Siam Wellness Group Public Company Limited
and its subsidiaries
Review report and interim consolidated financial statements
For the three-month and six-month periods ended
30 June 2019

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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Siam Wellness Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Siam Wellness Group Public Company Limited and its subsidiaries as at 30 June 2019, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Siam Wellness Group Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

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Emphasis of Matter

I draw attention to Note 3 to interim financial statements regarding the acquisition of a company by the Company in January 2019. At present, the Company is in the process of assessing the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. My conclusion is not qualified in respect of this matter.

Sumana Punpongsanon
Certified Public Accountant (Thailand) No. 5872

EY Office Limited
Bangkok: 12 August 2019

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		63,217	79,444	47,046	67,865
Current investments	5	84,362	32,032	40,028	33
Trade and other receivables	4, 6	31,274	23,512	30,099	20,570
Inventories	7	49,822	31,039	31,507	30,653
Other current assets		14,983	9,652	13,843	9,277
Total current assets		243,658	175,679	162,523	128,398
Non-current assets					
Investments in subsidiaries	3, 9	-	-	226,705	101,705
Restricted deposits of financial institution	8	5,105	5,053	-	-
Long-term loan to and interest receivable from a related party	4	-	-	8,326	8,164
Excess of acquisition cost over estimated value of interest acquired in net assets of a subsidiary	3	90,368	-	-	-
Leasehold rights	10	7,912	8,131	7,912	8,131
Property, plant and equipment	11	1,107,916	1,067,091	990,929	981,130
Goodwill		24,536	24,536	20,340	20,340
Intangible assets		9,730	8,963	9,550	8,772
Deferred tax assets		1,531	1,392	-	-
Deposits		95,405	77,745	83,700	77,026
Other non-current assets		774	620	769	615
Total non-current assets		1,343,277	1,193,531	1,348,231	1,205,883
Total assets		1,586,935	1,369,210	1,510,754	1,334,281

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

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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts from financial institution	12	2,584	1,342	-	-
Short-term loans from and interest payable to related parties	4	4,515	4,415	-	-
Trade and other payables	4, 13	116,420	83,386	112,184	82,314
Current portion of long-term loans	14	109,360	84,240	109,360	84,240
Current portion of liabilities under finance lease agreements		118	87	118	87
Income tax payable		18,950	17,010	17,598	14,784
Advance received - current portion		40,728	24,961	27,046	23,205
Other current liabilities		9,738	8,615	8,753	7,707
Total current liabilities		302,413	224,056	275,059	212,337
Non-current liabilities					
Long term loans - net of current portion	14	225,397	125,990	225,397	125,990
Liabilities under finance lease agreements - net of current portion		321	265	321	265
Advance received - net of current portion		10,874	-	10,874	-
Provision for long-term employee benefits	15	18,674	14,446	14,848	11,685
Deferred tax liabilities		16,568	19,583	16,568	19,583
Other non-current liabilities		17,240	14,505	16,133	13,626
Total non-current liabilities		289,074	174,789	284,141	171,149
Total liabilities		591,487	398,845	559,200	383,486
Shareholders' equity					
Share capital					
Registered					
570,000,000 ordinary shares of Baht 0.25 each		142,500	142,500	142,500	142,500
Issued and paid-up					
570,000,000 ordinary shares of Baht 0.25 each		142,500	142,500	142,500	142,500
Share premium		278,906	278,906	278,906	278,906
Discount on business combintion under common control		(46,226)	(46,226)	-	-
Retained earnings					
Appropriated - statutory reserve		16,381	16,381	14,250	14,250
Unappropriated		502,111	488,234	425,331	424,572
Other components of shareholders' equity		90,567	90,567	90,567	90,567
Equity attributable to shareholders' of the Company		984,239	970,362	951,554	950,795
Non-controlling interests of the subsidiaries		11,209	3	-	-
Total shareholders' equity		995,448	970,365	951,554	950,795
Total liabilities and shareholders' equity		1,586,935	1,369,210	1,510,754	1,334,281

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

.... Directors

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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Revenue from sales		20,731	20,858	14,732	14,301
Revenue from services		316,724	243,724	296,276	236,538
Other income		5,287	6,656	7,093	8,066
Total revenues		342,742	271,238	318,101	258,905
Expenses					
Cost of sales		12,513	11,345	8,827	8,625
Cost of services		227,178	164,233	217,427	164,232
Selling and distribution expenses		14,837	12,518	12,916	11,665
Administrative expenses		30,690	24,171	26,327	20,055
Total expenses		285,218	212,267	265,497	204,577
Profit before finance cost and income tax expenses		57,524	58,971	52,604	54,328
Finance cost		(2,803)	(2,288)	(2,707)	(2,179)
Profit before income tax expenses		54,721	56,683	49,897	52,149
Income tax expenses	*16*	(7,375)	(8,303)	(7,504)	(7,905)
Profit for the period		47,346	48,380	42,393	44,244
Other comprehensive income:					
Other comprehensive income		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		47,346	48,380	42,393	44,244
Profit attributable to:					
Equity holders of the Company		47,211	48,380	42,393	44,244
Non-controlling interests of the subsidiaries		135	-		
		47,346	48,380		
Total comprehensive income attributable to:					
Equity holders of the Company		47,211	48,380	42,393	44,244
Non-controlling interests of the subsidiaries		135	-		
		47,346	48,380		
					(Unit: Baht)
Earnings per share	*17*				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.08	0.08	0.07	0.08

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

SIAM WELLNESS

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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Profit or loss:					
Revenues					
Revenue from sales		43,761	43,628	29,566	27,900
Revenue from services		634,285	500,073	588,149	482,046
Other income		9,773	8,375	13,169	11,641
Total revenues		687,819	552,076	630,884	521,587
Expenses					
Cost of sales		23,402	23,865	17,322	16,599
Cost of services		446,845	326,126	424,028	325,838
Selling and distribution expenses		27,155	23,248	23,476	21,276
Administrative expenses		60,346	50,935	50,793	42,052
Total expenses		557,748	424,174	515,619	405,765
Profit before finance cost and income tax expenses		130,071	127,902	115,265	115,822
Finance cost		(5,190)	(4,460)	(5,015)	(4,230)
Profit before income tax expenses		124,881	123,442	110,250	111,592
Income tax expenses	16	(18,328)	(18,909)	(17,084)	(17,282)
Profit for the period		106,553	104,533	93,166	94,310
Other comprehensive income:					
Other comprehensive income		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		106,553	104,533	93,166	94,310
Profit attributable to:					
Equity holders of the Company		106,284	104,533	93,166	94,310
Non-controlling interests of the subsidiaries		269	-		
		106,553	104,533		
Total comprehensive income attributable to:					
Equity holders of the Company		106,284	104,533	93,166	94,310
Non-controlling interests of the subsidiaries		269	-		
		106,553	104,533		

