

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



**EY Office Limited**  
33rd Floor, Lake Rajada Office Complex  
193/136-137 Rajadapisek Road  
Klongtoey, Bangkok 10110  
G.P.O.Box 1047, Bangkok 10501, Thailand  
Tel: +66 2264 9090  
Fax: +66 2264 0789-90  
ey.com

บริษัท สำนักงาน อีวาย จำกัด  
ชั้น 33 อาคารเลอรัชดา  
193/136-137 ถนนรัชดาภิเษก  
คลองเตย กรุงเทพฯ 10110  
ต.ป.อ. 1047 กรุงเทพฯ 10501  
โทรศัพท์: +66 2264 9090  
โทรสาร: +66 2264 0789-90  
ey.com

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

### **Scope of Review**

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

### **Conclusion**

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

### **Emphasis of Matter**

I draw attention to Note 3 to interim financial statements regarding the investment in Chaba Elegance Co., Ltd. In January 2019, the Company acquired 76% of total share capital of Chaba Elegance Co., Ltd., approximately amounting to Baht 125 million. On 6 October 2019, the Company entered into the separation agreement for the investment in Chaba Elegance Co., Ltd. with the former shareholders since such business needs a high expertise and competency level, resulting in the slowing down of the business expansion which does not follow the Company's objective. Under the separation agreement, the former shareholders agreed to cancel the remaining amount of shares totaling Baht 31.25 million that the Company has not yet paid according to the share purchase agreement and agreed to return the Company amount of Baht 93.75 million that the former shareholders received to the Company according to the share purchase agreement in 8 installments i.e., within 2019 totaling Baht 43.75 million, within 2020 totaling Baht 35 million, and within 2021 totaling Baht 15 million. The Company transferred all shares of Chaba Elegance Co., Ltd. to the former shareholders on 18 October 2019. In addition, under the separation agreement, both parties agreed that former shareholders received all rights, duties and obligations attached to Chaba Elegance Co., Ltd. including but not limited to revenues, profits, liabilities, guarantees, tax obligations, employment, business licenses etc. since 1 October 2019 onwards. My conclusion is not qualified in respect of this matter.



Sumana Punpongsanon

Certified Public Accountant (Thailand) No. 5872

EY Office Limited

Bangkok: 14 November 2019

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		42,664	79,444	33,175	67,865
Current investments	5	115,044	32,032	60,260	33
Trade and other receivables	4, 6	30,718	23,512	30,861	20,570
Inventories	7	36,359	31,039	35,927	30,653
Other current assets		14,313	9,652	12,817	9,277
		<u>239,098</u>	<u>175,679</u>	<u>173,040</u>	<u>128,398</u>
Non-current assets classified as held for sale	3	161,504	-	130,017	-
<b>Total current assets</b>		<u>400,602</u>	<u>175,679</u>	<u>303,057</u>	<u>128,398</u>
<b>Non-current assets</b>					
Restricted deposits of financial institution	8	5,105	5,053	-	-
Investments in subsidiaries	9	-	-	101,705	101,705
Long-term loan to and interest receivable from a related party	4	-	-	8,408	8,164
Leasehold rights	10	7,388	8,131	7,388	8,131
Property, plant and equipment	11	1,078,246	1,067,091	997,898	981,130
Goodwill		24,536	24,536	20,340	20,340
Intangible assets		9,344	8,963	9,177	8,772
Deferred tax assets		1,493	1,392	-	-
Deposits		90,740	77,745	90,197	77,026
Other non-current assets		4,768	620	4,761	615
<b>Total non-current assets</b>		<u>1,221,620</u>	<u>1,193,531</u>	<u>1,239,874</u>	<u>1,205,883</u>
<b>Total assets</b>		<u>1,622,222</u>	<u>1,369,210</u>	<u>1,542,931</u>	<u>1,334,281</u>

