Audit Committee / Independent Director	180,000	90,000
Mrs. Supee Pongpanich	Director / Independent Director	120,000	80,000
Total		960,000	780,000

Management Remuneration

As of December 31, 2016, Company has total of 5 members in the Management. The Company paid total of 12,203,262.18 bahts as salary and annual bonus.

7.7.2 Other Remuneration

In 2016, Company has paid total of 331,200 bahts as provident fund, social securities and health insurance (excludes salary and annual bonus)

Personnels

As of December 31, 2016, The total of staff (excludes Management) are as followed

SPA

No.	Department	As of Dec 31, 2016
		Total Staff
1	Accounting	19
2	Finance	3
3	Human Resource	3
4	Admin and Housekeeping	5

No.	Department	As of Dec 31, 2016
		Total Staff
5	Legal	2
6	IT and Software	3
7	Purchasing	3
8	Building Services	5
9	Sales and Marketing	8
10	Operations (Head Office)	6
11	Operations (Branch)	206
12	Store and Transportation	8
Total		271

SWR

No.	Department	As of Dec 31, 2016
		Total Staff
1	Accounting	4
2	Purchasing, Admin, Store	3
3	Human Resources	1
4	Marketing	2
5	Operations	2
6	Front Office and Bellboy	13
7	Kitchen	23
8	Housekeeping	19
9	Engineering	5
10	Food & Beverage & Kitchen (Deck1)	22
11	Food & Beverage & Kitchen (D Bistro)	22
Total		116

SWL

No.	Department	As of Dec 31, 2016
		Total Staff
1	Management	1
2	Product	3
3	Admin and Store	4
Total		8

SWE

No.	Department	As of Dec 31, 2016
		Total Staff
1	Management	1
2	Trainers	4
Total		5

As of December 31, 2016, Company has total of 271 staffs (excludes Management). In 2016, total monthly remuneration for staff (excludes Management) such as salary, commission, bonus, provident fund, Social securities and OT is 43,477,775.95 bahts

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

Labour Objections in the past 3 years

- None -

Human Development Policy

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

English Language Training 2 times per year

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

POS Training 2 times per year

Service Manners Training Continuously throughout the year

Annual Spa Manager Meetings were conducted at Head Office of Siam Wellness Group Public Company Limited

Business Administration

8.1 Policies on Business Administration

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

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

Section 1: The Rights of Shareholders

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

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

6. An independent person will be appointed to count and examine the votes at the meeting of shareholders, reveal the outcome to the meeting and record it in the minutes of the meeting.

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

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

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

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

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

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

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

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

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

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

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

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

Section 2: Equitable Treatment

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

1. Minor shareholders will be allowed to nominate persons for directorship or propose the items on the agenda to be deal with by the Meeting of Shareholders.
2. The rules on the nomination of person for directorship and proposal of the items on the agenda by minor shareholders will be clearly set forth.
3. The Meeting of Shareholders will only deal with the items on the agenda without changing any important details or adding any items on the agenda without notice, unless otherwise approved by the Meeting in compliance with the law.
4. The shareholder who cannot attend the meeting by himself may nominate an independent director or appoint a person as a proxy who will attend and vote at the meeting on his behalf. The name of such proxy shall be indicated in the meeting invitation.
5. All shareholders, whether they are major or minor shareholders of any nationalities will be treated equally.
6. To ensure transparency and traceability and avoid conflict, voting on any matter shall be done by ballot and each shareholder will be allowed to nominate the persons for directorship.
7. There shall be written guidelines on maintenance and protection of data for compliance by all people in the Company. All directors and executives are required to report the securities in their holding to the Board of Directors.
8. The director or executive who has vested interest or conflict of interest in any transaction under consideration shall disclose such vested interest or conflict of interest to ensure that the Board of Directors can equitably consider such transaction for the benefit of the Company. Such vested interest or conflict of interest shall be recorded in the minutes of the meeting.
9. The Board of Directors shall recognize the rights of shareholders and the Company shall treat all shareholders fairly and equally, whether they are executive or non-executives and irrespective of the number of shares they hold and their nationalities. It is our policy to treat shareholders equally and protect their basic rights. Therefore, all shareholders shall have equal rights to buy or sell shares, get fair share in the Company's profit, receive sufficient information on the operations, attend the meeting to vote for appointment or removal of director, appointment of auditor and the matters affecting the Company such as dividend payment, revision of memorandum or articles of association, capital increase or decrease and approval of special transactions.
10. All shareholders shall have equal rights to vote: each share is eligible to one vote.
11. Company will release Company News to shareholders on regular basis via SET portal and Company Website
12. Shareholders shall be allowed to propose the items on the agenda or nominate the person for directorship to be included in the items on the agenda at least 1 month before the day of the annual meeting of shareholders as set forth by the Company.
13. We will sent to meeting invitation along with the documents on the items on the agenda and the views of the Board of Directors on all the items on the agenda, to all shareholders at least 7 days before the day of the meeting, unless otherwise set forth by SET or SEC. Such meeting invitation and related documents which are the same as the ones to be sent to the shareholders shall also be published on our website at least one month before the day of the meeting so that the shareholders will have enough time to examine all the details and can make the right decisions.

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

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

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

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

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

Section 3: Roles of Stakeholders

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

Treatment of and responsibilities for shareholders

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

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

Practices and responsibilities in respect of government sector

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

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

Practices and Responsibilities in Respect of Employees

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

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

Practices and Responsibilities in Respect of Customers

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

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

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

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

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

2. We intend to maintain and improve relations with trading partners and parties to the agreements whose objectives are clear in respect of product quality and worthwhile services on a bona fide basis.
3. All of our employees and executives are forbidden from receiving direct or indirect interests from trading partners or parties to the agreements.
4. Not to use the information obtained from purchase or supply for personal gain or for the benefit of any other persons.

Practices and Responsibilities in Respect of Creditors

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

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

Practices and Responsibilities in Respect of Competitors

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

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

Practices and Responsibilities in Respect of Society

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

1. To operate business, taking into account the environment and in strict compliance with the laws and regulations on the environment.
2. To clearly adopt the CSR policies and uphold such policies.
3. To ensure that our employees become aware of their responsibilities towards the environment and society.
4. To respect the customs, traditions and cultures of the areas where we operate our business.
5. To constantly engage in the activities for creation of society, communities and the environment for the betterment of life quality in cooperation with government agencies, private organizations and communities.
6. To take part in activities in nearby communities.
7. To quickly and efficiently respond to the events that affect the community surrounding, lives and properties in connection with our operations. To fully cooperate with the government officials and the agencies concerned.

Practices and Responsibilities in Respect of Anticorruption

We have adopted the following anticorruption policies:

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

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

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

Section 4: Disclosure of Information and Transparency

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

1. Board of Directors will in a timely fashion disclose complete and accurate financial information and other information related to the Company's business, performance and potentials.

2. The Board of Directors will strive to ensure compliance with relevant laws and regulations regarding the release and disclosure of information on a transparent basis. To provide the information both in Thai and English language on the website of the company and other channels such as mass media and communication channel of SET and SEC to the shareholders and the persons concerned. Such information will be updated in line with the guidelines set forth by SET and SEC.

3. To employ Investor Relations in order to communicate with investors, shareholders, institutional investors and minority shareholders or government agencies in an equal and fair manner. We will arrange a meeting to analyze the results of operations on a regular basis. And to publish the information, both financial and other information, in Thai and English, to our shareholders, securities analysts, credit rating and other government agencies involved through various channels such as report to SEC, SEC and publication on our website so that shareholders will receive up-to-date information. The information such as our visions, missions, balance sheet, newsletters, annual report, structure of the Company and executives, structure of shareholding and major shareholders.

4. We attach importance to financial reports which truly and completely reflect our financial status and performance according to the generally recognized accounting standards which have been audited by independent auditor.

5. The Company will disclose information about individual directors, the roles and functions of the Board of Directors and Committees in our annual report (Form 56-2) and annual information (Form 56-1), number of meetings, attendance of directors in the previous year, remuneration of directors and high level executives.

6. To publish on our website the essential information both in Thailand and English such as our visions, missions, nature of business, balance sheet, performance on Form 56-1, annual report, shareholding structure, invitation to meeting of shareholders, articles of association, memorandum of association, policies, charter and ethics of the Board of Directors, Audit Committee and all employees.

Section 5: Responsibilities of the Board of Directors

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

Responsibilities of the Board of Directors – Structure and Committees

Board of Directors

Directors on the Board

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

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

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

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

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

Responsibilities of the Board of Directors – Board Meeting

Regulations on Board Meeting:

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

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

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

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

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

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

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

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

Responsibilities of the Board of Directors – Self Assessment

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

Responsibilities of the Board of Directors – Remuneration of Director

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

Responsibilities of the Board of Directors – Development of the Board

The Board of Directors is dedicated to promoting and facilitating the training and education of directors involved in the corporate governance such as company's directors, Audit Committee, management, etc., to provide improved performance; and in the event of a change of directors or the appointment of new directors, the management will provide documentation and information beneficial to the performance of the new directors as well as provide advice. All directors shall undergo training programs held by the Thai Institute of Directors, Certification Director Accreditation Program (DAP), and some are trained in the course Director Certification Program (DCP) from the same institution.

Responsibilities of the Board of Directors – Internal Control

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

Responsibilities of the Board of Directors – Use of internal information

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

Responsibilities of the Board of Directors – Annual Report

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

Remuneration of Directors and Executives

Remuneration of Directors

The Annual General Meeting of Shareholders No. 1/2014 held May 7, 2014 has clearly and

transparently set the remuneration of directors. Such remuneration is in line with the industry and it is sufficient to attract and maintain the directors who have desirable qualifications and assume the duties and responsibilities commensurate with such payment.

Remuneration of Executives

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

Business Ethics and best practices in work.

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

Conflict of interest

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

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

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

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

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

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

6. In case where there are related transactions beyond typical commercial business between the persons who may have conflict of interest or joint interest now or hereafter, the Company shall have the Audit Committee express their views on the need and appropriateness of such transactions. If the Audit Committee do not have expertise in such related transactions, the Company may request an independent

expert or auditor express his views on such related transactions to assist the Board of Directors or the Meeting of Shareholder, whichever the case may be, in decision making. The Company shall disclose the related transactions in the notes for the balance sheet which will be audited by the Company's auditor.

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

Internal Control and Audit

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

8.2 Committees

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

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

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

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

1. To perform duties with good care, great responsibility and honesty in compliance with the laws, objectives set forth in the articles of association, resolutions of the Board Meeting and the Meeting of Shareholders.
2. To consider and approve the visions, missions, business strategies, orientations, policies, targets, guidelines, operation plan, capital management plan, risk management plan and the budgets of the company and its affiliates which are proposed by the Executive Committee and Management.
3. To monitor work of the Executive Committee, CEO, Managing Director, Management or any persons to ensure attainment of the objectives and compliance with the business plans and policies adopted by the Board of Directors.
4. To follow up the Company's operations to ensure compliance with the operation plan, capital management plan, risk management plan and the budgets of the Company and its affiliates.
5. To ensure that the Company and its affiliates adopt appropriate and efficient accounting procedures, internal control and audit.
6. To prepare balance sheet and profit and loss statement at the end of the fiscal year and certify them; to disclose in the financial statement the financial status and performance in the previous year; to prepare an annual report for presentation to the Ordinary Meeting of Shareholders for endorsement.
7. To consider and approve the recruitment and appointment of an auditor and appropriately fix his remuneration, taking into account the proposal of the Audit Committee, before presentation to the Ordinary Meeting of Shareholders for endorsement.
8. To adopt written policies on corporate governance and efficiently review them to ensure responsibilities of the Company for all the shareholders; to consider the policies and compliance therewith at least once a year.