(Unit: Baht)

Earnings per share	17				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.19	0.18	0.16	0.17

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

SIAM WELLNESS GROUP

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements									
	Equity attributable to shareholders of the Company									
						Other components of shareholders' equity				
				Retained earnings		Other comprehensive income				
	Issued and fully paid-up share capital	Share premium	Discount on business combination under common control	Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2018	142,500	278,906	(46,226)	14,783	324,135	40,703	40,703	754,801	2	754,803
Profit for the period	-	-	-	-	104,533	-	-	104,533	-	104,533
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	104,533	-	-	104,533	-	104,533
Dividend paid (Note 19)	-	-	-	-	(39,900)	-	-	(39,900)	-	(39,900)
Balance as at 30 June 2018	142,500	278,906	(46,226)	14,783	388,768	40,703	40,703	819,434	2	819,436
Balance as at 1 January 2019										
- as previously reported	142,500	278,906	(46,226)	16,381	488,234	90,567	90,567	970,362	3	970,365
Cumulative effect of change in accounting policy for revenue recognition (Note 2)	-	-	-	-	(6,907)	-	-	(6,907)	-	(6,907)
Balance as at 1 January 2019 as restate	142,500	278,906	(46,226)	16,381	481,327	90,567	90,567	963,455	3	963,458
Profit for the period	-	-	-	-	106,284	-	-	106,284	269	106,553
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	106,284	-	-	106,284	269	106,553
Dividend paid (Note 19)	-	-	-	-	(85,500)	-	-	(85,500)	-	(85,500)
Increase in equity attributable to non-controlling interests of subsidiary due to purchase of investment in a subsidiary	-	-	-	-	-	-	-	-	10,937	10,937
Balance as at 30 June 2019	142,500	278,906	(46,226)	16,381	502,111	90,567	90,567	984,239	11,209	995,448

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

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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Separate financial statements						
			Retained earnings		Other components of shareholders' equity - Other comprehensive income		
	Issued and fully paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2018	142,500	278,906	14,250	258,956	40,703	40,703	735,315
Profit for the period	-	-	-	94,310	-	-	94,310
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	94,310	-	-	94,310
Dividend paid (Note 19)	-	-	-	(39,900)	-	-	(39,900)
Balance as at 30 June 2018	142,500	278,906	14,250	313,366	40,703	40,703	789,725
Balance as at 1 January 2019	142,500	278,906	14,250	424,572	90,567	90,567	950,795
- as previously reported							
Cumulative effect of change in accounting							
policy for revenue recognition (Note 2)	-	-	-	(6,907)	-	-	(6,907)
Balance as at 1 January 2019 as restate	142,500	278,906	14,250	417,665	90,567	90,567	943,888
Profit for the period	-	-	-	93,166	-	-	93,166
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	93,166	-	-	93,166
Dividend paid (Note 19)	-	-	-	(85,500)	-	-	(85,500)
Balance as at 30 June 2019	142,500	278,906	14,250	425,331	90,567	90,567	951,554

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

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	124,881	123,442	110,250	111,592
Adjustments to reconcile profit before tax to net cash				
provided by (paid from) operating activities:				
Depreciation and amortisation	58,623	44,998	51,608	41,264
Unrealised gain on the change in fair value of				
trading securities	(342)	(13)	(22)	170
Bad debts and allowance for doubtful accounts	1,183	6	1,145	-
Reduction of inventories to net realisable value (reversal)	(168)	51	10	(68)
Impairment loss on assets	-	147	-	-
Gain on disposal of property, plant and equipment	(22)	(1,353)	(20)	(792)
Loss on write-off of property, plant and equipment	440	105	440	77
Long-term employee benefit expenses	4,228	2,024	3,163	1,613
Interest income	(257)	(162)	(326)	(145)
Interest expenses	5,190	4,460	5,015	4,230
Profit from operating activities before changes				
in operating assets and liabilities	193,756	173,705	171,263	157,941
Decrease (increase) in operating assets				
Current investments	(51,988)	14,647	(39,973)	27,647
Trade and other receivables	(42)	(8,432)	(10,133)	(7,566)
Inventories	(9,647)	(161)	(864)	(955)
Other current assets	(6,284)	(4,775)	(5,519)	(5,010)
Deposits	(17,660)	(18,614)	(6,674)	(12,784)
Other non-current assets	7,843	(83)	(154)	(83)
Increase (decrease) in operating liabilities				
Trade and other payables	3,080	(14,857)	1,729	(13,605)
Advance received	5,776	2,792	6,082	2,949
Other current liabilities	1,122	1,444	1,046	1,460
Other non-current liabilities	2,393	604	2,168	515
Cash flows from operating activities	128,349	146,270	118,971	150,509
Cash paid for interest expenses	(4,795)	(4,289)	(4,725)	(4,159)
Cash paid for income tax	(17,816)	(15,047)	(15,558)	(14,013)
Net cash flows from operating activities	105,738	126,934	98,688	132,337