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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts from financial institution	12	2,273	1,342	-	-
Short-term loans from and interest payable to related parties	4	4,565	4,415	-	-
Trade and other payables	4, 13	112,338	83,386	119,311	82,314
Liabilities associated with non-current assets held for sale	3	19,801	-	-	-
Current portion of long-term loans	14	109,360	84,240	109,360	84,240
Current portion of liabilities under finance lease agreements		119	87	119	87
Income tax payable		13,093	17,010	13,001	14,784
Advance received - current portion		26,284	24,961	25,359	23,205
Other current liabilities		8,927	8,615	8,235	7,707
<b>Total current liabilities</b>		<b>296,760</b>	<b>224,056</b>	<b>275,385</b>	<b>212,337</b>
<b>Non-current liabilities</b>					
Long term loans - net of current portion	14	198,057	125,990	198,057	125,990
Liabilities under finance lease agreements - net of current portion		291	265	291	265
Advance received - net of current portion		6,726	-	6,726	-
Provision for long-term employee benefits	15	19,790	14,446	15,777	11,685
Deferred tax liabilities		15,567	19,583	15,567	19,583
Other non-current liabilities		19,194	14,505	18,240	13,626
<b>Total non-current liabilities</b>		<b>259,625</b>	<b>174,789</b>	<b>254,658</b>	<b>171,149</b>
<b>Total liabilities</b>		<b>556,385</b>	<b>398,845</b>	<b>530,043</b>	<b>383,486</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
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 combination under common control		(46,226)	(46,226)	-	-
Retained earnings					
Appropriated - statutory reserve		16,381	16,381	14,250	14,250
Unappropriated		572,136	488,234	486,665	424,572
Other components of shareholders' equity		90,567	90,567	90,567	90,567
Equity attributable to shareholders' of the Company		1,054,264	970,362	1,012,888	950,795
Non-controlling interests of the subsidiaries		11,573	3	-	-
<b>Total shareholders' equity</b>		<b>1,065,837</b>	<b>970,365</b>	<b>1,012,888</b>	<b>950,795</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,622,222</b>	<b>1,369,210</b>	<b>1,542,931</b>	<b>1,334,281</b>

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

Directors

(Unaudited but reviewed)

## Siam Wellness Group Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the three-month period ended 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Continuing operations</b>					
<b>Revenues</b>					
Revenue from sales		22,404	19,947	15,429	13,432
Revenue from services		345,406	267,812	338,603	258,570
Dividend income		-	-	-	25,420
Other income		4,211	3,283	6,624	5,068
<b>Total revenues</b>		<b>372,021</b>	<b>291,042</b>	<b>360,656</b>	<b>302,490</b>
<b>Expenses</b>					
Cost of sales		12,853	11,166	8,952	7,954
Cost of services		232,611	179,519	236,309	180,182
Selling and distribution expenses		12,653	11,090	11,651	10,531
Administrative expenses		29,594	25,785	27,251	21,601
<b>Total expenses</b>		<b>287,711</b>	<b>227,560</b>	<b>284,163</b>	<b>220,268</b>
<b>Profit before finance cost and income tax expenses</b>		<b>84,310</b>	<b>63,482</b>	<b>76,493</b>	<b>82,222</b>
Finance cost		(3,062)	(2,224)	(2,976)	(2,129)
<b>Profit before income tax expenses from continuing operations</b>		<b>81,248</b>	<b>61,258</b>	<b>73,517</b>	<b>80,093</b>
Income tax expenses	16	(13,188)	(9,301)	(12,183)	(8,411)
<b>Profit for the period from continuing operations</b>		<b>68,060</b>	<b>51,957</b>	<b>61,334</b>	<b>71,682</b>
<b>Discontinued operation</b>					
Profit from discontinued operation, net of income tax expenses	3	2,329	-	-	-
<b>Profit for the period</b>		<b>70,389</b>	<b>51,957</b>	<b>61,334</b>	<b>71,682</b>
<b>Other comprehensive income:</b>					
Other comprehensive income		-	-	-	-
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>70,389</b>	<b>51,957</b>	<b>61,334</b>	<b>71,682</b>
<b>Profit attributable to:</b>					
<b>Equity holders of the Company</b>					
Continuing operations		68,058	51,956	61,334	71,682
Discontinued operation		1,967	-	-	-
<b>Profit for the period attributable to the Company</b>		<b>70,025</b>	<b>51,956</b>		
<b>Non-controlling interests of the subsidiaries</b>					
Continuing operations		2	1		
Discontinued operation		362	-		
<b>Profit for the period attributable to non-controlling interests of the subsidiaries</b>		<b>364</b>	<b>1</b>		
		<b>70,389</b>	<b>51,957</b>		

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

(Unaudited but reviewed)

**Siam Wellness Group Public Company Limited and its subsidiaries**  
**Statement of comprehensive income (continued)**  
**For the three-month period ended 30 September 2019**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Total comprehensive income attributable to:</b>					
<b>Equity holders of the Company</b>				<u>61,334</u>	<u>71,682</u>
Continuing operations		68,058	51,956		
Discontinued operation		1,967	-		
Total comprehensive income attributable to the Company		<u>70,025</u>	<u>51,956</u>		
<b>Non-controlling interests of the subsidiaries</b>					
Continuing operations		2	1		
Discontinued operation		362	-		
Total comprehensive income attributable to non-controlling interest of the subsidiaries		<u>364</u>	<u>1</u>		
		<u>70,389</u>	<u>51,957</u>		

(Unit: Baht)