9. To consider and approve the appointment of directors when existing directors vacate their office due to retirement or other reasons in compliance with the Public Company Limited Act of 1992 (and its revisions), Securities and Stock Exchange Act of 1992 (and its revisions), notifications, rules and/or regulations applicable thereto, taking into account the desirable and undesirable qualifications of such persons as set forth in such acts.

10. To form the Audit Committee, Executive Committee and other committees and subcommittees for the assistance and support of the Board of Directors, and fix their scope of powers and duties.

11. To consider, set forth and review the directors who are authorized to sign their names to bind the Company.

12. To consider and appoint the executives as defined by the SET, SEC, Capital Market Supervisory Board or the Company's secretary, and fix the remuneration thereof.

13. To seek at the Company's expense the professional opinions from any organizations to assist the Company's decision making.

14. To encourage the directors and executives to take the training courses of Thai Institute of Directors Association that are suitable for their duties and responsibilities.

15. To adopt the mechanism for monitoring the Company's affiliates for the protection of the Company's interest and investments, taking into account the qualities of the persons to take the office of director in the affiliates, to ensure management in compliance with the Company's policies and transactions in compliance with the securities laws, other laws and the regulations and notifications of SET and SEC. The powers, duties and responsibilities granted and assigned to the director shall not enable them or their attorneys to approve the transactions that they or the persons with conflict of interest (as defined by the SEC's Notifications or Capital Market Supervisory Board's Notifications) or the interested persons or the persons who may benefit from or have conflict of interest with the Company or its affiliates, unless otherwise such approval is granted on individual basis subject to the policies or the criteria adopted or set forth by the Meeting of Shareholders or the Board of Directors.

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

(n) The matters legally require prior approval of the Meeting of Shareholders.

(๑) The transaction in the interest of the director which requires prior approval of the Meeting of Shareholders according to the laws or SEC's Regulations.

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

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

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

1. To verify that the Company's financial reports are correct and complete.

2. To ensure that the Company has appropriate and efficient internal control and audit system and that the internal audit unit is truly independent; to consider and approve the appointment, transfer and disengagement of the Chief of the Internal Audit Unit or any other unit in charge of internal audit.

3. To ensure that the Company complies with the Securities and Stock Exchange Act, SET's Regulations and Capital Market Supervisory Board's Notifications and other laws applicable to the Company's business.

4. To consider, screen and nominate an independent person for the appointment as the Auditor and propose his remuneration; to hold a meeting with the Auditor without the management being present at least once a year.

5. To consider related or intercompany transactions or the transactions that may create conflict of interest in compliance the laws, Capital Market Advisory Board and SET's Regulations to ensure that such transactions are appropriate and are in the interest of the company.

6. To ensure that the Company has an appropriate and efficient risk management system.

7. To prepare a report signed by its Committee Chairman to be disclosed in the Company's annual report containing at least the following details:

- 1) views on the correctness, completeness and reliability of the Company's financial report;
- 2) views on the adequacy of the company's internal control system;
- 3) views on compliance with the Securities and Stock Exchange Act, SET's Regulations and the laws applicable to the Company's business;
- 4) views on the suitability of the Auditor;
- 5) views on the transactions which may create a conflict of interest;
- 6) views on the management of risks;
- 7) the number of meetings held by the Audit Committee and the record of attendance of each member;
- 8) views or remarks on compliance with the Charter;
- 9) other information that the shareholders and investors should know which can be disclosed within the scope of powers, duties and responsibilities granted and assigned by the Board of Directors.

8. Monitor the work of the Internal Audit Unit as follows:

- 1) To ensure that the scope of work, audit plan, budget and staff are adequate and sufficient for the support and assistance of the Audit Committee.
- 2) To consider the appointment, transfer or disengagement of the Department Directors or Internal Auditor.
- 3) To present report on the operation.
- 4) To ensure the independence of the Internal Audit Unit or the Internal Auditor.

9. To constantly consider and review the criteria and method of inspection and ensure that it is suitable to the business environment.

10. To present report on its work to the Board of Directors at least 4 times a year.

11. To report to the Board of Directors any of the following acts that may significantly affect the Company's financial status and operation so that improvement can be made within the deadline set by the Audit Committee:

- 1) any transaction that may create a conflict of interest;
- 2) fraud, irregularities or flaws in the internal control;
- 3) violation of the Securities and Stock Exchange Act, Capital Market Supervisory Board, SET's Regulations or any laws applicable to the Company's business. If the Board of Directors or executives fails to make improvement within the deadline under the foregoing paragraph, any Audit Committee Member may report such incident to SEC or SET.

12. If the Auditor finds any circumstances that lead to suspicion that a director, manager or the person responsible for the operation of the Company perform any acts in violation of the Securities and Stock Exchange Act and reports such incident to the Audit Committee for investigation, the Audit Committee shall conduct investigation and inform SEC and the Auditor within 30 days of notification by the Auditor.

13. To ensure independence of the Auditor and consider receiving other non-audit services from such Auditor.

14. To act according to 1-13 in respect of the operations of the affiliates as assigned or requested by the affiliates within the scope of the Audit Committee.

15. To perform any other acts as directed by the Board of Directors subject to the approval of the Audit Committee.

The Audit Committee have the authority to invite director, officer or employee of the Company to attend a meeting to clarify or answer questions on matters relating duties and responsibilities of the Audit

Committee; to consult the expert or consultant of the Company at (if any) or hire a consultant or an expert from time to time at the Company's expense; to request any employees to submit documents related to the company's operations for examination; to conduct investigation or examination in any matters to ensure successful performance of duties; to request one or many employees to perform any acts within the scope of powers of theirs; to perform and acts related to and in connection with the affiliates or as assigned or requested by the affiliates, within the scope other power and duties. Mr. Polchet Likittanasombat is the director who has knowledge and experience in the audit of financial statements. He used to be the Managing Director of Magnet Management and Consultant Co., Ltd.

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

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

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

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

Appointment of working teams or persons

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

8.2.4 Scope of Powers, Duties and Responsibilities of Managing Director

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

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

1. To manage and control the Company's day to day operations.
2. To act as assigned by the Board of Directors and/or the Executive Committee; to appoint attorneys to perform any acts for and on his behalf without creating a conflict of interest.
3. To issue orders, regulations, notifications and memorandums for operation in compliance with the Company's policies, in the Company's interest and for enforcement of discipline within the organization.
4. To perform the acts or and on behalf of the Company in favor of third parties related to Company's business and in the Company's interest.
5. To consider and review investments for proposal to the Board of Directors and/or Executive Committee.
6. To consider and appoint consultants necessary to the Company's operations for proposal to the Board of Directors and/or Executive Committee.
7. To consider and revise working positions, salaries, bonuses and other benefits, employ or engage staff within the allocated budget, offer pay and promotion to employees, transfer employees, hire consultants, renew contracts, impose disciplinary actions or penalties against employees who have committed offenses, appoint Investigation Committee.
8. To perform other acts as assigned from time to time by the Board of Directors and/or Executive Committee; not to consider and approve the transactions which create a conflict of interest between a director and the Company or its affiliate, unless otherwise such transactions are approved in compliance with the policies or criteria approved by the Board Meeting or the Meeting of Shareholders in compliance with the laws.

8.3 Recruitment and Engagement of Directors and Executives

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

Directors:

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

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

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

The newly appointed director shall remain in office only for the remaining term or the director so replaced.

The ruling vote of the directors must come from at least three quarters (3/4) of the remaining directors.

High Level Executives

High level executives such as CEO or Managing Director must be appointed by the Meeting of

Shareholders, Board of Directors or the persons assigned by shareholders or Board of Director, taking into account the candidates' knowledge, abilities, skills and experiences that will benefit the Company's operations and their understanding of the Company's business and ability to manage work to attain the objectives and targets set by the Board of Directors.

Audit Directors/Independent Directors

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

1. Hold shares not more than 1 % of the shares that are eligible to vote of the Company, parent company, affiliates and joint venture company, major shareholders or the persons having the powers to control the Company. The shares of the persons related to the independent director should also be counted.
2. Not being or having been a director who took part in the management, employee, worker, consultant receiving regular salary, the person who have the powers to control the Company, unless otherwise not having such status for at least 2 years before appointment. Such undesirable qualifications shall not include the independent director who has been a government employee or a consultant of a government agency who is a major shareholder or the person who has the powers to control the Company.
3. Not having relation by consanguinity or registration as father, mother, spouse, sibling, child or spouse of child of another director, executive, major shareholder, the person who has the power to control the Company or the person about to be nominated for director, executive or the person who has the power to control the Company or its affiliate.
4. Not having or having had business relationship with the company, parent company, affiliate, joint venture, major shareholder or the person who has the power to control the Company in the manner that may prevent him from using his discretion freely; not being or having been a significant shareholder or the person who has the power to control the person who has business relationship with the company, parent company, affiliate, joint venture, major shareholder or the person who has the power to control the company, unless otherwise having ended such status for at least 2 years before appointment. Business relationship shall include the ones under Capital Market Supervisory Board's Notification No. ThorJor. 28/25581: Application for and Approval of Offering Newly Issued Shares, the normal business transactions, leasing or renting real properties, transactions related to assets or services, offer or acceptance of financial assistance, offer or take out loan, guarantee, putting up assets as collaterals for loan or other similar circumstances which result in the company or the other party to the agreement is under obligation to may payment to the other party at the rate of 3% of the net and tangible assets of the company or more or from 20 million baht, whichever is larger. The calculation of loan obligations shall take into account the related transactions set forth in the Capital Market Supervisory Board's Notification on Intercompany Transactions and the loan obligations arising during the period of one year before having business relationship with the same person.
5. Not being or having been an auditor of the Company, parent company, affiliate, joint venture, major shareholder or the person who has the power to control the Company; not being a significant shareholder, the person with control power, a partner of an accounting Company which provides an audit service to the Company, parent Company, affiliate, join venture, major shareholder or the person who has the power to control the Company, unless otherwise such status has ceased for at least 2 years before appointment.
6. Not being or having been the provider of professional service such as legal counsel or financial consultant receiving more than two million baht per year from the Company, parent Company, affiliate, join venture, major shareholder or the person who has the power to control the company, unless otherwise such status has ceased for at least 2 years before appointment.

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

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

9. Not having other qualities that prevent him from freely expressing views on the Company's operation.

10. Not being a director assigned by the Board of Directors to make decisions on the operations of the company, parent company, affiliate, joint venture, company in the same order, major shareholder or the person who has the power to control the company.

11. Not being a director of the parent company, affiliate or affiliate of the same order – only registered companies.

Audit Committee must also have the following qualifications:

1. Being appointed by the Board of Directors or the Meeting of Shareholders as an Audit Director.

2. Being an independent director of the Company.

3. Not being a director assigned by the Board of Directors to make decisions on the operations of the company, parent company, affiliate, joint venture, company in the same order, major shareholder or the person who has the power to control the Company.

4. Not being a director of the parent company, affiliate or affiliate of the same order – only registered companies.

5. Having the duties set forth in SET's Notification on Qualifications and Scope of Work of Audit Committee.

6. Having sufficient knowledge and experience to work as an Audit Director. At least one Audit Director must have sufficient knowledge and experience to conduct audit of the company's balance sheet to verify its reliability.

7. The Chairman of the Audit Committee must be appointed by the Meeting of Shareholders, Audit Committee or the Board of Directors.

8. The Audit Committee Secretary shall be the Company Secretary, Director of Internal Audit Department, internal auditor or Director of Finance and Accounts Department.