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

ประพันธ์ อิทธวรพงศ์

SIAM WELLNESS GROUP

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Increase in restricted deposits at financial institution	(52)	-	-	-
Net cash paid to purchase of investments by subsidiaries	(91,699)	-	(93,750)	-
Cash paid for acquisition of leasehold rights on land	-	(57)	-	(57)
Cash paid for acquisition of property, plant and equipment	(69,290)	(71,089)	(63,509)	(71,891)
Cash paid for acquisition of intangible assets	(1,571)	(999)	(1,556)	(999)
Proceed from disposal of property, plant and equipment	33	852	30	796
Cash received from interest income	258	162	164	132
Net cash flows used in investing activities	(162,321)	(71,131)	(158,621)	(72,019)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts from financial institution	1,242	(1,107)	-	-
Increase (decrease) in liabilities under financial lease agreements	87	(267)	87	(267)
Increase in long-term loan to subsidiary	-	-	-	(5,000)
Cash received from long-term loan from financial institution	170,000	-	170,000	-
Cash paid for repayment of long-term loans from financial institution	(45,473)	(32,400)	(45,473)	(32,400)
Cash paid for dividend	(85,500)	(39,900)	(85,500)	(39,900)
Net cash flows from (used in) financing activities	40,356	(73,674)	39,114	(77,567)
Net decrease in cash and cash equivalents	(16,227)	(17,871)	(20,819)	(17,249)
Cash and cash equivalents at beginning of period	79,444	66,733	67,865	53,511
Cash and cash equivalents at end of period	63,217	48,862	47,046	36,262
Supplemental cash flows information				
Non-cash transactions				
Decrease (increase) in liabilities from acquisition of property, plant and equipment	1,337	(3,381)	3,109	(1,976)
Increase in provision for dismantling, removing and restoring of leasehold improvements	343	117	339	117
Payable for purchase of investment in a subsidiary	31,250	-	31,250	-
Receivable from disposal of equipment to a subsidiary	-	-	540	-

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

ประเสริฐ จังกวงศ์ลิขิต

SIAM WELLNESS

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

Siam Wellness Group Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month and six-month periods ended 30 June 2019

1. General information

1.1 The Company's general information

Siam Wellness Group Public Company Limited ("the Company") was incorporated as limited company under the laws of Thailand on 28 November 2001. The Company operates in Thailand and principally engages in spa services business. Its registered head office is at No. 483, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Dindang, Bangkok. As at 30 June 2019, the Company has a total of 53 branches in Bangkok and upcountry (31 December 2018: 49 branches) and 7 foreign branches according to the franchise agreement (31 December 2018: 6 branches).

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

1.2 Basis for the preparation of interim financial statements

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

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

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

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

1.3 Basis of preparation of the interim consolidated financial statements

These interim consolidated financial statements include the financial statements of Siam Wellness Group Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2018 except the change in the composition of the Company as disclosed in Note 3 to interim financial statements.

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

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

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

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

The Company adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to interim financial statements.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

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

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

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

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

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

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018, except for the change in the accounting policies due to the adoption of TFRS 15, *Revenue from Contracts with Customers*, and with the additional policies adopted, as follows:

Initial fee from franchise agreement

Initial fee from franchise agreement is recognised throughout the period of the agreement.

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Employee benefits

Post-employment benefits

Defined benefit plans

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company and its subsidiaries recognised restructuring - related costs.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 1.4 to interim financial statements, during the current period, the Company and its subsidiaries have adopted TFRS 15 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 is recognised as an adjustment to retained earnings as at 1 January 2019. Therefore, the comparative information was not restated.

The effect of the changes in accounting policies due to the adoption of TFRS 15 on the beginning balance of retained earnings for 2019 comprises:

	(Unit: Million Baht) Consolidated/ Separate financial statements
Impact on retained earnings as at 1 January 2019	
Franchise income	(8.6)
Related tax	1.7
Total	(6.9)

The amounts of adjustments affecting the statements of financial position as at 30 June 2019 and the statements of comprehensive income for the three-month and six-month periods ended 30 June 2019 are summarised below.

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(Unit: Million Baht)

	As at 30 June 2019		
	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Liabilities			
Advance received - current portion	37.0	3.7	40.7
Advance received - net of current portion	-	10.9	10.9
Deferred tax liabilities	19.5	(2.9)	16.6
Shareholders' equity			
Retained earnings - unappropriated	513.8	(11.7)	502.1

(Unit: Million Baht)

	For the three-month period ended 30 June 2019		
	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of comprehensive income			
Profit or loss:			
Revenue from services	319.3	(2.6)	316.7
Income tax expenses	6.9	0.5	7.4
Profit for the period	49.4	(2.1)	47.3
Earnings per share (Baht):			
Basic earnings per share	0.08	-	0.08

(Unit: Million Baht)

	For the six-month period ended 30 June 2019		
	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of comprehensive income			
Profit or loss:			
Revenue from services	640.3	(6.0)	634.3
Income tax expenses	17.1	1.2	18.3
Profit for the period	111.4	(4.8)	106.6
Earnings per share (Baht):			
Basic earnings per share	0.20	(0.01)	0.19

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(Unit: Million Baht)

	As at 30 June 2019		
	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Liabilities			
Advance received - current portion	23.3	3.7	27.0
Advance received - net of current portion	-	10.9	10.9
Deferred tax liabilities	19.5	(2.9)	16.6
Shareholders' equity			
Retained earnings - unappropriated	437.0	(11.7)	425.3

(Unit: Million Baht)

	For the three-month period ended 30 June 2019		
	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of comprehensive income			
Profit or loss:			
Revenue from services	298.9	(2.6)	296.3
Income tax expenses	7.0	0.5	7.5
Profit for the period	44.5	(2.1)	42.4
Earnings per share (Baht):			
Basic earnings per share	0.07	-	0.07

(Unit: Million Baht)

	For the six-month period ended 30 June 2019		
	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of comprehensive income			
Profit or loss:			
Revenue from services	594.1	(6.0)	588.1
Income tax expenses	15.9	1.2	17.1
Profit for the period	98.0	(4.8)	93.2
Earnings per share (Baht):			
Basic earnings per share	0.17	(0.01)	0.16

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The nature of these adjustments are described below:

Initial fee from franchise agreement - The Company has determined that initial fee should be recognised throughout the period of the agreement from previously fully recognised when the obligations as specified in the agreement were provided.

3. Investment acquisition of Chaba Elegance Co., Ltd.

On 17 December 2018, the meeting of the Company's Board of Directors No. 7/2018 passed the resolutions approving the acquisition of 349,600 ordinary shares of Chaba Elegance Co, Ltd. which principally engaged in nails polish, hand and foot spa, and eyelash extension business, or 76% of total share capital, in order to beneficially expand the Company's current business. This investment acquisition was approximately amounting to Baht 125 million. The Company made partial payment for the shares totalling Baht 93.8 million on 3 January 2019, 5 February 2019 and 2 May 2019. The remaining is due for payment on 30 September 2019. The Company recorded this transaction as "Payable for purchase of investment in a subsidiary" which was under "Trade and other payables" in the statement of financial position.