<b>Earnings per share</b>	17				
<b>Basic earnings per share</b>					
Profit attributable to equity holder of the Company				<u>0.108</u>	<u>0.126</u>
Profit from continuing operations		0.119	0.091		
Profit from discontinued operation		0.004	-		
		<u>0.123</u>	<u>0.091</u>		

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

(Unaudited but reviewed)

## Siam Wellness Group Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Continuing operations</b>					
<b>Revenues</b>					
Revenue from sales		65,940	63,575	44,995	41,332
Revenue from services		949,886	767,885	926,752	740,616
Dividend income		-	-	-	25,420
Other income		13,809	11,658	19,793	16,709
<b>Total revenues</b>		<b>1,029,635</b>	<b>843,118</b>	<b>991,540</b>	<b>824,077</b>
<b>Expenses</b>					
Cost of sales		36,163	35,031	26,274	24,553
Cost of services		656,617	505,645	660,337	506,020
Selling and distribution expenses		38,060	34,338	35,127	31,807
Administrative expenses		86,411	76,720	78,044	63,653
<b>Total expenses</b>		<b>817,251</b>	<b>651,734</b>	<b>799,782</b>	<b>626,033</b>
<b>Profit before finance cost and income tax expenses</b>		<b>212,384</b>	<b>191,384</b>	<b>191,758</b>	<b>198,044</b>
Finance cost		(8,252)	(6,684)	(7,991)	(6,359)
<b>Profit before income tax expenses from continuing operations</b>		<b>204,132</b>	<b>184,700</b>	<b>183,767</b>	<b>191,685</b>
Income tax expenses	16	(31,326)	(28,210)	(29,267)	(25,693)
<b>Profit for the period from continuing operations</b>		<b>172,806</b>	<b>156,490</b>	<b>154,500</b>	<b>165,992</b>
<b>Discontinued operation</b>					
Profit from discontinued operation, net of income tax expenses	3	4,136	-	-	-
<b>Profit for the period</b>		<b>176,942</b>	<b>156,490</b>	<b>154,500</b>	<b>165,992</b>
<b>Other comprehensive income:</b>					
Other comprehensive income		-	-	-	-
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>176,942</b>	<b>156,490</b>	<b>154,500</b>	<b>165,992</b>
<b>Profit attributable to:</b>					
<b>Equity holders of the Company</b>					
Continuing operations		172,803	156,489		
Discontinued operation		3,506	-		
<b>Profit for the period attributable to the Company</b>		<b>176,309</b>	<b>156,489</b>	<b>154,500</b>	<b>165,992</b>
<b>Non-controlling interests of the subsidiaries</b>					
Continuing operations		3	1		
Discontinued operation		630	-		
<b>Profit for the period attributable to non-controlling interests of the subsidiaries</b>		<b>633</b>	<b>1</b>		
		<b>176,942</b>	<b>156,490</b>		

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



(Unaudited but reviewed)

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

**Statement of comprehensive income (continued)**

**For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Total comprehensive income attributable to:</b>					
<b>Equity holders of the Company</b>				<u>154,500</u>	<u>165,992</u>
Continuing operations		172,803	156,489		
Discontinued operation		3,506	-		
Total comprehensive income attributable to the Company		<u>176,309</u>	<u>156,489</u>		
<b>Non-controlling interests of the subsidiaries</b>					
Continuing operations		3	1		
Discontinued operation		630	-		
Total comprehensive income attributable to non-controlling interest of the subsidiaries		<u>633</u>	<u>1</u>		
		<u>176,942</u>	<u>156,490</u>		
					(Unit: Baht)
<b>Earnings per share</b>	17				
Basic earnings per share				<u>0.271</u>	<u>0.291</u>
Profit attributable to equity holder of the Company					
Profit from continuing operations		0.303	0.275		
Profit from discontinued		0.006	-		
		<u>0.309</u>	<u>0.275</u>		

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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	Consolidated financial statements											
	Equity attributable to shareholders of the Company											
	Other components of shareholders' equity											
	Other comprehensive											
	Issued and fully paid-up share capital	Share premium	Discount on business combination under common control	Retained earnings	Retained earnings - Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets	Other components of shareholders' equity	Total components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
<b>Balance as at 1 January 2018</b>	142,500	278,906	(46,226)	324,135	14,783	324,135	40,703	40,703	40,703	754,801	2	754,803
Profit for the period	-	-	-	156,489	-	156,489	-	-	-	156,489	1	156,490
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	156,489	-	156,489	-	-	-	156,489	1	156,490
Appropriation of retained earnings	-	-	-	(1,598)	1,598	(1,598)	-	-	-	-	-	-
Dividend paid (Note 19)	-	-	-	(39,900)	(39,900)	(39,900)	-	-	-	(39,900)	-	(39,900)
<b>Balance as at 30 September 2018</b>	142,500	278,906	(46,226)	439,126	16,381	439,126	40,703	40,703	40,703	871,390	3	871,393
<b>Balance as at 1 January 2019</b>	142,500	278,906	(46,226)	488,234	16,381	488,234	90,567	90,567	90,567	970,362	3	970,365
- as previously reported												
Cumulative effect of change in accounting policy for revenue recognition (Note 2)	-	-	-	(6,907)	-	(6,907)	-	-	-	(6,907)	-	(6,907)
<b>Balance as at 1 January 2019 as restate</b>	142,500	278,906	(46,226)	481,327	16,381	481,327	90,567	90,567	90,567	963,455	3	963,458
Profit for the period	-	-	-	176,309	-	176,309	-	-	-	176,309	633	176,942
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	176,309	-	176,309	-	-	-	176,309	633	176,942
Dividend paid (Note 19)	-	-	-	(85,500)	-	(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
<b>Balance as at 30 September 2019</b>	142,500	278,906	(46,226)	572,136	16,381	572,136	90,567	90,567	90,567	1,054,264	11,573	1,065,837