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

Office Term

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

Directors

The Board of Directors shall be made up of at least 9 directors, and at least one third of them should be independent directors. At least half of the directors must live in Thailand. Directors shall have knowledge, ability and experience in business operation; they shall adopt policies, visions and strategies, set targets and missions, make business plans, allocate budgets and monitor the management's performance to ensure compliance with the policies, the laws, objectives, articles of association, resolutions of the Board Meeting and solutions of the Meeting of Shareholders; work with care, responsibility and honesty according to good practices to maximize the economic value of the business and ensure security of shareholders. Each Director shall freely perform his duties and use his discretion in the making decisions on any matters; without being under the influence of any persons he may express views, raise questions or objections against any issues which may affect the interest of the shareholders or interested parties.

Office Term

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

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

Executives

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

8.4 Monitoring and Operation of Affiliated and Associated Companies

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

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

8.5 Control of Access of Internal Information

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

1. To inform the directors, executives and the persons managing the finance and accounts at the level of director, equivalent or higher that they have to submit reports on securities held by them, their spouses and non-sui juris children to SEC pursuant to Section 59 and the penalties for noncompliance under Section 275 of the Securities and Stock Exchange Act of 1992.
2. The Company requires that the directors, executives and the persons managing the finance and accounts at the level of director, equivalent or higher submit reports on securities held by them, their spouses and non-sui juris children to SEC and SEC within 30 days from the day of commencing their office term or within 3 (three) days of trading or transferring such securities.

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

Penalties for disclosure of information for personal gain:

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

The penalties depend on the seriousness of the offenses.

8.6 Remuneration of Auditor

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

8.7 Good Corporate Governance

Risk Management Task Force

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

Duties of Risk Management Task Force:

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

In 2015, the Risk Management Task Force held 4 meetings to assess strategic, compliance, financial, operational and assets risks which may arise and to try to prevent and manages such risks in a timely manner.

Corporate Social Responsibilities : CSR

9.1 Overview

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

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

1. To operate business fairly.
2. To counter corruption.
3. To respect human rights.
4. To treat workers fairly.
5. To be responsible for consumers.
6. To protect the environment.
7. To develop communities or society.
8. To have culture and disseminate innovations obtained from operation with responsibility for society, the environment and interested parties.

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

1. Fair business operation

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

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

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

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

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

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

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

Practices and Responsibilities in Respect of Creditors

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

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

Practices and Responsibilities in Respect of Competitors

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

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

Practices and Responsibilities in Respect of Shareholders

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

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

2. Anticorruption

We have adopted the following anticorruption policies:

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

We also take the following anticorruption measures:

1. To communicate with directors, executives and employees about operation of business in strict compliance with the laws; those who commit offenses due to carelessness or ignorance shall receive punishments by government agencies without any help from the Company.
2. Guidelines on anticorruption are set forth in our good corporate governance practices which will be reviewed by the Board of Directors annually.
3. The Risk Management Team holds a meeting every quarter to assess risks and determine if the operations of the Company and its affiliate may create risks from corruption, and try to find solutions (if any).
4. Interested persons can make inquiries, lodge complaints, report illegal acts, raise doubts on the correctness of any financial statements, deficient internal control or unethical acts of the Company on our website Good Corporate Governance page or by contacting our independent directors or Audit Committee. Such communications shall be treated as confidential, and investigation shall be conducted to find solutions; and a report shall be submitted to the Board of Directors.

3. Respect of Human Rights

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

4. Fair treatment of employees

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

5. Responsibilities in for Customers

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

- 1) To strive to provide service with politeness, earnestness, readiness, sincerity, good intention and attention as if the customers are close relative, taking into account safety and satisfaction of customers.
 - 2) To inform customers of our service methods to ensure maximum efficiency and satisfaction.
 - 3) To provide correct and complete information on our products and services so that customers can make the right decisions. Not to over advertise, exaggerate or cause misunderstanding about the quality, quantity, terms or conditions of the products or services.
 - 4) To provide communication channels for customers to make complaints about our products or services so that we can find solutions and improve our products and services.
 - 5) To treat our customers' information as confidential; not to disclose it or use it for personal gain.
- We strictly comply with the laws, rules, regulations of Public Health Ministry and Interior Ministry; we have the license to operate spa business; we ensure customer's safety; we have 24-hour security system: security guard, CCTV, firefighting system and fire exits which meet the standards set by the government. We provide after sale service to find out our customer's level of satisfaction. We have guidelines for dealing with customers' dissatisfaction according to our visions.

6. Protection of the Environment

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

- 1) To operate business, taking into account the environment and in strict compliance with the laws and regulations on the environment.
- 2) To ensure that our employees become aware of their responsibilities towards the environment and society.
- 3) To quickly and efficiently respond to the events that affect the community surrounding, lives and properties in connection with our operations. To fully cooperate with the government officials and the agencies concerned. Our branches put emphasis ecosystem conservation; they carefully maintain garden and trees in good conditions; they pay attention to:

- Ecosystem

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

- Conservation of the Environment

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

- Minimization of Chemicals

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

7. Development of Communities or Society

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

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

8. Innovations from Operation with CSR

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

9.2 Operation and Reporting

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

9.2.1 Staff Training

We have an annual personnel development plan; encourage staff to undergo training constantly; hold orientation for all new staff to help them understand working as organization so that they can work in compliance with our policies. We also offer other trainings to enhance staff potential, e.g. training in service.

9.2.2 Reporting

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

9.3 Operation Affecting CSR

-None-

9.4 Activities for the Benefit of Society and the Environment

1. The Company has signed the Memorandum of Understanding (MOU) with Dhurakij Bundit University to develop curriculum and promote education for students
2. The Company offers spa site visit to students in this field to strengthen their knowledge about Thai Spa.
3. The Company offers internship to students to understand the real business experience with the length at least 60 days in which students receive the minimum wage allowance. Students from different universities.
4. The Company adds value to local products such as the Tea Oil from Chai Pattana Foundation in which the company develops as base oil for the Massage Oil and OTOP Baskets to use as the containers for the Spa Products Gift Basket etc.
5. The Company supports local artists to display their work on the wall of D Bistro under the project “Mini Wall Gallery”
6. The Company encourages the Head Office Staff to donate blood to Thai Red Cross Society as part of the Company’s role of Co-host of Special Blood Donation event at B.U. Place.
7. The Company donates money to The First Church of Chiang Mai for the Children’s Day and Special Events.

Internal Control and Risk Management

10.1 Internal Auditor's comment about internal control system

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

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

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

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

The Company realised about the importance of a good internal control system which can improve the efficiency of the business. Therefore, the Audit Committee and the Board of Director have assigned the Internal Auditor to follow up and report to the Audit Committee for consideration and to the Board of Director for acknowledgement. The internal auditor has presented the quarterly 2016 plan for internal audit and will do the internal audit and report to the Audit Committee and the Board of Director quarterly.

In the Board of Director Meeting no. 1/2017 on February 27, 2016, all 3 member of the Audit Committee attended that meeting. The Board of Director evaluate the sufficiency of the internal control system by asking information from the managements and according to the result of evaluating internal control system which evaluate by the Executive Committee no. 2/2017 on February 20, 2017. The Board of Director decided that the internal control system of the Company is adequate and appropriate for the current size of the Company and present situation.

Internal Auditor's notices on the internal control system

In 2016, the Internal Auditors had audited the Company 4 times. The results are as followed:

1. The internal audit report no. 1/2016 dated May 20, 2018 follow up on the internal audit report of 2015 (Internal audit report no. 1/2015 – 3/2015), audit the Company based on the activity of assessing payroll and human resources management as well as review the Company’s Investment, Revenue and Cost Budgets, Company’s Strategy, Business Plan, Objectives and KPIs, Company’s Risk Management measures, Company’s Related Transaction and Company’s internal communications

2. The second internal audit report no. 2/2016 dated August 6, 2016 follow up on the internal audit report of 2015 (continued) and audit the Company based on the activity of assessing stock and cost management

3. The third internal audit report no. 3/2016 dated October 20, 2016 follow up on the internal audit report no. 1/2016 and which audit the Company based on the activity of assessing Information Technology

4. The fourth internal audit report no. 4/2016 on February xx, 2017 which audit the Company based on the activity of assessing operational system by Walk-through Method in the Spa and Hotel Operations in Chiang Mai

From the assessment of sufficiency and efficiency of the internal control system base on plan of actions and management, overall the company has appropriate internal control system and some improvement need. However, the overall efficiency of the internal control can give confident that the company can reach the goal and policies as expected. The suggestions to the company can be seperated into 2 categories – Important Suggestions in which the company should take actions and Considered Suggestions.

10.2 Auditor’s notice about the internal management system

EY Office Limited, the accounting auditor of the Company had audited the Company’s financial statement for year end 31 December 2016 and stated that the Company’s financial statement show correct financial position, financial performance and cash flow according to the general financial standard

Related Party Transactions

11.1 Relationship of related party

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

Company Name/Person's Name	Business Type	Relationship
Blooming Co.,Ltd	Selling Herbal Balls and Gifts	Joint Shareholder
B.U. Enterprise Co.,Ltd	Restaurant / Service Apartment	Joint Shareholder and Director
Cyberprint Group Co.,Ltd	Printing Services	Joint Shareholder and Director
Asian Fortune Property Co.,Ltd	Real Estate	Joint Shareholder and Director
RarinJinda Limited Partnership (formerly RarinJinda Ordinary Partnership)	Real Estate	Joint Shareholder and Director
Mr. Vithit Utsahajit	Real Estate	Brother of Mrs. Pranee, Mrs. Thanit and Mr. Wiboon
Mr. Santiwat Amorntirasan	Real Estate	Husband of Mrs. Thanit
Mr. Wiboon Utsahajit		Director of Company
Mr. Narun Wiwattanakrai		Director of Company
Mrs. Pranee Suphawatanakiat		Director of Company
Mrs. Thanit Amorntirasan		Director of Company
Mr. Prasert Jiravanstit		Director of Company
Mr. Juckpat Jiravanstit		Director of Company

Summary of Directorship and Shareholding of Related Company

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

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

11.2 Related Transactions

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

Unit: thousands baths

No.	Related Party	Transaction Details	Value	Reasons and Audit Committee's comments
			2016	
1.	Blooming Co.,Ltd	Revenue from Sales	11	- Blooming Co.,Ltd purchases spa products from subsidiaries at market price for gifts and premium goods - Company and subsidiaries purchase herbal balls, scrub, Thai herbs as well as packing and screening services at agreed prices - Audit Committee approved above transactions since the prices were comparable and lower than market. In addition, some of them were special formula produced only for Company and subsidiaries.
		Purchases and Services	14,004	
		Trade Receivable	11	
		Trade Payables	1,657	
2	B.U. Enterprises Co.,Ltd	Revenue from Sales	1	- BU Enterprises Co.,Ltd. purchases spa products from subsidiaries for gifts at market prices. - Company and subsidiaries purchase cookies for spa customers and for resales at market price. - Audit Committee approved mentioned transactions which were considered as normal activities and the prices were comparable to market.
		Purchases and Services	726	
		Trade Receivable	1	
		Trade Payables	94	
3	Cyberprint Group Co.,Ltd	Revenue from Sales	282	- Cyberprint Co.,Ltd. purchases spa vouchers from Company and spa products from subsidiaries for gifts at market price. - Cyberprint Co.,Ltd. provides printing services for Company and subsidiaries at agreed prices. - Audit Committee approved above services given by Cyberprint Co.,Ltd. since they were normal activities and the prices were comparable to market.
		Purchases and Services	1,570	
		Trade Receivable	-	
		Trade Payables	227	

No.	Related Party	Transaction Details	Value	Reasons and Audit Committee's comments
			2016	
4	Asian Fortune Property Co.,Ltd	Rental and Utilities Expense Trade Payables	13,704 259	• Company has rented building for spa business (Let's Relax Patong 3rd Street) at agreed price. • Audit Committee approved the extension of rental and services contract (Contract from 1st February 2014 – 31 January 2017) in the Audit Committee Meeting 1/2014 on 20 January 2014
5	RarinJinda Limited Partnership	Rental and Utilities	2,832	• Company has rented land and building improvement for spa business and partial sub-lease to Siam Wellness Resort Co.,Ltd for the hotel operation and restaurant for 30 years at agreed price. • Audit Committee approved the rental and service contract (Contract from 1 January 2013 – 31 December 2042) in the Audit Committee Meeting 2/2013 on 28 March 2013.
6	Mr. Vithit Utsahajit	Rental and Utilities	1,175	• Company has rented 7 commercial buildings (483-483/6) for Head Office at agreed price • Audit Committee approved the rental contract (Contract from 1 January 2013 – 31 December 2015) in the Audit Committee Meeting 2/2013 on 28 March 2013.
7	Mr. Santiwat Amorntirasan	Rental and Utilities	361	• Company has rented two 2-storeyed houses (322/202 and 322/203) for living quarter for therapist, and later reduce to one 2-storeyed house since 1st November 2014 after the new Employee Building at Soi Yu Charoen 5 was completed. • Audit Committee approved the rental contract (Contract from 1 January 2014 – 31 December 2016) in the Audit Committee Meeting 1/2014 on 20 January 2014.