At present, the Company is in the process of assessing the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, in order to allocate costs of the business acquisition to the identifiable items. It is to be completed within the period of twelve months from the acquisition date allowed under TFRS 3 (revised 2016) Business Combinations. During the measurement period, if the Company obtains additional information relating to facts and circumstances that existed as of the acquisition date, the Company will adjust the provisional values recognised at the acquisition date, to reflect this new information. As at 30 June 2019, the Company recorded the excess of the consideration transferred for the acquisition of Chaba Elegance Co, Ltd. over its estimated value of interest acquired in its net assets, amounting to Baht 90.4 million under the caption of "Excess of acquisition cost over estimated value of interest acquired in net assets of a subsidiary" in the consolidated statement of financial position.

4. Related party transactions

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

Name of Related parties	Type of business	Type of relationship
Siam Wellness Lab Co., Ltd.	Manufacturer and sale of spa products	A subsidiary
Siam Wellness Education Co., Ltd.	A school for Thai massage	A subsidiary
Siam Wellness Resort Co., Ltd.	Hotel and restaurant operations	A subsidiary
Chaba Elegance Co., Ltd.	Nails polish, hand and foots spa and eyelash extension business	A subsidiary
Siam Wellness Group (Hong Kong) Co., Ltd.	Investment for overseas expansion of the spa business	A subsidiary
Siam Wellness Group (Cambodia) Co., Ltd.	Spa business and sale of spa products	A subsidiary
Tiger Eyes Trading (Thailand) Co., Ltd.	Import and sale of spa products	A subsidiary (held by a subsidiary)
Tiger Eyes Education Co., Ltd.*	Institution of spa and beauty business	A subsidiary (held by a subsidiary)
Blooming Intergift Co., Ltd.	Property rental	Common shareholders
Blooming Co., Ltd.	Sale of gift , a blessed card and a notebook	Common shareholders
B.U. Enterprise Co., Ltd.	Property rental	Common shareholders
Cyberprint Group Co., Ltd.	Printing business	Common shareholders
Asian Fortune Property Co., Ltd.	Real estate development	Common shareholders
Klom Kliao Pattana Co., Ltd.	Property rental	Common directors
G.G.P. Property Co., Ltd.	Property rental	Common directors
Chaba Nail Wellness Spa at the East Co., Ltd.	Nails polish business	Common directors
Directors of the Company and its subsidiaries	-	Directors of the Company and its subsidiaries
A related person	-	Close family member of director

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

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

(Unit: Million Baht)

	For the three-month periods ended 30 June				
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2019	2018	2019	2018	
Transactions with subsidiaries					
(Being eliminated from the consolidated financial statements)					
Revenue from sales and services	-	-	-	0.1	Contract price
Revenue from rental and utilities	-	-	1.8	1.9	Contract price
Other income	-	-	0.6	0.6	Contract price
Interest income	-	-	0.1	-	MLR - 2.175
Purchase of goods	-	-	7.6	7.3	Contract price
Service expenses	-	-	6.1	2.7	Contract price
Commission expenses	-	-	0.2	0.3	Contract price
Advertising expenses	-	-	0.1	0.1	Contract price
Rental and utilities expenses	-	-	0.2	-	Contract price
Transactions with related parties					
Purchase of goods	4.2	3.3	3.9	3.3	Contract price
Service expenses	0.4	0.8	0.4	0.7	Contract price
Rental and utilities expenses	7.1	6.1	6.2	6.1	Contract price
Interest expenses	0.1	0.1	-	-	5% per annum

(Unit: Million Baht)

	For the six-month periods ended 30 June				
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2019	2018	2019	2018	
Transactions with subsidiaries					
(Being eliminated from the consolidated financial statements)					
Revenue from sales and services	-	-	0.1	0.1	Contract price
Revenue from rental and utilities	-	-	3.4	3.6	Contract price
Other income	-	-	1.2	1.2	Contract price
Interest income	-	-	0.2	-	MLR - 2.175
Purchase of goods	-	-	14.9	15.9	Contract price
Service expenses	-	-	9.3	4.6	Contract price
Commission expenses	-	-	0.5	0.6	Contract price
Advertising expenses	-	-	0.1	0.1	Contract price
Rental and utilities expenses	-	-	0.2	-	Contract price
Sale of fixed assets	-	-	0.5	-	Contract price

(Unit: Million Baht)

	For the six-month periods ended 30 June				
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2019	2018	2019	2018	
Transactions with related parties					
Revenue from sales and services	0.1	0.4	-	0.3	Contract price
Purchase of goods	8.6	6.8	7.6	6.4	Contract price
Service expenses	0.9	1.6	0.9	1.6	Contract price
Rental and utilities expenses	14.1	12.2	12.4	12.2	Contract price
Interest expenses	0.1	0.1	-	-	5% per annum

The balances of the accounts as at 30 June 2019 and 31 December 2018 between the Company, subsidiaries and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Trade receivables - subsidiaries (Note 6)				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	279	281
Siam Wellness Lab Co., Ltd.	-	-	7	6
Chaba Elegance Co., Ltd,	-	-	603	-
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	4	4
Total	-	-	893	291
Trade receivables - related parties (Note 6)				
Cyberprint Group Co., Ltd.	-	216	-	216
Total	-	216	-	216
Other receivables - subsidiaries (Note 6)				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	27	-
Chaba Elegance Co., Ltd.	-	-	624	-
Siam Wellness Group (Hong Kong) Co., Ltd.	-	-	245	199
Total	-	-	896	199
Other receivables - related parties (Note 6)				
Directors of the Company	-	142	-	142
Director of subsidiary	1,228	-	-	-
Total	1,228	142	-	142