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

Siam Wellness Group Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity (continued)  
For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	Separate financial statements						
	Other components of shareholders' equity						
	Other comprehensive income						
	Issued and fully paid-up share capital	Share premium	Retained earnings	Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity	Total
		Appropriated - statutory reserve	Unappropriated				
<b>Balance as at 1 January 2018</b>	142,500	278,906	14,250	258,956	40,703	40,703	735,315
Profit for the period	-	-	-	165,992	-	-	165,992
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	165,992	-	-	165,992
Dividend paid (Note 19)	-	-	-	(39,900)	-	-	(39,900)
<b>Balance as at 30 September 2018</b>	142,500	278,906	14,250	385,048	40,703	40,703	861,407
<b>Balance as at 1 January 2019</b>	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)
<b>Balance as at 1 January 2019 as restate</b>	142,500	278,906	14,250	417,665	90,567	90,567	943,888
Profit for the period	-	-	-	154,500	-	-	154,500
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	154,500	-	-	154,500
Dividend paid (Note 19)	-	-	-	(85,500)	-	-	(85,500)
<b>Balance as at 30 September 2019</b>	142,500	278,906	14,250	486,665	90,567	90,567	1,012,888

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

(Unaudited but reviewed)

## Siam Wellness Group Public Company Limited and its subsidiaries

## Statement of cash flows

For the nine-month period ended 30 September 2019

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
(Unit: Thousand Baht)				
<b>Cash flows from operating activities</b>				
Profit before income tax from continuing operations	204,132	184,700	183,767	191,685
Profit before income tax from discontinued operation	4,709	-	-	-
Profit before income tax	208,841	184,700	183,767	191,685
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	90,145	69,070	79,338	63,165
Unrealised gain (loss) on the change in fair value of trading securities	(74)	384	(173)	169
Bad debts and allowance for doubtful accounts	4,753	261	4,628	255
Reduction of inventories to net realisable value (reversal)	(225)	236	236	68
Impairment loss on assets	-	147	-	-
Gain on disposal of property, plant and equipment	(33)	(1,398)	(29)	(792)
Loss on write-off of property, plant and equipment	448	797	441	83
Long-term employee benefit expenses	5,344	2,982	4,092	2,420
Dividend income	-	-	-	(25,420)
Interest income	(270)	(169)	(435)	(213)
Interest expenses	8,252	6,684	7,991	6,359
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>317,181</b>	<b>263,694</b>	<b>279,856</b>	<b>237,779</b>
Decrease (increase) in operating assets				
Current investments	(82,938)	34,648	(60,054)	27,641
Trade and other receivables	(12,534)	(4,550)	(14,378)	(6,101)
Inventories	(6,915)	(1,861)	(5,510)	(5,578)
Other current assets	(7,835)	(4,151)	(4,585)	(4,682)
Deposit	(23,480)	(24,996)	(13,171)	(24,459)
Other non-current assets	3,850	(136)	(4,147)	(136)
Increase (decrease) in operating liabilities				
Trade and other payables	1,781	758	2,105	6,250
Advance received	1,130	717	246	1,512
Other current liabilities	963	1,487	529	1,373
Other non-current liabilities	4,623	1,311	4,177	1,219
<b>Cash flows from operating activities</b>	<b>195,826</b>	<b>266,921</b>	<b>185,068</b>	<b>234,818</b>
Cash paid for interest expenses	(7,638)	(6,389)	(7,534)	(6,215)
Cash paid for income tax	(37,832)	(32,069)	(33,339)	(29,439)
<b>Net cash flows from operating activities</b>	<b>150,356</b>	<b>228,463</b>	<b>144,195</b>	<b>199,164</b>

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

(Unaudited but reviewed)