Unit: thousands baths

No.	Related Party	Transaction Details	Value	ความจำเป็นและความสมเหตุสมผล
			2016	
8	Mr. Wiboon Utsahajit	Advance Payables Total Advance Payables for 2016	- -	• Advance from directors arises from reimbursement of travelling and other expenses that Directors made advance payment before the end of accounting period. The Director has submitted the documents for reimbursement, but not yet received as of 31 December 2016
9	Mr. Narun Wiwattanakrai	Advance Payables Total Advance Payables for 2016	35 113	• Advance from directors arises from reimbursement of travelling and other expenses that Directors made advance payment before the end of accounting period. The Director has submitted the documents for reimbursement, but not yet received as of 31 December 2016
10	Mrs. Pranee Suphawatanakiat	Advance Payables Total Advance Payables for 2015	- -	• Advance from directors arises from reimbursement of travelling and other expenses that Directors made advance payment before the end of accounting period. The Director has submitted the documents for reimbursement, but not yet received as of 31 December 2016
11	Mrs. Thanit Amorntirasan	Advance Payables Total Advance Payables for 2016	51 198	• Advance from directors arises from reimbursement of travelling and other expenses that Directors made advance payment before the end of accounting period. The Director has submitted the documents for reimbursement, but not yet received as of 31 December 2016
12	Mr. Prasert Jiravanstit	Advance Payables Total Advance Payables for 2016	168 1,381	• Advance from directors arises from reimbursement of travelling and other expenses that Directors made advance payment before the end of accounting period. The Director has submitted the documents for reimbursement, but not yet received as of 31 December 2016
13	Mr. Juckpat Jiravanstit	Advance Payables Total Advance Payables for 2015	9 10	• Advance from directors arises from reimbursement of travelling and other expenses that Directors made advance payment before the end of accounting period. The Director has submitted the documents for reimbursement, but not yet received as of 31 December 2016

Rental Contracts which are related transactions and their conditions

Lease Contract Date	Details	Lease Term	Rent and Service Charges	Other Terms & Conditions
23 Jan 2014	The Company enters into the lease of the building agreement with Mr. Santiwat Amornitirasan, for the lease of the building No. 322/202 and No. 322/203 on Asoke Din Daeng road to be used as a living quarters of the therapist staff in Bangkok.	3 years to be expired on 31 December 2016; being the renewal of the 7 th – 9 th year.	The building No. 322/202, the monthly rental for the years 2014 - 2016 is at 30,900 Baht, at 31,800 Baht and at 32,800 Baht respectively; the building No. 322/203, the monthly rental for the years 2014 -2016 is at 20,600 Baht, 21,200 Baht and 21,800 Baht respectively.	- Renewable for 3 years subject to advance notice of 60 days before expiration of the agreement. - Early termination of the agreement subject to advance notice of 120 day. - On 15th September 2014, the Company executed the Memorandum of the Understanding to terminate the lease agreement of the Building No. 322/203 which is effective on 1 November 2014 onwards.
13 Nov 2015	The Company enters into the lease of the building with Mr. Vithit Utsahajit, for the lease of the 1st floor and the 2nd floor of the Building No. 483-483/6 and for the lease of the 3rd floor of the Building No. 483/6 on Soi Suthiporn, Prachasongkroh Road, Khwaeng DinDaeng, Khet DinDaeng for total utility space of 1,392 square meters for use as the office building of the Company and of the subsidiary.	3 years to be expired on 31 December 2018.	The rental is 110,000 Baht/ per month and the increased rental may be adjustable according to the market condition, but not exceeding 15 percent of the rental in force on every 3 years.	- Lease is renewable for 2 times of 3 years each subject to 30-day advance notice prior to expiration. - The Lessee has the duty to maintain, improve, repair the leased building to good condition. - The Lessee is liable for payment of property tax and other fees. - The Lessee is responsible for the cost of public utilities.

Lease Contract Date	Details	Lease Term	Rent and Service Charges	Other Terms & Conditions
26 Aug 2014	The Company enters into the land and structure lease agreement with Mrs. Pranee Suphawatanakiat, Mr. Narun Wiwattanakrai, Mr. Thanawat Utsahajit, Mr. Prasert Jiravanstit, Mrs. Thanit Amorntirasan and Mr. Wiboon Utsahajit, by paying the rental to RarinJinda Limited Partnership jointly founded by the 6 persons, for the land under the Land Title Deed No. 117, 2875, 8985, 554, 3010, 3009 and 103754 totalling 7 Land Title Deeds, having total area of 2 rai 3 ngan 62.4 square wah for operating the spa business (RarinJinda Wellness Spa, Chiangmai branch) and some part of the land being subleased to Siam Wellness Resort Co., Ltd., to operate the hotel and restaurant business (RarinJinda Wellness Spa Resort and Deck 1 Restaurant).	30 years. Effective on 1 January 2013. Expires on 31 December 2042.	30 years. Effective on 1 January 2013. Expires on 31 December 2042.	- The lease is renewable subject to not less than 3 years advance notice in writing before expiration. - Upon the expiration of the Lease Agreement, the Lessee must remove the Lessee's property from the leased premises failing which, the Lessor shall be entitled to repossess the leased premises and remove the property of the Lessee from the leased premises at the expense of the Lessee. - The lease parties must register the right of lease at the Land Officer for which the Lessee is liable to meet all the expenses for registration of the lease (The lease was registered on 29 Aug 2014). - The debris of the 4-storey of the building No 14/1 and 2-storey Thaistyle house No. 14 on Charoenrat Road, in Tambon WatKet, Amphoe Muang, Chiangmai province, on the land, the Lessee shall be responsible for improvement without charging the rental throughout the period of the Lease Agreement. - The Lessee has the duty to maintain, improve the leased premises to good condition. - The Lessee is responsible for property tax and other fees. - The Lessee is responsible for paying the cost of public utilities. - The agreement is substituted for the original agreement dated 1 January 2013.

Lease Contract Date	Details	Lease Term	Rent and Service Charges	Other Terms & Conditions
22 Jan 2014	The Company enters into the Lease Agreement and Space Service Agreement with Asian Fortune Property Co., Ltd. Located at No 184/14 Pung Muang Sai Kor Road, in Tambon Patong, Katu district, Phuket province, on the side of the shop, of 2,418 square meters in area to use to operate the Spa business Let's Relax, Patong 3rd Street branch).	3 years. To expire on 31 Jan 2017. Being the renewal of the 4th-6th year.	The rental for the 4 th year at 150,000 Baht per month; for the 5 th and the 6th year, the rental is 172,500 Baht per month. Lease Agreement security deposit of 600,000 Baht; The service charge for the 4 th year is at 350,000 Baht per month; the 5 th year and then 6th year at 402,500 Baht per month; the Agreement security deposit of 1,400,000 Baht.	- Renewable for 3 years subject to advance notice of 6 months before expiration. - The Lessee is responsible for property tax, tax on insurance premium and other fees. - The Lessee is responsible for public utilities actually incurred at the rate defined by PEA and PWA. - The rental and the service charge are adjusted downward from 172,500 Baht to 150,000 Baht; the service charge is reduced from 402,500 Baht to 350,000 Baht during 1 Feb 2014 - 31 Jan 2015 according to the Notice of the Reduction Adjustment dated 13 Jan 2014. - Adjusted reduction of the rental and service charge from 150,000 Baht to 75,000 Baht; the service charge is reduced from 350,000 Baht to 175,000 Baht, between 1 July 2014 - 31 Dec 2014 according to the Reduction Adjustment Letter dated 18 Aug 2014. - On 24 Nov 2014, the Company entered into the Memorandum of Understanding for Amendment of the Space in the Building Lease Agreement with Asean Fortune Property Co., Ltd., for change of name of the business name from "RarinJinda Wellness Spa" to "Let's Relax" effective from 1 Dec 2014.

Remarks

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

1. 2 Single 2-stories home located at no. 322/202 and 322/203 Soi Yu Charoen Yaek 18 Ratchadaphisek Road, Huaykwang sub-district, Huaykwan district, Bangkok. The property was appraised by Sasiratchada Company Limited. Mr. Korakot Hendeengarm was the main valuer and assessor. Appraisal was made on October 21, 2013 with the public purpose. The assessment of rental rate for the house is 1,845,000 bahts for the period of 3 years or the monthly rate is 58,000 bahts and increase of rental rate of 3% year.

2. 7 blocs of 3-stories concrete building located at no. 483 Soi Suthiporn Phrachasongkhro Road, Dindaeng sub-district, Dindaeng district, Bangkok. The property was appraised by 15 Business Advisory Limited. Mr. Wattana Jumpawan was the main valuer and assessor. Appraisal was made on April 18, 2014 with the public purpose. The assesement of rental rate for the building is 258,804 bahts per month and increase of rental rate of 10% every 3 years.

3. Land no. 117, 2875, 8985, 554, 3010, 3009 and 103754 total of 7 with the total area of 2 rais 3 ngarns and 62.4 square wa located at no. 14 Charoenraj Road, Wat Kate sub-district, Muang district, Chiang Mai. The property was appraised by 15 Business Advisory Limited. Mr. Wattana Jumpawan was the main valuer and assessor. Appraisal was made on April 17, 2014 with the public purpose. The assesement of rental rate of land without building is 2,906,000 bahts per year and increase of rental rate of 15% every 3 years.

4. Land with 4-stories building and additional extension on roof located at 184/14 Pangmuang Sai Kor Road, Patong sub-district, Kathu district, Phuket. The property was appraised by 15 Business Advisory Limited. Mr. Wattana Jumpawan was the main valuer and assessor. Appraisal was made on April 16, 2014 with the public purpose. The assessment of rental rate of building is 771,900 bahts per month and increase of rental rate of 15% every 3 years

11.3 Policy and Procedures of Related Party Transactions

11.3.1 Policy of Related Party Transactions

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

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

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

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

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

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

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

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

11.3.2 Authorization of related party transactions

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

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

11.3.3 Presentation of related party transactions to Audit Committee

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

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

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

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

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

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

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

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

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

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

11.4 Policy and Possibilities of Related Party Transactions

11.4.1 Normal business transactions

Normal business transactions or support transactions with standard terms and conditions are those

with pricing and terms and conditions that are fair and transparent should have following conditions:

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

11.4.2 Policy for reviewing related party transactions

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

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

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

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

11.4.3 Possibilities of future related business transactions

• Selling of goods and services

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

• Purchasing of Herbal Balls, Cookies and Printing and packaging services

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

• Rent of Land and Building

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



Management Discussion and Analysis

Siam Wellness Group Public Company Limited of 2016, ended 31 December 2016

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED (“The Company”) would like to give details of the Management Discussion and Analysis of the financial statements of the Company and subsidiaries for the year 2016, ended of 31 December 2016 and to explain the causes of performance that has changed more than 20% from the same period last year. The Company and subsidiaries have the total revenue of 739.12 million baht, an increase of 195.61 million baht from the same period last year (or an increase of 36%). The net profit is 140.97 million baht, an increase of 34.47 million baht from the same period last year (or an increase of 32.37%). Net profit is accounted as 19.44% of sales and services’ revenue. The main factor that contributes to the growth of the Company’s Operation results are (a) Increase in numbers of foreign customers from the increase in Low-Cost Airlines to Thailand both direct and indirect flights (b) Company’s Branch Expansion under Let’s Relax and Baan Suan Massage in Bangkok and Upcountry total 9 branches (c) Company’s Branch Expansion to China under Franchise Agreement total 1 branch (d) Increase in Same Store Sales Growth. As a result, the Company has expanded from 21 branches in 2015 to 31 branches in 2016 (30 domestic branches and 1 overseas branch). This is explained in details below.