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(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Long-term loans to and interest receivable from related party				
Siam Wellness Education Co., Ltd.	-	-	8,326	8,164
Total	-	-	8,326	8,164
Short-term loans from and interest payable to related parties				
Director of the Company	1,118	1,093	-	-
Director of subsidiary	3,397	3,322	-	-
Total	4,515	4,415	-	-
Trade payables - subsidiaries (Note 13)				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	78	107
Siam Wellness Lab Co., Ltd.	-	-	1,150	2,464
Siam Wellness Education Co., Ltd.	-	-	1,636	1,999
Chaba Elegance Co., Ltd.	-	-	105	-
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	921	1,047
Total	-	-	3,890	5,617
Trade payables - related parties (Note 13)				
Blooming Co., Ltd.	1,379	1,290	1,257	1,183
Blooming Intergift Co., Ltd.	13	10	13	10
B.U. Enterprise Co., Ltd.	97	63	58	49
Cyberprint Group Co., Ltd.	606	643	516	559
Asian Fortune Property Co., Ltd.	243	231	243	231
Total	2,338	2,237	2,087	2,032
Other payables - related parties (Note 13)				
Directors of the Company	240	758	240	744
Directors of the subsidiary	3	-	-	-
Total	243	758	240	744
Accrued expenses - a subsidiary (Note 13)				
Siam Wellness Education Co., Ltd.	-	-	33	-
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	-	125
Total	-	-	33	125
Payable for investment in subsidiary - a related party (Note 13)				
Chaba Nail Wellness Spa at the East Co., Ltd.	31,250	-	31,250	-
Total	31,250	-	31,250	-

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Long-term loan to and interest receivable from a related party

As at 30 June 2019 and 30 December 2018, the balance of long-term loan to and interest receivable between the Company and its related party and the movement is as follow:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at			Balance as at
	31 December	During the period		30 June
Borrower	2018	Increase	Decrease	2019
Subsidiary				
Siam Wellness Education				
Co., Ltd.	8,164	162	-	8,326
Total	8,164	162	-	8,326

The outstanding balance as at 30 June 2019 and 30 December 2018 of long-term loan to and interest receivable from subsidiary is in the form of an unsecured loan, carrying interest at the rate of MLR - 2.175 per annum and due in June and August 2023.

Short-term loans from and interest payable to related parties

As at 30 June 2019 and 31 December 2018, the balance of short-term loans from and interest payable between the subsidiary and those related parties and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at			Balance as at
	31 December	During the period		30 June
Borrower	2018	Increase	Decrease	2019
Directors of the Company	1,093	25	-	1,118
Director of subsidiaries	3,322	75	-	3,397
Total	4,415	100	-	4,515

The outstanding balance as at 30 June 2019 and 31 December 2018 of short-term loans from and interest payable to related parties are in the form of an unsecured loan, carrying interest at the rate of 5% per annum and due at call.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2019 and 2018, employee benefit expenses payable to their directors and management of the Company and its subsidiaries are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	4.6	4.6	4.6	4.6
Post-employment benefits	0.5	0.3	0.5	0.3
Total	5.1	4.9	5.1	4.9

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	9.4	9.3	9.4	9.3
Post-employment benefits	0.8	0.6	0.8	0.6
Total	10.2	9.9	10.2	9.9

Significant agreements with related parties

1. On 1 January 2013, the Company entered into a lease agreement with Klom Kliao Pattana Co., Ltd. for the period of 30 years, due in December 2042 and such agreement is renewable by a formal notice letter not less than 3 years before term due of agreement. Under the agreement, the Company committed to pay an annual rental fee at the rate specified in the agreement 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 at the rate specified in the agreement and not more than 15% of rental fee can be increase every 3 years.

   On 28 December 2018, the Company renewed the agreement with this related company for the period of 3 years due in December 2021. As at 30 June 2019, the Company committed to pay an annual rental fee amounting to Baht 3.6 million, accounting to the current effective agreement.

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Furthermore, on 27 February 2019, the Company renewed sublease agreements with Siam Wellness Resort Co., Ltd. ("sub leases") for partial ares for the period of 3 years, due in December 2021. As at 30 June 2019, the sub leases committed to pay an annual rental fee totaling to Baht 2.3 million, accounting to the current effective agreements.

Under the lease and sublease agreements, assets which the Company and the subsidiary build or modify will be transferred the rights to Klom Kliao Pattana Co., Ltd. on maturity date.

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. The Company committed to pay an annual rental fee at the rate specified in the agreement and not more than 15% of rental fee can be increase every 3 years.

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

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

   On 28 December 2018, the Company renewed the agreement with this related person for the period of 3 years due in December 2021. As at 30 June 2019, the Company committed to pay an annual rental fee amounting to Baht 1.4 million, according to the current effective agreement.

   Furthermore, on this date, the Company renewed sublease agreements with Siam Wellness Lab Co., Ltd., Siam Wellness Education Co., Ltd. and Tiger Eyes Trading (Thailand) Co., Ltd. ("sub lessees") for partial areas for the period of 3 years, due in December 2021 and such agreements are renewable twice for every 3 years. As at 30 June 2019, the sub lessees committed to pay an annual rental fee totaling to Baht 0.7 million, according to the current effective agreements.

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

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

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

   As at 30 June 2019, the Company committed to pay an annual rental fee amounting to Baht 7.6 million, according to the current effective agreement.

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

   Furthermore, on this date, the Company made a sublease agreement with Siam Wellness Resort Co., Ltd. (sub lessees) for partial areas for the period of 3 years, due in September 2018 and such agreement are renewable for every 3 years. Under the agreement, the sub lessees to pay an annual rental and service fee at the rate specified in the agreement. However, on 30 September 2018, the Company discontinued the agreement with Siam Wellness Resort Co., Ltd.

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

   As at 30 June 2019, the Company committed to pay and annual rental fee amounting to Baht 1.7 million, according to the current effective agreement.

6. On 1 October 2015, the Company has entered into a rental agreement with Asian Fortune Property Co., Ltd. for the period of 3 years, due in January 2019 and such agreement is renewable twice every 3 years. Under the agreement, the Company committed to pay an annual rental and service fees at the rate specified in the agreement and not more than 15% of rental fee can be increase every 3 years.

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On 1 February 2019, the Company renewed the agreement with this related company for the period of 1 year due in, January 2020. As at 30 June 2019, the Company committed to pay and annual rental fee amounting to Baht 2.6 million, according to the current effective agreement.