**Siam Wellness Group Public Company Limited and its subsidiaries****Statement of cash flows (continued)**

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
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	-	(207)	-	(207)
Cash paid for acquisition of property, plant and equipment	(100,221)	(150,203)	(90,510)	(135,777)
Cash paid for acquisition of intangible assets	(1,603)	(1,062)	(1,588)	(1,062)
Proceed from disposal of property, plant and equipment	369	1,390	44	796
Cash received from dividend from investment in subsidiary	-	-	-	25,420
Cash received from interest income	271	169	174	131
Increase in long-term loan to subsidiary	-	-	-	(8,000)
Increase in short-term loan to subsidiary	-	-	(5,000)	-
<b>Net cash flows used in investing activities</b>	<b>(192,935)</b>	<b>(149,913)</b>	<b>(190,630)</b>	<b>(118,699)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts from financial institution	931	(1,817)	-	-
Increase (decrease) in liabilities under financial lease agreements	58	(289)	58	(289)
Cash received from long-term loans from financial institution	170,000	-	170,000	-
Cash paid for repayment of long-term loan from financial institution	(72,813)	(49,950)	(72,813)	(49,950)
Cash paid for dividend	(85,500)	(39,900)	(85,500)	(39,900)
<b>Net cash flows from (used in) financing activities</b>	<b>12,676</b>	<b>(91,956)</b>	<b>11,745</b>	<b>(90,139)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(29,903)</b>	<b>(13,406)</b>	<b>(34,690)</b>	<b>(9,674)</b>
Cash and cash equivalents at beginning of period	79,444	66,733	67,865	53,511
Effect of non-current assets classified as held for sale (Note 3)	(6,877)	-	-	-
<b>Cash and cash equivalents at end of period</b>	<b>42,664</b>	<b>53,327</b>	<b>33,175</b>	<b>43,837</b>
<b>Supplemental cash flows information</b>				
<b>Non-cash transactions</b>				
Increase in liabilities from acquisition of property, plant and equipment	(331)	(946)	(3,642)	(343)
Increase in provision for dismantling, removing and restoring of leasehold improvements	444	299	438	236
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.

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

**Notes to interim consolidated financial statements**

**For the three-month and nine-month periods ended 30 September 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 September 2019, the Company has a total of 54 branches in Bangkok and upcountry (31 December 2018: 49 branches) and 6 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.

### **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 and Note 4 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:

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

IFRS 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 and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which 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
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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.

**IFRS 16 Leases**

IFRS 16 supersedes IAS 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 IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under IAS 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 IFRS 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.

### **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.

### **Non-current assets classified as held for sale**

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale when the Company receives economic benefits through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

## **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.

(Unaudited but reviewed)

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	<u>(6.9)</u>

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

	(Unit: Million Baht)		
	As at 30 September 2019		
	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of financial position</b>			
<b>Liabilities</b>			
Advance received - current portion	23.9	2.4	26.3
Advance received - net of current portion	-	6.7	6.7
Deferred tax liabilities	17.4	(1.8)	15.6
<b>Shareholders' equity</b>			
Retained earnings - unappropriated	579.4	(7.3)	572.1

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 September 2019

Consolidated financial statements

	Previous accounting policy	Increase (decrease)	IFRS 15
<b>Statement of comprehensive income</b>			
<b>Continuing operations</b>			
Revenue from services	339.9	5.5	345.4
Income tax expenses	14.3	(1.1)	13.2
<b>Profit for the period from continuing operations</b>	63.7	4.4	68.1
<b>Earnings per share (Baht):</b>			
Basic earnings per share from continuing operations	0.119	-	0.119

(Unit: Million Baht)

For the nine-month period ended 30 September 2019

Consolidated financial statements

	Previous accounting policy	Increase (decrease)	IFRS 15
<b>Statement of comprehensive income</b>			
<b>Continuing operations</b>			
Revenue from services	950.4	(0.5)	949.9
Income tax expenses	31.2	0.1	31.3
<b>Profit for the period from continuing operations</b>	173.2	(0.4)	172.8
<b>Earnings per share (Baht):</b>			
Basic earnings per share from continuing operations	0.303	-	0.303

(Unaudited but reviewed)

(Unit: Million Baht)

As at 30 September 2019

	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of financial position</b>			
<b>Liabilities</b>			
Advance received - current portion	23.0	2.4	25.4
Advance received - net of current portion	-	6.7	6.7
Deferred tax liabilities	17.4	(1.8)	15.6
<b>Shareholders' equity</b>			
Retained earnings - unappropriated	494.0	(7.3)	486.7

(Unit: Million Baht)

For the three-month period ended 30 September 2019

	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of comprehensive income</b>			
<b>Continuing operations</b>			
Revenue from services	333.1	5.5	338.6
Income tax expenses	13.3	(1.1)	12.2
<b>Profit for the period from continuing operations</b>	<b>56.9</b>	<b>4.4</b>	<b>61.3</b>
<b>Earnings per share (Baht):</b>			
Basic earnings per share from continuing operations	0.108	-	0.108

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2019

	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of comprehensive income</b>			
<b>Continuing operations</b>			
Revenue from services	927.3	(0.5)	926.8
Income tax expenses	29.2	0.1	29.3
<b>Profit for the period from continuing operations</b>			
	154.9	(0.4)	154.5
<b>Earnings per share (Baht):</b>			
Basic earnings per share from continuing operations	0.271	-	0.271

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 in Chaba Elegance Co., Ltd.