Revenue

The Company and subsidiaries have the total revenue of 739.12 million baht, an increase of 195.61 million baht from the same period last year (or an increase of 36%). The main source of revenue is from the spa business, which contributes 86% of total revenue. The revenue growth is from both Same store and Expansion store sales growth. In 2016, the Company expanded 5 new Let’s Relax branches and 4 new Baan Suan Massage branches domestically. In addition, the Company also expanded 1 overseas branch in China in Kunming, People’s Republic of China.

In terms of the spa product business, the revenue goes in line with the increase in Spa Service Revenue in both Bangkok and Upcountry branches. As a result, the total revenue has increased significantly from the previous year.

Cost of Sales and Services

In 2016, the Company and subsidiaries had the cost of sales and services of 484.68 million baht, accounting for to 66.83% of sales and services’ revenue. This is an increase of 149.71 million baht from the same period of the previous year (or an increase of 44.69%). The increase is a reflection of the expansion of 9 new branches domestically and the additional cost of the existing branches. The main variable cost of sales and services are therapist cost and the main fixed cost of sales and services are the rental and service cost and the depreciation cost.

Selling and Administrative Expenses

In 2016, the Company and subsidiaries had the selling and administrative expenses of 89.04 million baht, accounted to 12.28% of the revenue from sales and services. This is an increase of 15.27 million baht

from the same period last year (or an increase of 20.69%). The main selling and administrative expense is the labor cost of additional workforce to support new branches and the salary adjustment of the existing staff.

Net Profit

In 2016, the Company and subsidiaries had the net profit of 140.97 million baht or accounted 19.44% of the revenue from sales and services. The net profit of the Company and subsidiaries increased 34.47 million baht (or an increase of 32.37%) compared to the same period last year. This is the result from the increase in revenue from sales and services of the new branches located in Bangkok and the Upcountry as a result of the growth of Thailand tourism industry.

Although, the cost of sales and services and selling and administrative expenses increased, the increase is partly from the increase in variable costs related to the increase in sales and from other expenses related to the branch expansion and staff. Thus, costs increased by less than the growth rate of revenue resulting in an increase in net profit of the Company and subsidiaries.

Siam Wellness Group Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2016

Independent Auditor's Report

To the Shareholders of Siam Wellness Group Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Siam Wellness Group Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Siam Wellness Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siam Wellness Group Public Company Limited and its subsidiaries and of Siam Wellness Group Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matter

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

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

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

Revenue from services

The revenue from services are the main revenues of the Group comprising revenue from spa business of the Company and revenue from hotel business from its subsidiary, presenting approximately 88% of total group's revenue. Such revenues derived from a large number of individual customers with a variety of sales channels and many branches for the spa business. Therefore, I addressed the measurement and occurrence of the revenue from services as a key audit matter.

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



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Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mrs. Gingkarn Atsawarangsalit.

Gingkarn Atsawarangsalit

Certified Public Accountant (Thailand) No. 4496

EY Office Limited

Bangkok: 27 February 2017

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	8	32,851,045	60,246,123	23,859,098	36,563,126
Current investments	9	18,059,218	26,245,682	-	26,245,682
Trade and other receivables	7, 10	8,606,292	4,085,201	5,333,781	2,450,211
Inventories	11	20,207,102	13,827,086	18,233,602	11,066,434
Other current assets		8,351,459	9,218,830	7,309,260	8,736,008
Total current assets		88,075,116	113,622,922	54,735,741	85,061,461
Non-current assets					
Investments in subsidiaries	12	-	-	101,705,460	101,705,460
Leasehold rights on land	13	13,101,451	14,134,283	13,101,451	14,134,283
Property, plant and equipment	14	698,911,776	480,016,885	616,442,696	410,925,688
Goodwill	6	20,340,000	20,340,000	20,340,000	20,340,000
Intangible assets	15	7,726,495	5,022,223	7,500,292	4,742,592
Deferred tax assets	25	176,708	212,113	-	-
Other non-current assets	16	36,702,363	21,669,882	36,691,364	21,667,882
Total non-current assets		776,958,793	541,395,386	795,781,263	573,515,905
Total assets		865,033,909	655,018,308	850,517,004	658,577,366

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



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อ. อรุณรัตน์
นางสาว อรุณรัตน์

As at 31 December 2016

	Consolidated financial statements		Separate financial statements	
Note	2016	2015	2016	2015
7, 17	70,383,025	39,136,665	66,183,234	34,409,703
18	20,000,000	-	20,000,000	-
19	521,701	494,034	521,701	494,034
	9,422,589	14,343,266	9,226,273	11,858,482
	16,354,695	14,847,703	14,413,406	12,984,374
	3,730,556	6,592,427	3,057,896	6,008,692
	120,412,566	75,414,095	113,402,510	65,755,285
18	80,000,000	-	80,000,000	-
19	225,906	747,607	225,906	747,607
20	6,073,329	4,173,332	5,133,568	3,543,420
25	8,324,594	9,612,747	8,324,594	9,612,747
	11,125,785	10,164,032	10,536,115	9,654,190
	105,749,614	24,697,718	104,220,183	23,557,964
	226,162,180	100,111,813	217,622,693	89,313,249
	142,500,000	142,500,000	142,500,000	142,500,000
	142,500,000	142,500,000	142,500,000	142,500,000
	278,905,854	278,905,854	278,905,854	278,905,854
22	14,782,545	9,919,593	14,250,000	9,473,612
	208,205,525	129,103,948	156,535,342	97,681,536
	(5,523,364)	(5,523,364)	40,703,115	40,703,115
	638,870,560	554,906,031	632,894,311	569,264,117
	1,169	464	-	-
	638,871,729	554,906,495	632,894,311	569,264,117
	865,033,909	655,018,308	850,517,004	658,577,366

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Directors



บริษัท สยามเวลเบตกรุ๊ป จำกัด มหาชน

For the year ended 31 December 2016

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	71,717,038	47,719,121	34,304,038	19,685,693
	653,474,074	485,523,611	619,658,785	449,862,578
	13,925,224	10,262,023	22,768,371	22,229,123
	739,116,336	543,504,755	676,731,194	491,777,394
	45,404,293	29,307,836	20,434,125	11,749,796
	439,274,574	305,658,938	433,046,651	298,243,035
	28,080,230	21,731,331	25,083,177	18,833,681
	60,961,178	52,042,724	54,673,061	46,041,695
	573,720,275	408,740,829	533,237,014	374,868,207
	165,396,061	134,763,926	143,494,180	116,909,187
	(1,566,532)	(1,172,147)	(1,566,532)	(1,172,147)
	163,829,529	133,591,779	141,927,648	115,737,040
25	(22,864,098)	(27,097,104)	(21,297,454)	(22,986,654)
	140,965,431	106,494,675	120,630,194	92,750,386
	-	7,068,800	-	7,068,800
	-	7,068,800	-	7,068,800
	-	1,129,477	-	981,400
	-	1,129,477	-	981,400
	-	8,198,277	-	8,050,200
	140,965,431	114,692,952	120,630,194	100,800,586

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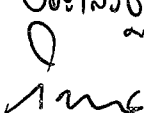
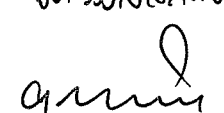
Siam Wellness Group Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit attributable to:					
Equity holders of the Company		140,964,529	106,494,675	120,630,194	92,750,386
Non-controlling interests of the subsidiaries		902	-		
		<u>140,965,431</u>	<u>106,494,675</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		140,964,529	114,692,952	120,630,194	100,800,586
Non-controlling interests of the subsidiaries		902	-		
		<u>140,965,431</u>	<u>114,692,952</u>		
Earnings per share	26				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.25</u>	<u>0.19</u>	<u>0.21</u>	<u>0.16</u>

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 changes in shareholders' equity
For the year ended 31 December 2016

Consolidated financial statements											(Unit: Baht)
Equity attributable to shareholders of the Company											
	Note	Issued and fully paid-up share capital	Share premium	Retained earnings		Discount on business combination under common control	Other comprehensive income		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated		Surplus on revaluation of assets	Total other components of shareholders' equity			
Balance as at 1 January 2015		142,500,000	278,905,854	4,836,092	69,313,297	(46,226,479)	33,634,315	(12,592,164)	482,963,599	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	23	-	-	-	(42,750,000)	-	-	-	(42,750,000)	-	(42,750,000)
Subsidiaries paid dividend to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	-	(56)	(56)
Balance as at 31 December 2015		142,500,000	278,905,854	9,919,593	129,103,948	(46,226,479)	40,703,115	(5,523,364)	554,906,031	464	554,906,495
Balance as at 1 January 2016		142,500,000	278,905,854	9,919,593	129,103,948	(46,226,479)	40,703,115	(5,523,364)	554,906,031	464	554,906,495
Profit for the year		-	-	-	140,964,529	-	-	-	140,964,529	902	140,965,431
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	140,964,529	-	-	-	140,964,529	902	140,965,431
Appropriation of retained earnings		-	-	4,862,952	(4,862,952)	-	-	-	-	-	-
Dividend paid	23	-	-	-	(57,000,000)	-	-	-	(57,000,000)	-	(57,000,000)
Subsidiary paid dividend to non-controlling interests of subsidiary		-	-	-	-	-	-	-	-	(197)	(197)
Balance as at 31 December 2016		142,500,000	278,905,854	14,782,545	208,205,525	(46,226,479)	40,703,115	(5,523,364)	638,870,560	1,169	638,871,729

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



Handwritten signature and Thai text: "ดิเรก ชัยนาม" (Direk Chaiyana) and "ผู้อำนวยการ" (Director).