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

   As at 30 June 2019, the Company committed to pay and annual rental fee amounting to Baht 3.0 million, according to the current effective agreement.

   In addition, on 13 March 2017, the Company entered into another rental and service agreement for its office space with B.U. Enterprise Co., Ltd. for the period of 3 years due in March 2020 and such agreement is renewable once for 3 years. Under the agreement, the Company committed to pay an annual rental and service fee amounting to Baht 0.2 million and not more than 15% of rental fee can be increase every 3 years. However, on 30 May 2018, the Company cancelled the agreement with this related party.

8. On 29 December 2016, the Company has entered into rental agreement for warehouse with Blooming Intergift Co., Ltd. for the period of 3 years due in December 2019 and such agreement is renewable twice every 3 years. Under the agreement, the Company committed to pay an annual fee at the rate specified in the agreement and not more than 10% of lastest rental fee can be increased. Under the agreement, the Company committed to pay and annual rental fee amounting to Baht 0.6 million.

9. On 31 October 2018, the Company entered into a land lease agreement for residence for employees with G.G.P. Property Co., Ltd. for the period of 1 years due in October 2019 and such agreement is renewable once for every 3 years. Under the agreement, the Company has an annual fee at the rate specified in the agreement and not more than 10% of lastest rental fee can be increase. Under the agreement, the Company committed to pay and annual rental fee amounting to Baht 1.0 million.

10. On 1 June 2018, Siam Wellness Education Co., Ltd. has entered into another rental and service agreement for its massage school with B.U. Enterprise Co., Ltd. for the period of 3 years due in July 2021 and such agreement is renewable once for every 3 years. Under the agreement, the subsidiary committed to pay an annual fee at the rate specified in the agreement and not more than 10% of latest rental fee can be

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increased. Under the agreement, the subsidiary committed to pay and annual rental fee amounting to Baht 3.2 million.

11. On 1 January 2019, the Company made sublease agreements with Chaba Elegance Co., Ltd. ("sub lessees") for partial areas for the period of 3 years, due in December 2021 and such agreements are renewable twice for every 3 years. Under the agreement, Chaba Elegance Co., Ltd. committed to pay and annual rental fee 15% of total revenue or amounting to Baht 0.4 million for mininum. During the three-month and six-month periods ended 30 June 2019, the Company recognised rental and service revenues amounting to Baht 0.1 million and Baht 0.1 million, respectively (2018: Nil).

12. On 18 January 2019, the Company made sublease agreements with Chaba Elegance Co., Ltd. ("sub lessees") for partial areas for the period of 1 year, due in December 2019. Under the agreement, Chaba Elegance Co., Ltd. committed to pay and annual rental fee amounting to Baht 0.7 million.

13. On 29 April 2019, Siam Wellness Education Co., Ltd. made sublease agreement with the Company ("sub lessees") for partial office space for the period of 2 years and 3 months due in July 2021 and such agreement is renewable once for every 3 years. Under the agreement, the Company committed to pay an annual fee at the rate specified in the agreement and not more than 10% of lastest rental fee can be increased. Under the agreement, the Company committed to pay and annual rental fee amounting to Baht 0.6 million.

5. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Trading securities				
Investment trusts	83,865	31,877	40,006	33
Add: Unrealised gain on the change in fair value of investments	497	155	22	-
Investment units - net	84,362	32,032	40,028	33
Total current investments	84,362	32,032	40,028	33

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6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Trade receivables - related parties (Note 4)				
Aged on the basis of due dates				
Not yet due	-	216	249	470
Past due				
Up to 3 months	-	-	17	37
3 - 6 months	-	-	627	-
Total trade receivables - related parties, net	-	216	893	507
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	5,017	3,896	4,233	2,699
Past due				
Up to 3 months	20,997	15,317	20,328	13,552
3 - 6 months	1,502	1,965	1,501	1,815
6 - 12 months	2,275	1,036	2,218	945
Over 12 months	1,122	403	972	364
Total	30,913	22,617	29,252	19,375
Less: Allowance for doubtful debts	(1,597)	(414)	(1,539)	(394)
Total trade receivables - unrelated parties, net	29,316	22,203	27,713	18,981
Total trade receivable - net	29,316	22,419	28,606	19,488
Other receivables				
Other receivables - related parties (Note 4)	1,228	142	896	341
Other receivables - unrelated parties	966	1,187	833	977
Less: Allowance for doubtful debts	(236)	(236)	(236)	(236)
Total other receivables, net	1,958	1,093	1,493	1,082
Total trade and other receivables - net	31,274	23,512	30,099	20,570

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7. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Finished goods	12,390	10,800	8,418	9,914
Service materials and supplies	37,542	20,610	23,292	21,202
Food and beverage	388	510	19	22
Products during packaging and packages	1,329	1,114	299	26
Less: Reduce cost to net realisable value	(1,827)	(1,995)	(521)	(511)
Inventories - net	49,822	31,039	31,507	30,653

Movements in the allowance for diminution in value of inventories account during the six-month period ended 30 June 2019, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	1,995	511
Add: Allowance for diminution in value of inventories made during the period	82	44
Less: Reversal of allowance for diminution in value of inventories made during the period	(250)	(34)
Balance as 30 June 2019	1,827	521

8. Restricted deposits at financial institution

These represent the fixed deposit of a subsidiary pledged with a financial institution to secure bank overdrafts from financial institution of another subsidiary as disclosed in Note 12 to interim financial statements.

9. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 30 June 2019 and 31 December 2018 are as follows:

(Unit: Thousand Baht)

Company's name	Country of incorporation	Called-up share capital		Shareholding percentage		Cost		Net book value - cost method - net	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
				(%)	(%)				
Siam Wellness Lab Co., Ltd.	Thailand	1,000	1,000	99.99	99.99	2,000	2,000	2,000	2,000
Siam Wellness Education Co., Ltd.	Thailand	1,000	1,000	99.97	99.97	1,000	1,000	1,000	1,000
Siam Wellness Resort Co., Ltd.	Thailand	60,000	60,000	99.99	99.99	98,705	98,705	98,705	98,705
Chaba Elegance Co., Ltd,	Thailand	46,000	-	76.00	-	125,000	-	125,000	-
Siam Wellness Group (Hong Kong) Co., Ltd.	Hong Kong	1 (Hong Kong Dollar)	1 (Hong Kong Dollar)	100.00	100.00	-	-	-	-
Siam Wellness Group (Cambodia) Co., Ltd.	Cambodia	-	-	100.00	100.00	-	-	-	-
Total						226,705	101,705	226,705	101,705

Siam Wellness Group (Cambodia) Co., Ltd.