On 17 December 2018, the meeting of the Company's Board of Directors No. 7/2018 passed a resolution approving the acquisition of 349,600 ordinary shares of Chaba Elegance Co, Ltd. which is principally engaged in nails, hand and foot spa, and eyelash extension business, accounting for 76% of total share capital, in order to beneficially expand the Company's current business. This investment accounted for Baht 125 million. The Company made partial payment for the shares totaling Baht 93.75 million on 3 January 2019, 5 February 2019 and 2 May 2019. The Company received shares of Chaba Elegance Co., Ltd. from the former shareholders on 1 January 2019. As at 30 September 2019, the remaining of shares amount totaling Baht 31.25 million was partly presented as "Trade and other payables" in the statement of financial position.

On 4 October 2019, the meeting of the Company's Board of Directors No. 7/2019 passed a resolution approving the cancelation of investment in Chaba Elegance Co., Ltd. since such business needs a high expertise and competency level, resulting in the slowing down of the business expansion which does not follow the Company's objective. The Company entered into the separation agreement for the investment in Chaba Elegance Co., Ltd. with the former shareholders on 6 October 2019.

Under the separation agreement, the former shareholders agreed to cancel the remaining amount of shares totaling Baht 31.25 million that the Company has not yet paid accounting to the share purchase agreement and the former shareholders agreed to return the Company amount of Baht 93.75 million that the former shareholders received to the Company in 8 installments i.e., within 2019 totaling Baht 43.75 million, within 2020 totaling Baht 35 million, and within 2021 totaling 15 million. In addition, the former shareholders agreed to return the rental space of Chaba Elegance Co., Ltd. used for operating 3 branches of nail spa shops which it subleased from the Company and approved that Chaba Elegance Co., Ltd. repaid the loan amounting to Baht 5 million to the Company. The Company already received the repayment of loan on 11 October 2019 and received the return of subleased rental space in October 2019. Moreover, the Company also transferred all shares of Chaba Elegance Co., Ltd. to the former shareholders on 18 October 2019.

In addition, under the separation agreement, both parties agreed that former shareholders received all rights, duties and obligations attached to Chaba Elegance Co., Ltd. including but not limited to revenues, profits, liabilities, guarantees, tax obligations, employment, business licenses etc. since 1 October 2019 onwards. As a result, the Company' consolidated financial statements shall include the financial statements of Chaba Elegance Co., Ltd. until 30 September 2019.

As at 30 September 2019, the Company presented investment in Chaba Elegance Co., Ltd. as "Non-current assets classified as held for sale" under current assets in the statement of financial position of the Company. The Company presented all assets acquired and the excess of acquisition cost over estimated value of interest acquired in net assets of a subsidiary as "Non-current assets classified as held for sale" and presented all liabilities assumed as "Liabilities associated with non-current assets held-for-sale" under current assets and current liabilities, respectively, in the consolidated statement of financial position.

Details of non-current assets classified as held for sale and liabilities associated with non-current assets held for sale as at 30 September 2019 are as follows.

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
<b>Assets</b>	
Cash and cash equivalents	6,877
Trade and other receivables	9,477
Inventories	10,787
Other current assets	2,130
Excess of acquisition cost over estimated value of interest acquisition in net assets of a subsidiary	90,368
Property, plant and equipment	31,380
Deposits	10,485
<b>Total</b>	<u><u>161,504</u></u>
	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
<b>Liabilities</b>	
Trade and other payables	4,452
Income tax payable	375
Advance received	13,945
Other current liabilities	651
Other non-current liabilities	378
<b>Total</b>	<u><u>19,801</u></u>
	(Unit: Thousand Baht)
	Separate
	<u>financial statements</u>
<b>Assets</b>	
Short-term loans to and interest receivables from a related party	5,017
Investment in subsidiaries	125,000
<b>Total</b>	<u><u>130,017</u></u>



(Unaudited but reviewed)

Details of the discontinued operation which were presented in the consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended		For the nine-month periods ended	
	2019	2018	2019	2018
<b>Results of discontinued operation</b>				
Revenue	16,296	-	46,500	-
Expenses	(13,584)	-	(41,791)	-
Profit before income tax expenses	2,712	-	4,709	-
Income tax	(383)	-	(573)	-
Profit for the period of discontinued operation, net of income tax	2,329	-	4,136	-

#### 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. <sup>(1)</sup>	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. <sup>(2)</sup>	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

Name of Related parties	Type of business	Type of relationship
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

(1) On 4 October 2019, the meeting of the Company's Board of Directors passed a resolution approving the cancelation of investment in Chaba Elegance Co., Ltd. The Company entered into the separation agreement for the investment in this company with the former shareholders on 6 October 2019 as disclosed in Note 3 to interim financial statements.