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

Separate financial statements

 บริษัท สยามเวลเนส จำกัด (มหาชน) Siam Wellness Public Company Limited	Note	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		
				Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2015		142,500,000	278,905,854	4,836,092	51,337,270	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	8,050,200
Total comprehensive income for the year		-	-	-	93,731,786	7,068,800	7,068,800	100,800,586
Appropriation of retained earnings	23	-	-	4,637,520	(4,637,520)	-	-	-
Dividend paid		-	-	-	(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	569,264,117
Balance as at 1 January 2016		142,500,000	278,905,854	9,473,612	97,681,536	40,703,115	40,703,115	569,264,117
Profit for the year		-	-	-	120,630,194	-	-	120,630,194
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	120,630,194	-	-	120,630,194
Appropriation of retained earnings	23	-	-	4,776,388	(4,776,388)	-	-	-
Dividend paid		-	-	-	(57,000,000)	-	-	(57,000,000)
Balance as at 31 December 2016		142,500,000	278,905,854	14,250,000	156,535,342	40,703,115	40,703,115	632,894,311

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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	163,829,529	133,591,779	141,927,648	115,737,040
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	55,304,981	39,018,757	49,928,172	34,549,646
Unrealised gain on the change in fair value of trading securities	(55,614)	(299,050)	-	(299,050)
Bad debts and allowance for doubtful accounts (reversal)	(126,493)	19,657	-	(2,994)
Reduction cost of inventories to net realisable value (reversal)	(779,403)	5,790	(460,988)	43,705
Gain on disposal of property, plant and equipment	(1,270,954)	(499)	(1,267,875)	(1,231)
Reversal of impairment loss on assets	-	(2,565,416)	-	(2,565,416)
Loss on write-off of property, plant and equipment	142,237	58,113	61,333	7,584
Long-term employee benefits expenses	1,899,997	1,821,529	1,590,148	1,559,750
Dividend income	-	-	(657,686)	(4,992,556)
Interest income	(267,701)	(1,190,850)	(195,761)	(1,006,964)
Interest expenses	1,566,532	1,172,147	1,566,532	1,172,147
Profit from operating activities before changes in operating assets and liabilities	220,243,111	171,631,957	192,491,523	144,201,661
Decrease (increase) in operating assets				
Current investments	8,242,077	74,053,368	26,245,682	74,053,368
Trade and other receivables	(4,394,597)	2,219,278	(2,883,570)	1,736,288
Inventories	(5,600,613)	(6,115,664)	(6,706,180)	(3,989,778)
Other current assets	837,182	(6,059,762)	1,396,559	(5,760,467)
Other non-current assets	(15,032,481)	(5,762,505)	(15,023,482)	(5,760,505)
Increase (decrease) in operating liabilities				
Trade and other payables	33,002,340	9,635,004	33,464,129	6,694,529
Advance received	1,506,992	7,365,940	1,429,032	7,190,435
Other current liabilities	(2,861,871)	4,099,101	(2,950,796)	4,185,105
Other non-current liabilities	397,531	4,048,583	317,703	3,968,711
Cash flows from operating activities	236,339,671	255,115,300	227,780,600	226,519,347
Cash paid for interest expenses	(1,378,716)	(954,711)	(1,378,717)	(954,711)
Cash paid for income tax	(29,037,524)	(14,349,589)	(25,217,817)	(11,092,866)
Net cash flows from operating activities	205,923,431	239,811,000	201,184,066	214,471,770

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



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[Signatures]

Siam Wellness Group Public Company Limited and its subsidiaries
Statement of cash flows (continued)
For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Decrease in loans to and interest receivables from subsidiary	-	-	-	5,023,425
Cash paid for purchase of spa business (Note 6)	-	(40,000,000)	-	(40,000,000)
Cash paid for acquisition of leasehold rights on land	(2,109,959)	(11,446,716)	(2,109,959)	(11,446,716)
Cash paid for acquisition of property, plant and equipment	(272,042,711)	(128,277,101)	(253,168,539)	(122,369,760)
Cash paid for acquisition of intangible assets	(3,338,375)	(4,808,084)	(3,278,525)	(4,677,570)
Proceeds from disposal of property, plant and equipment	1,399,066	4,015	1,309,516	9,904
Cash received from dividend from subsidiary	-	-	657,686	4,992,556
Cash received from interest income	267,701	1,190,850	195,761	1,006,964
Net cash flows used in investing activities	(275,824,278)	(183,337,036)	(256,394,060)	(167,461,197)
Cash flows from financing activities				
Decrease in liabilities under financial lease agreements	(494,034)	(467,835)	(494,034)	(467,835)
Cash received from long-term loan	100,000,000	-	100,000,000	-
Repayment of long-term loans	-	(57,049,000)	-	(57,049,000)
Cash paid for dividend	(57,000,197)	(42,750,056)	(57,000,000)	(42,750,000)
Net cash flows from (used in) financing activities	42,505,769	(100,266,891)	42,505,966	(100,266,835)
Net decrease in cash and cash equivalents	(27,395,078)	(43,792,927)	(12,704,028)	(53,256,262)
Cash and cash equivalents at beginning of year	60,246,123	104,039,050	36,563,126	89,819,388
Cash and cash equivalents at end of year (Note 8)	32,851,045	60,246,123	23,859,098	36,563,126

Supplemental cash flows information

Non-cash transactions				
Increase in surplus on revaluation of land	-	8,836,000	-	8,836,000
Decrease in liabilities from acquisition of property, plant and equipment	1,755,980	1,537,062	1,690,598	2,125,249
Increase in provision for dismantling, removing and restoring of leasehold improvement	564,222	806,036	564,222	806,036
Actuarial gains	-	1,408,611	-	1,226,750

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



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Siam Wellness Group Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2016

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 2016, the Company has a total of 30 branches in Bangkok and upcountry (2015: 21 branches) and 1 foreign branch according to the franchise agreement (31 December 2015: None).

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

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. 2543 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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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016 (Percent)	2015 (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

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of

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standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarized below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

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



Franchise income

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

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.

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.

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

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.

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

4.8 Intangible assets

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

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

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

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

4.9 Goodwill

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

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

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

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

4.10 Related party transactions

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

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

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.



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4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews or when there is any indication of impairment in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

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

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

4.14 Employee benefits

Short-term employee benefits

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

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Post-employment benefits

Defined contribution plans

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

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.

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The Company and its subsidiaries recognised deferred tax liabilities for all taxable temporary differences while they recognised deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

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

4.17 Fair value measurement

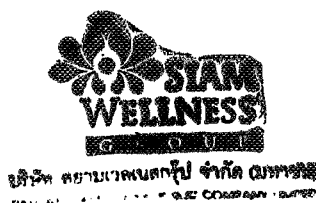
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and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

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

- Level 1 - Use of quoted market prices in an 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.

Signature and name of the representative of the Company.



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 liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property plant and equipment/Depreciation

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

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

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

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:

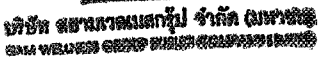
	(Unit: Thousand Baht)
Inventories	234
Property, plant and equipment (Note 14)	19,004
Other non-current assets	422
Total assets	19,660
Net assets value at the acquisition date	19,660
Excess of purchase price over net asset value	20,340
Purchase price	40,000



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

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

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

This goodwill is related to spa business that the Company acquired.

7. Related party transactions

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

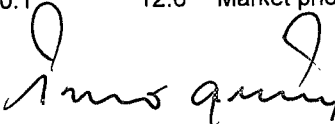
Name of related parties	Type of business	Type of relationship
Siam Wellness Lab Co., Ltd.	Manufacturer and sale of spa products	A subsidiary
Siam Wellness Education Co., Ltd.	A school for Thai massage	A subsidiary
Siam Wellness Resort Co., Ltd.	Hotel and restaurant operations	A subsidiary
Blooming Co., Ltd.	Sale of gift , a blesses card and a notebook	Common shareholders
B.U. Enterprise Co., Ltd.	Property rental	Common shareholders
Cyberprint Co., Ltd.	Printing business	Common shareholders
Asian Fortune Property Co., Ltd.	Real estate development	Common shareholders
Rarinjinda Ordinary Partnership	Property 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
	2016	2015	2016	2015	
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Revenue from sales	-	-	0.1	0.1	Market price
Revenue from services	-	-	0.2	0.4	Market price
Revenue from rental and utilities	-	-	7.8	6.5	Contract price
Other income	-	-	2.1	2.1	Actual price
Dividend income	-	-	0.7	5.0	Declared rate
Purchase of goods	-	-	20.1	12.6	Market price

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(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing Policy
	2016	2015	2016	2015	
Service expenses	-	-	5.3	4.5	Contract price and market price
Commission expenses	-	-	1.2	1.5	Contract price
Advertising expenses	-	-	0.2	0.3	Contract price
Entertainment expenses	-	-	0.2	-	Actual price
Transactions with related parties					
Revenue from sales	0.1	0.3	-	-	Market price
Revenue from services	0.3	0.1	0.2	0.1	Market price
Purchase of goods and services	13.9	9.6	9.5	9.0	Market price
Service expenses	2.4	1.7	1.4	0.9	Market price
Rental and utilities expenses	17.7	13.7	17.7	13.7	Contract price

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables - subsidiaries (Note 10)				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	447	631
Siam Wellness Lab Co., Ltd.	-	-	7	7
Siam Wellness Education Co., Ltd.	-	-	7	6
Total	-	-	461	644
Trade receivables - related parties (Note 10)				
Blooming Co., Ltd.	11	1	-	-
Cyberprint Co., Ltd.	-	112	-	96
B.U. Enterprise Co., Ltd.	1	-	-	-
Total	12	113	-	96
Trade payables - subsidiaries (Note 17)				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	129	187
Siam Wellness Lab Co., Ltd.	-	-	1,621	1,828
Siam Wellness Education Co., Ltd.	-	-	249	339
Total	-	-	1,999	2,354

Director



			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade payables - related parties (Note 17)				
Blooming Co., Ltd.	1,657	898	891	767
B.U. Enterprise Co., Ltd.	94	63	83	47
Cyberprint Co., Ltd.	227	305	190	135
Asian Fortune Property Co., Ltd.	259	243	259	243
Total	2,237	1,509	1,423	1,192
Other payables - related parties (Note 17)				
Directors of the Company	262	246	214	169
Total	262	246	214	169

Directors and management's benefits

During the years ended 31 December 2016 and 2015, employee benefit expense payable to their directors and management of the Company and its subsidiaries are as follows:

			(Unit: Million Baht)	
	Consolidated financial		Separate financial	
	statements		statements	
	2016	2015	2016	2015
Short-term employee benefits	17.1	17.7	17.1	17.7
Post-employment benefits	0.6	0.7	0.6	0.7
Total	17.7	18.4	17.7	18.4

Significant agreements with related parties

- On 1 January 2013, the Company entered into a lease agreement with Rarinjinda Ordinary Partnership for the period of 30 years, due in December 2042 and such agreement is renewable by a formal notice letter not less than 3 years before term due of agreement. Under the agreement, the Company committed to pay an annual rental fee amounting to Baht 3.3 million and not more than 15% of rental fee can be increased every 3 years.

Furthermore, on 1 January 2013, the Company made a sublease agreement with Siam Wellness Resort Co., Ltd. for partial areas for the period of 30 years, due in December 2042 and such agreement is renewable by a formal notice letter 3 years before term due of agreement. Under the agreement, Siam Wellness Resort Co., Ltd. committed to pay an annual rental fee amounting to Baht 2.1 million and not more than 15% of rental fee can be increased every 3 years.

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SIAM WELLNESS PUBLIC COMPANY LIMITED

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

2. On 13 November 2015, the Company entered into a head office rental agreement with a related person for the period of 3 years due in December 2018 and such agreement is renewable twice for every 3 years. Under the agreement, the Company committed to pay an annual rental fee amounting to Baht 1.3 million and not more than 15% of rental fee can be increased every 3 years.

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

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

On 29 December 2016, the Company renewed the agreement with this related person for the period of 3 years due in December 2019. Under the agreement, the Company committed to pay an annual rental fee amounting to Baht 0.4 million.

4. On 22 January 2014, the Company has entered into a rental and service agreement with Asian Fortune Property Co., Ltd. for the period of 3 years, due in January 2017 and such agreement is renewable twice for every 3 years. Under the agreement, the Company committed to pay an annual rental and service fees amounting to Baht 6.6 million.

On 1 September 2016 and 1 October 2016, the Company renewed the agreement with this related company for the period of 3 years due in January 2020. Under the agreement, the Company committed to pay an annual rental fee amounting to Baht 7.6 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 for another 3 years. Under the

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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.

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

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	4,176	3,245	3,797	2,755
Bank deposits	28,675	57,001	20,062	33,808
Total	32,851	60,246	23,859	36,563

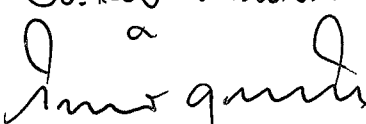
As at 31 December 2016, bank deposits in saving accounts and fixed deposits carried interests between 0.25 and 0.82 percent per annum (2015: between 0.25 and 0.38 percent per annum).