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

During the three-month and six-month periods ended 30 June 2019 and 2018, the Company did not receive dividends from its subsidiaries.

During the six-month periods ended 30 June 2019, the Company invested in the acquisition of Chaba Elegance Co., Ltd. as disclosed in Note 3 to interim financial statements.

10. Leasehold rights

A reconciliation of net book value of leasehold rights for the six-month period ended 30 June 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Net book value as at 1 January 2019	8,131
Increase during period	803
Amortisation for period	(1,022)
Net book value as at 30 June 2019	7,912

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11. Property, plant and equipment

A reconciliation of net book value of property, plant and equipment for the six-month periods ended 30 June 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	1,067,091	981,130
Acquisition during period	68,151	60,598
Increase from purchase of investment by subsidiary	29,922	-
Disposals/write-off during period (net book value as at disposals/write-off date)	(451)	(991)
Depreciation for period	(56,797)	(49,808)
Net book value as at 30 June 2019	1,107,916	990,929

As at 30 June 2019, the Company had equipment with net book value of Baht 0.4 million (31 December 2018: Baht 0.3 million), which were acquired under finance lease agreement.

As at 30 June 2019, the Company has pledged its land and structures thereon amounting to Baht 325 million (31 December 2018: Baht 239 million) as collateral against its long-term loans facilities as disclosed in Note 14 to interim financial statements and against its bank guarantees and bank overdrafts from financial institution.

12. Bank overdrafts from financial institution

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Bank overdrafts from financial institution	2,584	1,342	-	-
Total	2,584	1,342	-	-

Bank overdrafts of a subsidiary has interest at the Minimum loan rate (MLR) plus 1.5% per annum which are secured by fixed deposit of another subsidiary as disclosed in Note 8 to interim financial statements.

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13. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Trade accounts payable - unrelated parties	27,762	26,994	23,997	22,874
Trade accounts payable - related parties (Note 4)	2,338	2,237	5,977	7,649
Payables for purchase of fixed assets	3,257	563	1,666	563
Payables for construction and retention	12,289	16,320	11,546	15,758
Other payables - unrelated parties	3,769	1,806	3,530	1,197
Other payables - related parties (Note 4)	243	758	240	744
Investment payables in subsidiary - related parties (Note 3 and 4)	31,250	-	31,250	-
Accrued payroll and bonus expenses	15,429	19,679	15,079	19,003
Accrued rental expenses	12,502	11,933	12,313	11,698
Other accrued expenses - unrelated parties	7,581	3,096	6,553	2,703
Other accrued expenses - related parties (Note 4)	-	-	33	125
Total trade and other payables	116,420	83,386	112,184	82,314

14. Long-term loans

(Unit: Thousand Baht)

Loan	Facility amount (Million Baht)	Interest rate (% p.a.)	Consolidated and Separate financial statements	
			30 June 2019	31 December 2018
1	240	MLR - 3 and MLR - 2.2	92,900	119,900
2	80	MLR - 3	58,400	66,500
3	70	MLR - 3.25	61,810	23,830
4	100	MLR - 3.25	72,480	-
5	160	MLR - 3.75	49,167	-
Total			334,757	210,230
Less: Current portion			(109,360)	(84,240)
Long-term loan, net of current portion			225,397	125,990

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Credit facility amount of Baht 240 million

During the year 2017, there is a revision of principal repayment from Baht 1.7 million per month, with 60 periods to the repayment on monthly basis under condition as specified in the loan agreement (amendment version), with 60 periods. The loan is secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 11 to interim financial statements.

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

As at 30 June 2019, this long-term credit facilities of a Company which have not yet been drawn down amounted to Baht 12 million (31 December 2018: Baht 12 million).

Credit facility amount of Baht 80 million

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

The principal repayment is due on monthly basis, with 60 equal installments. The first repayment is due in March 2018. The loan is secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 11 to interim financial statements.

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

As at 30 June 2019 and 31 December 2018, this long-term credit facilities of a Company had been fully drawn down.

Credit facility amount of Baht 70 million

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

The principal repayment is due on monthly basis, with 60 equal installments. The first repayment is due in December 2018. The loan is secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 11 to interim financial statements.

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

As at 30 June 2019, this long-term credit facilities of a Company had been fully drawn down (31 December 2018: long-term credit facilities which have not yet been drawn down amounted to Baht 45 million).

Credit facility amount of Baht 100 million

During the six-month period ended 30 June 2019, the Company had entered into the loan agreement with credit facility amount to Baht 100 million with a financial institution.

The principal repayment is due on monthly basis with 60 periods under condition as specified in the loan agreement. The first repayment due in May 2019. The loan is secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 11 to interim financial statements.

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

As at 30 June 2019, this long-term credit facilities of a company which have not yet been drawn down amounted to Baht 25 million.

Credit facility amount of Baht 160 million

During the six-month period ended 30 June 2019, the Company had entered into the loan agreement with credit facility amount to Baht 160 million with a financial institution.

The principal repayment is due on monthly basis, with 60 equal installments. The first repayment is due in June 2019. The loan is secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 11 to interim financial statements.

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

As at 30 June 2019, this long-term credit facilities of a Company which have not yet been drawn down amounted to Baht 110 million.

Movements in the long-term loans from financial institution during the six-month period ended 30 June 2019 is summarised below:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Balance as at 1 January 2019	210,230
Add: Increase during the period	170,000
Less: Repayment	(45,473)
Balance as at 30 June 2019	334,757

15. Provision for long-term employee benefits

Provision for long-term employee benefits as at 30 June 2019 which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Provision for long-term employee benefits as at 1 January 2019	14,446	11,685
Current service cost	1,896	1,585
Interest cost	335	272
Past service cost	1,997	1,306
Provision for long-term employee benefits as at 30 June 2019	18,674	14,848

Long-term employee benefit expenses included in profit or loss for the six-month period ended 30 June 2019 amounted to Baht 4.2 million (the Company only: Baht 3.2 million).