(2) 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, the dissolution process was completed.

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					Transfer pricing policy
30 September					
Consolidated		Separate			
financial statements		financial statements			
2019	2018	2019	2018		

Transactions with subsidiaries

(Being eliminated from the consolidated financial statements)

Revenue from sales and service	-	-	0.1	0.1	Contract price
Revenue from rental and utilities	-	-	2.2	1.6	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended

30 September

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2019	2018	2019	2018	
Other income	-	-	0.6	0.5	Contract price
Interest income	-	-	0.1	0.1	MLR - 2.175 and MLR - 3.5
Dividend income	-	-	-	25.4	Declared rate
Purchase of goods	-	-	12.2	10.3	Contract price
Service expenses	-	-	7.2	4.7	Contract price
Commission expenses	-	-	0.2	0.3	Contract price
Rental and utilities expenses	-	-	0.2	-	Contract price
<u>Transactions with related parties</u>					
Other income	-	1.0	-	-	Contract price
Purchase of goods	4.9	2.7	4.3	2.2	Contract price
Service expenses	0.5	1.2	0.5	1.1	Contract price
Rental and utilities expenses	7.0	5.7	6.2	5.2	Contract price
Interest expenses	-	0.1	-	-	5% per annum

(Unit: Million Baht)

For the nine-month periods ended

30 September

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Revenue from sales and services	-	-	0.2	0.2	Contract price
Revenue from rental and utilities	-	-	5.6	5.2	Contract price
Other income	-	-	1.8	1.7	Contract price
Interest income	-	-	0.3	0.1	MLR - 2.175 and MLR - 3.5
Dividend income	-	-	-	25.4	Declared rate
Purchase of goods	-	-	27.1	26.2	Contract price
Service expenses	-	-	16.5	9.3	Contract price
Commission expenses	-	-	0.7	0.9	Contract price
Advertising expenses	-	-	0.1	0.1	Contract price
Rental and utilities expenses	-	-	0.4	-	Contract price
Sale of fixed assets	-	-	0.5	-	Actual price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended				Transfer pricing policy
	30 September				
	Consolidated financial statements		Separate financial statements		
2019	2018	2019	2018		
<b>Transactions with related parties</b>					
Revenue from sales and service	0.1	0.4	-	0.3	Contract price
Other income	-	1.0	-	-	Contract price
Purchase of goods	13.5	9.5	11.9	8.6	Contract price
Service expenses	1.4	2.8	1.4	2.7	Contract price
Rental and utilities expenses	21.1	17.9	18.6	17.4	Contract price
Interest expenses	0.1	0.2	-	-	5% per annum

The balances of the accounts as at 30 September 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 September 2019	31 December 2018	30 September 2019	31 December 2018
<b>Trade receivables - subsidiaries (Note 6)</b> (Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	280	281
Siam Wellness Lab Co., Ltd.	-	-	5	6
Chaba Elegance Co., Ltd.	-	-	-	-
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	4	4
Total	-	-	289	291
<b>Trade receivables - related parties (Note 6)</b>				
Cyberprint Group Co., Ltd.	-	216	-	216
B.U. Enterprise Co., Ltd.	1	-	-	-
Total	1	216	-	216
<b>Other receivables - subsidiaries (Note 6)</b> (Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	24	-
Chaba Elegance Co., Ltd.	-	-	2,075	-
Siam Wellness Group (Hong Kong) Co., Ltd.	-	-	245	199
Total	-	-	2,344	199