9. Current investments

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trading securities				
Unit trusts	18,004	25,947	-	25,947
Add: Unrealised gain on the change in fair value of investments	55	299	-	299
Unit trusts - net	18,059	26,246	-	26,246
Total current investments	18,059	26,246	-	26,246

10. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2016	2015
<u>Trade receivables - related parties (Note 7)</u>		
Aged on the basis of due dates		
Not yet due	11	113
Past due		
Up to 3 months	1	-
Total trade receivables - related parties, net	12	113
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	6,920	3,166
Past due		
Up to 3 months	1,122	318
3 - 6 months	424	38
6 - 12 months	-	11
Over 12 months	1	122
Total	8,467	3,655
Less: Allowance for doubtful debts	(1)	(128)
Total trade receivables - unrelated parties, net	8,466	3,527
Total trade receivable - net	8,478	3,640
<u>Other receivables</u>		
Other receivables - unrelated parties	364	681
Less: Allowance for doubtful debts	(236)	(236)
Total other receivables	128	445
Total trade and other receivables - net	8,606	4,085

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11. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	5,179	4,339	(171)	(219)	5,008	4,120
Supplies	11,466	7,532	(45)	(470)	11,421	7,062
Food and beverage	587	438	-	-	587	438
Packages	1,719	2,246	(78)	(385)	1,641	1,861
Service materials	1,401	248	-	-	1,401	248
Others	149	98	-	-	149	98
Total	20,501	14,901	(294)	(1,074)	20,207	13,827

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	6,625	4,433	(154)	(200)	6,471	4,233
Supplies	10,351	6,948	(45)	(461)	10,306	6,487
Food and beverage	8	-	-	-	8	-
Packages	-	-	-	-	-	-
Service materials	1,401	248	-	-	1,401	248
Others	48	98	-	-	48	98
Total	18,433	11,727	(199)	(661)	18,234	11,066

During the current year, the Company reduced cost of inventories by Baht 0.7 million (2015: Baht 0.3 million) (The Company only: Baht 0.6 million and 2015: Baht 0.2 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 1.5 million (2015: Baht 0.3 million) (The Company only: Baht 1.1 million and 2015: Baht 0.2 million), and reduced the amount of inventories recognised as expenses during the year.



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12. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2016 and 2015 are as follows:

Company's name	Called-up share capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	2016	2015	2016	2015	2016	2015	2016	2015
			(%)	(%)				
Siam Wellness Lab Co., Ltd.	1,000	1,000	99.99	99.99	2,000	2,000	-	2,363
Siam Wellness Education Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	658	-
Siam Wellness Resort Co., Ltd.	60,000	60,000	99.99	99.99	98,705	98,705	-	2,629
Total					101,705	101,705	658	4,992

13. Leasehold rights on land

(Unit: Thousand Baht)
Consolidated and
Separate financial
statements

Cost

1 January 2015	6,201
Additions	11,447
31 December 2015	17,648
Additions	2,110
31 December 2016	19,758

Amortisation

1 January 2015	1,560
Amortisation for the year	1,954
31 December 2015	3,514
Amortisation for the year	3,143
31 December 2016	6,657

Net book value

31 December 2015	14,134
31 December 2016	13,101

Amortisation for the year

2015	1,954
2016	3,143



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14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis	Cost basis					
	Land	Land improvements	Buildings and building improvements	Furniture, fixtures and equipment	Motor vehicles	Assets under installation and under construction	Total
Cost/Revalued amount:							
1 January 2015	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
Additions	59,150	-	40,270	19,775	3,773	147,726	270,694
Disposals/Write-off	-	-	(161)	(682)	(3,607)	(41)	(4,491)
Transfer in (out)	-	-	144,414	2,085	-	(146,499)	-
31 December 2016	127,928	2,684	709,932	109,226	16,419	15,174	981,363
Accumulated depreciation:							
1 January 2015	-	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
Depreciation for the year	-	6	38,635	10,667	2,221	-	51,529
Depreciation on disposals/write-off	-	-	(3)	(611)	(3,607)	-	(4,221)
31 December 2016	-	2,684	202,644	66,865	10,258	-	282,451
Allowance for impairment loss:							
1 January 2015	-	-	-	-	-	2,565	2,565
Decrease during the year	-	-	-	-	-	(2,565)	(2,565)
31 December 2015	-	-	-	-	-	-	-
31 December 2016	-	-	-	-	-	-	-
Net book value:							
31 December 2015	68,778	6	361,397	31,239	4,609	13,988	480,017
31 December 2016	127,928	-	507,288	42,361	6,161	15,173	698,912
Depreciation for the year							
2015 (Baht 33.7 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)							36,740
2016 (Baht 48.5 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)							51,529



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(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 2015	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
Additions	59,150	39,740	15,340	3,218	134,437	251,885
Disposals/write-off	-	-	(324)	(3,607)	(41)	(3,972)
Transfer in (out)	-	131,118	2,020	-	(133,138)	-
31 December 2016	127,928	576,832	84,374	14,116	15,174	818,424
Accumulated depreciation:						
1 January 2015	-	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
Depreciation for the year	-	35,110	9,106	2,049	-	46,265
Depreciation on disposals/write-off	-	-	(262)	(3,607)	-	(3,869)
31 December 2016	-	145,174	48,378	8,429	-	201,981
Allowance for impairment loss:						
1 January 2015	-	-	-	-	2,565	2,565
Decrease during the year	-	-	-	-	(2,565)	(2,565)
31 December 2015	-	-	-	-	-	-
31 December 2016	-	-	-	-	-	-
Net book value:						
31 December 2015	68,778	295,910	27,804	4,518	13,916	410,926
31 December 2016	127,928	431,658	35,996	5,687	15,174	616,443
Depreciation for the year						
2015 (Baht 29.4 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)						32,358
2016 (Baht 43.3 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)						46,265

The Company arranged for an independent professional value to appraise the value of land in 2015. 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 2016 and 2015 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	Financial statements	
	2016	2015
Land	77,049	17,899

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

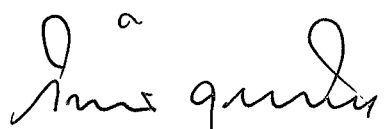
	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2016	2015
Original costs	77,049	17,899
Surplus from revaluations	50,879	50,879
Revalued amount	127,928	68,778

As at 31 December 2016, the Company had vehicles with net book value of Baht 0.9 million (2015: Baht 1.5 million), which were acquired under finance lease agreements.

As at 31 December 2016, 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 99.5 million (2015: Baht 87.8 million) (The Company only: Baht 61.5 million (2015: Baht 54.6 million)).

As at 31 December 2016, the Company has pledged its land and structures thereon amounting to Baht 87.3 million (2015: Baht 85.1 million) as collateral against its bank overdraft facility, long-term loans facility and the letter of guarantees issuance as disclosed in Note 18 and Note 29.3 to the financial statements.



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15. Intangible assets

The net book value of intangible assets as at 31 December 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements		
	Computer						
	Licenses	software	Trademark	Total	Licenses	Trademark	Total
As at 31 December 2016							
Cost	3,918	680	4,673	9,271	3,858	4,673	8,531
Less: Accumulated amortisation	(368)	(514)	(663)	(1,545)	(368)	(663)	(1,031)
Net book value	3,550	166	4,010	7,726	3,490	4,010	7,500
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

A reconciliation of the net book value of intangible assets for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value at beginning of year	5,022	538	4,742	304
Acquisition during the year	3,338	4,807	3,279	4,677
Amortisation	(634)	(323)	(521)	(239)
Net book value at end of year	7,726	5,022	7,500	4,742

16. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deposits - lease agreements	36,200	21,034	36,200	21,034
Others	502	636	491	634
Total other non-current assets	36,702	21,670	36,691	21,668

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade accounts payable - unrelated parties	31,383	12,833	27,985	8,074
Trade accounts payable - related parties				
(Note 7)	2,237	1,509	3,422	3,546
Retention	9,357	3,071	8,755	3,071
Other payables - related parties				
(Note 7)	262	246	214	169
Accrued payroll and bonus expenses	13,763	10,309	13,126	9,794
Accrued expenses - others	12,723	10,169	12,113	9,579
Other payables	658	1,000	568	177
Total trade and other payables	70,383	39,137	66,183	34,410

18. Long-term loan

		(Unit: Thousand Baht)	
		Consolidated and	
		Separate	
		financial statements	
	Facility amount	Interest rate	
	(Million Baht)	(% p.a.)	
Loan			2016
			2015
Long-term loan from financial institution	240	MLR - 3	100,000
			-
Less: Current portion			(20,000)
			-
Long-term loan, net of current portion			80,000
			-

The principal repayment is due on monthly basis, with 60 periods each. The first repayment is due in January 2017. The loan is secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 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 2016, the long-term credit facilities of a Company which had not yet been drawn down amounted to Baht 140 million (2015: Nil).

Movements in the long-term loan from financial institution during the year 2016 is summarised below:

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2016	-
Add: Increase during period	100,000
Balance as at 31 December 2016	100,000

19. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2016	2015
Liabilities under finance lease agreements	779	1,328
Less: Deferred interest expenses	(31)	(86)
Total	748	1,242
Less: Portion due within one year	(522)	(494)
Liabilities under finance lease agreements - net of current portion	226	748

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.

Future minimum lease payments required under the finance lease agreement as at 31 December 2016 and 2015 were as follows:

	(Unit: Million Baht)		
	Consolidated and Separate financial statements		
	2016		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	0.5	0.2	0.7
Deferred interest expenses	-	-	-
Present value of future minimum lease payments	0.5	0.2	0.7



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(Unit: Million Baht)

Consolidated and Separate
financial statements

2015

Future minimum lease payments
Deferred interest expenses
Present value of future minimum lease payments

Less than		
1 year	1-5 years	Total
0.6	0.7	1.3
(0.1)	-	(0.1)
0.5	0.7	1.2

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	
	2016	2015	2016	2015
Provision for long-term employee benefits at beginning of year	4,173	3,760	3,543	3,210
Included in profit or loss:				
Current service cost	1,686	1,598	1,411	1,368
Interest cost	214	224	180	192
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(2,126)	-	(1,833)
Financial assumptions changes	-	1,240	-	989
Experience adjustments	-	(523)	-	(383)
Provision for long-term employee benefits at end of year	6,073	4,173	5,134	3,543

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost of sales	111	103	-	-
Cost of services	523	412	469	348
Selling and administrative expenses	1,266	1,307	1,122	1,212
Total expenses recognized in profit or loss	1,900	1,822	1,591	1,560

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The Company and its subsidiaries expect to pay Baht 0.2 million of long-term employee benefits during the next year (the Company only: Baht 0.1 million) (2015: Baht 0.1 million (the Company only: Nil)).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 17 - 33 years (the Company only: 20 - 27 Years) (2015: 17 - 33 years (the Company only: 20 - 27 years)).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Discount rate	3.34 - 4.09	3.34 - 4.09	3.62 - 3.91	3.62 - 3.91
Salary increase rate	6.07	6.07	6.07	6.07
Turnover rate	5.00	5.00	5.00	5.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

	(Unit: million Baht)							
	Consolidated financial statements				Separate financial statements			
	Increase 0.5%		Decrease 0.5%		Increase 0.5%		Decrease 0.5%	
	2016	2015	2016	2015	2016	2015	2016	2015
Discount rate	(0.4)	(0.2)	0.4	0.3	(0.3)	(0.2)	0.3	0.2
Salary increase rate	0.4	0.3	(0.4)	(0.2)	0.3	0.2	(0.3)	(0.2)
Turnover rate	(0.4)	(0.3)	0.5	0.3	(0.3)	(0.2)	0.4	0.2

21. Revaluation surplus on revaluation of assets

This represents surplus arising from revaluation of land. Its movement during the years 2016 and 2015 are detailed below.