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities approximately of Baht 2 million (the Company only: Baht 1 million) as a result. The Company and its subsidiaries reflected the effect of the change by recognising past service costs as expenses in the income statement of the period in which the law is effective, which is the second quarter of 2019.

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16. Income tax

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

Income tax expenses for the three-month and six-month periods ended 30 June 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current income tax:				
Interim corporate income tax charge	8,178	7,713	8,195	7,292
Deferred tax:				
Relating to origination and reversal of temporary differences	(803)	590	(691)	613
Income tax expenses reported in the statements of comprehensive income	7,375	8,303	7,504	7,905

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current income tax:				
Interim corporate income tax charge	19,756	17,393	18,372	15,688
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,428)	1,516	(1,288)	1,594
Income tax expenses reported in the statements of comprehensive income	18,328	18,909	17,084	17,282

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17. Earnings per share

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

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

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit for the period (Thousand Baht)	47,211	48,380	42,393	44,244
Weighted average number of ordinary shares (Thousand shares)	570,000	570,000	570,000	570,000
Profit per share (Baht/share)	0.08	0.08	0.07	0.08

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit for the period (Thousand Baht)	106,284	104,533	93,166	94,310
Weighted average number of ordinary shares (Thousand shares)	570,000	570,000	570,000	570,000
Profit per share (Baht/share)	0.19	0.18	0.16	0.17

18. Segment information

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

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2019 and 2018.

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(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Spa services		Sales of spa products and healthy products		Hotel and restaurant		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external customers	311	236	17	17	9	12	-	-	337	265
Internal - segment revenues	6	2	7	7	1	1	(14)	(10)	-	-
Total revenues	317	238	24	24	10	13	(14)	(10)	337	265
Segment profit	87	75	9	10	2	4	-	-	98	89
Revenues and expenses which have not been allocated:										
Other income									5	6
Selling and distribution expenses									(15)	(12)
Administrative expenses									(31)	(24)
Finance cost									(3)	(2)
Profit before income tax expenses									54	57
Income tax expenses									(7)	(8)
Profit for the period									47	49

(Unit: Million Baht)

	For the six-month periods ended 30 June									
	Spa services		Sales of spa products and healthy products		Hotel and restaurant		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external customers	618	482	34	32	26	30	-	-	678	544
Internal - segment revenues	9	4	15	16	1	1	(25)	(21)	-	-
Total revenues	627	486	49	48	27	31	(25)	(21)	678	544
Segment profit	178	162	20	20	10	12	-	-	208	194
Revenues and expenses which have not been allocated:										
Other income									9	8
Selling and distribution expenses									(27)	(23)
Administrative expenses									(60)	(51)
Finance cost									(5)	(4)
Profit before income tax expenses									125	124
Income tax expenses									(18)	(19)
Profit for the period									107	105

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Geographic information

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

Major Customer

During the three-month and six-month periods ended 30 June 2019 and 2018, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

19. Dividends

Dividends	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht per share)
Final dividends for 2018	Annual General Meeting of the Company's shareholders on 29 March 2019	85.50	0.15
Final dividends for 2017	Annual General Meeting of the Company's shareholders on 27 March 2018	39.90	0.07

20. Commitments and contingent liabilities

20.1 Capital commitments

As at 30 June 2019 and 31 December 2018, the Company has the outstanding commitments for construction, which the contracts have already been signed. These are summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Construction costs	10	15	9	15

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20.2 Operating lease commitments

20.2.1 The Company and its subsidiaries have entered into several operating lease agreements in respect of the lease of service locations and equipment. The terms of the agreements are generally between 1 and 5 years.

Moreover, the Company has entered into operating lease agreement in respect of the lease of land with a related party for the period of 30 years as disclosed in the Note 4 to interim financial statement.

As at 30 June 2019 and 31 December 2018, 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 financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Payable:				
In up to 1 year	185	180	175	176
In over 1 and up to 5 years	354	338	345	333
In over 5 years	141	141	141	141

As at 30 June 2019, Baht 31 million of the commitments of the Company and the subsidiaries are obligations under lease agreements and service agreements with the related companies (31 December 2018: Baht 40 million) (The Company only: Baht 25 million (31 December 2018: Baht 32 million)).

20.2.2 The Company had made operating agreements with certain lessors that the rental and service fees are to be calculated taking into account the proportion of service income that the Company received from the customers relating to its spa services. During the three-month and six-month periods ended 30 June 2019, the Company recognised rental and service expenses amounting to Bath 6 million and Baht 12 million, respectively (2018: Baht 4 million and Baht 8 million, respectively).

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20.2.3 As at 30 June 2019, future minimum sublease payments expected to be received under non-cancellable subleases for partial areas amounting to Baht 9 million (31 December 2018: Baht 3 million). During the three-month and six-month periods ended 30 June 2019, the Company recognised rental expenses of Baht 1 million and Baht 2 million, respectively (2018: Baht 1 million and Baht 1 million, respectively) and subleasing revenue for partial areas of Baht 2 million and Baht 2 million, respectively (2018: Baht 1 million and Baht 2 million, respectively).

20.3 Letters of guarantees

As at 30 June 2019, there were outstanding bank guarantees of Baht 2 million (31 December 2018: Baht 2 million) (the Company only: Baht 2 million (31 December 2018: Baht 2 million)) issued by the banks on behalf of the Company and its subsidiaries as required in the normal course of business.

21. Fair value

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

Fair value hierarchy

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 30 June 2019 and 31 December 2018, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	30 June 2019			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trusts	-	84	-	84
Lands	-	279	-	279

(Unit: Million Baht)

	31 December 2018			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trusts	-	32	-	32
Lands	-	279	-	279

(Unit: Million Baht)

	30 June 2019			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trusts	-	40	-	40
Lands	-	279	-	279

(Unit: Million Baht)

	31 December 2018			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trusts				
Lands	-	279	-	279

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.

22. Approval of interim financial statements

These interim financial statements were authorised to issue by the Company's Board of Directors on 12 August 2019.