Balance - beginning of year (before net of income tax)
Add: Revaluation (before net of income tax)
Balance - end of year (before net of income tax)

(Unit: Thousand Baht)	
Consolidated and Separate financial statements	
2016	2015
50,879	42,043
-	8,836
50,879	50,879

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

22. Statutory reserve

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

23. Dividends

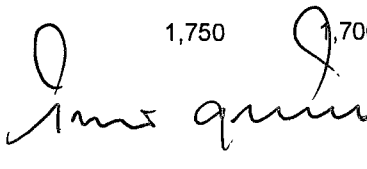
Dividends	Approved by	Dividend (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2015	Annual General Meeting of the Company's shareholders on 28 March 2016	28.50	0.050
Interim dividends for 2016	Board of Directors' Meeting No.6/2016 on 23 September 2016	28.50	0.050
Total		57.00	0.100
Final dividends for 2014	Annual General Meeting of the Company's shareholders on 30 March 2015	14.25	0.025
Interim dividends for 2015	Board of Directors' Meeting No.6/2015 on 28 November 2015	28.50	0.050
Total		42.75	0.075

24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2016	2015	2016	2015
Changes in inventories	5,600	6,350	6,706	4,224
Purchases of inventories	78,254	57,057	69,245	46,969
Depreciation and amortisation	55,305	39,019	49,928	34,550
Reversal impairment losses on assets	-	(2,565)	-	(2,565)
Employee expenses	257,416	182,341	238,561	166,617
Directors' remuneration	1,750	1,700	1,750	1,700





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(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Rental expenses	87,374	62,664	87,374	62,664
Public utilities	20,814	15,804	20,094	15,042
Maintenance and decorate locations expenses	16,154	11,807	16,018	11,821
Advertising and promotion expenses	16,639	13,373	16,296	13,314
Laundry expenses	15,340	12,130	15,025	11,358
Consulting fees	1,233	2,967	1,116	2,243

25. Income tax

25.1 Deferred tax assets / liabilities

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
 บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน) SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED				
Deferred tax assets				
Allowance for doubtful accounts	47	73	47	47
Allowance for diminution in value of inventories	56	202	40	132
Provision for long-term employee benefits	1,195	825	1,027	709
Rental straight-line method	1,191	431	1,191	431
Interest and depreciation from decommissioning estimation	206	144	206	144
Total	2,695	1,675	2,511	1,463
Deferred tax liabilities				
Surplus on revaluation of land	10,176	10,176	10,176	10,176
Unrealised gain from revaluation of trading investments	7	60	-	60
Deferred sales and marketing revenues	660	840	660	840
Total	10,843	11,076	10,836	11,076
Deferred tax assets - net	177	212	-	-
Deferred tax liabilities - net	8,325	9,613	8,325	9,613

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25.2 Income tax expenses

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

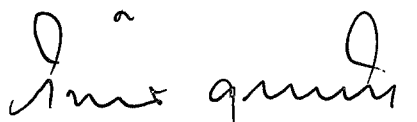
	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	24,117	26,031	22,585	21,884
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,253)	1,066	(1,288)	1,103
Income tax expenses reported in the statements of comprehensive income	22,864	27,097	21,297	22,987

25.3 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 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2016	2015	2016	2015
Deferred tax on gain from revaluation of land	-	1,767	-	1,767
Deferred tax on actuarial gains	-	279	-	246
	-	2,046	-	2,013



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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2016	2015	2016	2015
Accounting profit before tax	163,830	133,592	141,928	115,737
Applicable tax rate	0% - 20%	0% - 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	30,725	27,263	28,386	23,148
Effects of:				
Exempt dividend income	(132)	(999)	(132)	(999)
Non-deductible expenses	128	849	14	849
Additional expense deductions allowed	(7,857)	(11)	(6,971)	(11)
Others	-	(5)	-	-
Total	(7,861)	(166)	(7,089)	(161)
Income tax expenses reported in the statements of comprehensive income	22,864	27,097	21,297	22,987

26. Earnings per share

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

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit for the year (Thousand Baht)	140,965	106,495	120,630	92,750
Weighted average number of ordinary shares (Thousand shares)	570,000	570,000	570,000	570,000
Profit per share (Baht/share)	0.25	0.19	0.21	0.16

27. 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 resources³ 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.

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

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

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

The following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2016 and 2015, respectively.



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Siam Wellness Group

(Unit: Million Baht)

	Spa services		Sales of spa products and healthy products		Hotel and restaurant		Elimination		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from external customers	619	450	43	20	63	64	-	-	725	534
Internal - segment revenues	5	4	20	13	1	1	(26)	(18)	-	-
Total revenues	624	454	63	33	64	65	(26)	(18)	725	534
Segment profit	190	153	27	3	24	42	-	-	241	198
Revenues and expenses which have not been allocated :										
Other income									14	10
Selling expenses									(28)	(22)
Administrative expenses									(61)	(52)
Finance cost									(2)	(1)
Profit before income tax expenses									164	133
Income tax expenses									(23)	(27)
Profit for the year									141	106

The segment assets of the Company and its subsidiaries as at 31 December 2016 and 2015 are as follows:

(Unit: Million Baht)

	Spa services and sales of spa products and healthy products*		Hotel and restaurant		Elimination		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Property, plant and equipment	617	411	82	69	-	-	699	480
Other assets	155	158	15	21	(4)	(4)	166	175
Total assets	772	569	97	90	(4)	(4)	865	655
Additions to non-current assets other than financial instruments and deferred tax assets	208	153	13	2	-	-	221	155

* 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 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

28. 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.

During the years 2016 and 2015, the contributions to the fund is as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2016	2015
Contributions to provident fund	0.6	0.6

29. Commitments and contingent liabilities

29.1 Capital commitments

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

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2016	2015
Construction costs	21.6	20.4



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29.2 Operating lease commitments

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

As at 31 December 2016 and 2015, the Company and its subsidiaries have future minimum payments required under these non-cancellable operating leases agreement and related service agreements were as follows.

	(Unit: Million Baht)	
	Consolidated and Separate financial statements	
	2016	2015
Payable:		
In up to 1 year	112	90
In over 1 and up to 5 years	203	114
In over 5 years	42	84

In addition, the Company had made operating agreements with certain lessors that the rental and service fees are to be calculated taking into account the proportion of service income that the Company received from the customers relating to its spa services. For the year 2016, such rental and service fees that the Company had to pay to such lessor amounted to Bath 0.8 million (2015: Nil).

As at 31 December 2016, future minimum sublease payments expected to be received under non-cancellable subleases amounting to Baht 7.6 million (2015: Baht 5.1 million). For the year 2016, the Company recognised rental expenses of Baht 6.2 million (2015: Baht 4.9 million) and subleasing revenue of Baht 3.9 million (2015: Baht 2.8 million).

29.3 Letters of guarantees

As at 31 December 2016, there were outstanding bank guarantees of Baht 1.4 million (2015: Baht 2.2 million) (the Company only: Baht 0.8 million (2015: Baht 1.6 million)) issued by the banks on behalf of the Company and its subsidiaries as required in the normal course of business.

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30. Fair value hierarchy

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

(Unit: Million Baht)

	31 December 2016			
	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
Unit trusts	-	18	-	18
Lands	-	128	-	128

(Unit: Million Baht)

	31 December 2015			
	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
Unit trusts	-	26	-	26
Lands	-	69	-	69

Valuation techniques and inputs to Level 2 valuation

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

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

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



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31. Financial instruments

31.1 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, trade and other payables, liabilities under finance lease agreements, and long-term loan. 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. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since their businesses are sales and services to minor customers. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the 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, long-term loan, and liabilities under finance lease agreements. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2016 and 2015, 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.



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Secretary General

(Unit: Million Baht)

Consolidated financial statements

31 December 2016

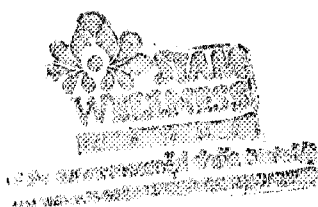
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	-	-	-	29	4	33	0.25 - 0.82
Current investments	-	-	-	-	18	18	-
Trade and other receivables	-	-	-	-	9	9	-
	-	-	-	29	31	60	
Financial liabilities							
Trade and other payables	-	-	-	-	70	70	-
Long-term loan	-	-	-	100	-	100	Note 18
Liabilities under financial lease agreement	-	1	-	-	-	1	5.46
	-	1	-	100	70	171	

(Unit: Million Baht)

Separate financial statements

31 December 2016

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	-	-	-	20	4	24	0.25 - 0.82
Trade and other receivables	-	-	-	-	5	5	-
	-	-	-	20	9	29	
Financial liabilities							
Trade and other payables	-	-	-	-	66	66	-
Long-term loan	-	-	-	100	-	100	Note 18
Liabilities under financial lease agreements	-	1	-	-	-	1	5.46
	-	1	-	100	66	167	



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(Unit: Million Baht)

Consolidated financial statements

31 December 2015

	Fixed interest rates				Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate			
Financial Assets							
Cash and cash equivalent	-	-	-	57	3	60	0.25 - 0.38
Current investments	-	-	-	-	26	26	-
Trade and other receivables	-	-	-	-	4	4	-
	-	-	-	57	33	90	
Financial liabilities							
Trade and other payables	-	-	-	-	39	39	-
Liabilities under financial lease agreements	-	1	-	-	-	1	5.46
	-	1	-	-	39	40	

(Unit: Million Baht)

Separate financial statements

31 December 2015

	Fixed interest rates				Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate			
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	-	-	-	-	34	34	-
Liabilities under financial lease agreements	-	1	-	-	-	1	5.46
	-	1	-	-	34	35	



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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 businesses are sales and services to minor customers. The Company and its subsidiaries had no forward contracts outstanding balance as at the end of reporting period.

As at 31 December 2016 and 2015, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated and Separate financial statements			
	Financial assets		Average exchange rate	
	2016	2015	2016	2015
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	0.3	0.3	35.83	36.09
Hong Kong Dollar	25.2	132.4	4.62	4.66

31.2 Fair values of financial instruments

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

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

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

32. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support their businesses and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 0.36:1 (2015: 0.18:1) and the Company's was 0.35:1 (2015: 0.16:1).

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33. Investment acquisition of Tiger Eyes Trading (Thailand) Co., Ltd. and Tiger Eyes Education Co., Ltd.

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

- To approve Siam Wellness Lab Co., Ltd, a subsidiary, to acquire total 19,998 ordinary shares of Tiger Eyes Trading (Thailand) Co., Ltd. which principally engaged in importing and supplying spa and beauty products, or 99.99% of total share capital, in order to increase in product lines and the subsidiary's value in the future. Such share purchase process is expected to be completed within the first quarter of 2017.
- To approve Siam Wellness Education Co., Ltd, a subsidiary, to acquire total 9,998 ordinary shares of Tiger Eyes Education Co., Ltd., which principally engaged in operations of massage, spa and beauty training academy, or 99.98% of total share capital, in order to increase spa training facilities to support the business expansion and the subsidiary's value in the future. Such share purchase process is expected to be completed within the first quarter of 2017.

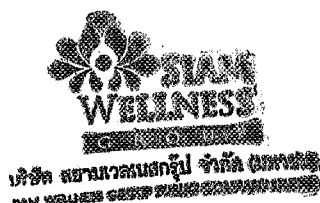
Investment acquisition of these 2 companies approximately amounting to Baht 1 million.

34. Event after the reporting period

On 27 February 2017, 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 July 2016 to 31 December 2016, at a rate of Baht 0.05 per share, totally Baht 28.5 million. This dividend will be paid in April 2017.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2017.



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[Signature]



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