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2019	2018	2019	2018
<b><u>Other receivables - related parties (Note 6)</u></b>				
Directors of the Company	-	142	-	142
Total	-	142	-	142
<b><u>Short-term loans to and interest receivable from a related party (Note 3)</u></b>				
Chaba Elegance Co., Ltd.	-	-	5,017	-
Total	-	-	5,017	-
<b><u>Long-term loans to and interest receivable from a related party</u></b>				
Siam Wellness Education Co., Ltd.	-	-	8,408	8,164
Total	-	-	8,408	8,164
<b><u>Short-term loans from and interest payable to related parties</u></b>				
Director of the Company	1,130	1,093	-	-
Director of subsidiary	3,435	3,322	-	-
Total	4,565	4,415	-	-
<b><u>Trade payables - subsidiaries (Note 13)</u></b>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	73	107
Siam Wellness Lab Co., Ltd.	-	-	3,688	2,464
Siam Wellness Education Co., Ltd.	-	-	1,993	1,999
Chaba Elegance Co., Ltd.	-	-	8	-
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	2,889	1,047
Total	-	-	8,651	5,617
<b><u>Trade payables - related parties (Note 13)</u></b>				
Blooming Co., Ltd.	1,658	1,290	1,651	1,183
Blooming Intergift Co., Ltd.	11	10	11	10
B.U. Enterprise Co., Ltd.	88	63	56	49
Cyberprint Group Co., Ltd.	675	643	343	559
Asian Fortune Property Co., Ltd.	210	231	210	231
Klom Kliao Pattana Co., Ltd.	29	-	-	-
Total	2,671	2,237	2,271	2,032
<b><u>Payables for purchase of fixed assets - a subsidiary (Note 13)</u></b>				
Chaba Elegance Co., Ltd.	-	-	3,903	-
Total	-	-	3,903	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2019	2018	2019	2018
<b><u>Other payables - related parties (Note 13)</u></b>				
Directors of the Company	151	758	151	744
Total	151	758	151	744
<b><u>Accrued expenses - a subsidiary (Note 13)</u></b>				
Siam Wellness Education Co., Ltd.	-	-	29	-
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	-	125
Total	-	-	29	125
<b><u>Accrued expenses - related parties (Note 13)</u></b>				
Klom Kliao Pattana Co., Ltd.	54	-	-	-
Total	54	-	-	-
<b><u>Payable for investment in subsidiary - a related party (Note 13)</u></b>				
Chaba Nail Wellness Spa at the East Co., Ltd.	31,250	-	31,250	-
Total	31,250	-	31,250	-

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

As at 30 September 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)

Borrower	Separate financial statements			
	Balance as at	During the period		Balance as at
	31 December	Increase	Decrease	30 September
	2018			2019
<b><u>Subsidiary</u></b>				
Chaba Elegance Co., Ltd.	-	5,017	-	5,017
Total	-	5,017	-	5,017

The outstanding balance as at 30 September 2019 and 31 December 2018 of long-term loan to and interest receivable from subsidiary is in the form of an unsecured loan, carrying interest at the rate of MLR - 3.5 per annum and due in August 2024. The Company already received the repayment in October 2019 as disclosed in Note 3 to interim financial statements.

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

As at 30 September 2019 and 31 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)

Borrower	Separate financial statements			Balance as at 30 September 2019
	Balance as at 31 December 2018	During the period		
		Increase	Decrease	
<u>Subsidiary</u>				
Siam Wellness Education Co., Ltd.	8,164	244	-	8,408
<b>Total</b>	<b>8,164</b>	<b>244</b>	<b>-</b>	<b>8,408</b>

The outstanding balance as at 30 September 2019 and 31 December 2018 of long-term loan to and interest receivable from subsidiary is in the form of an unsecured loan, carrying interest at the rate of MLR - 2.175 per annum and due in June and August 2023.

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

As at 30 September 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)

Borrower	Consolidated financial statements			Balance as at 30 September 2019
	Balance as at 31 December 2018	During the period		
		Increase	Decrease	
Directors of the Company	1,093	37	-	1,130
Director of subsidiaries	3,322	113	-	3,435
<b>Total</b>	<b>4,415</b>	<b>150</b>	<b>-</b>	<b>4,565</b>

The outstanding balance as at 30 September 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 nine-month periods ended 30 September 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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	5.0	4.7	5.0	4.7
Post-employment benefits	0.3	0.4	0.3	0.4
<b>Total</b>	<b>5.3</b>	<b>5.1</b>	<b>5.3</b>	<b>5.1</b>

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	14.4	14.0	14.4	14.0
Post-employment benefits	1.1	1.0	1.1	1.0
<b>Total</b>	<b>15.5</b>	<b>15.0</b>	<b>15.5</b>	<b>15.0</b>

**Significant agreements with related parties**

- On 1 January 2013, the Company entered into a lease agreement with Klom Kliao Pattana Co., Ltd. for the period of 30 years, due in December 2042 and such agreement is renewable by a formal notice letter not less than 3 years before term due of agreement. Under the agreement, the Company committed to pay an annual rental fee 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 September 2019, the Company committed to pay an annual rental fee amounting to Baht 3.6 million, accounting to the current effective agreement.

Furthermore, on 27 February 2019, the Company renewed sublease agreements with Siam Wellness Resort Co., Ltd. ("sub leases") for partial areas for the period of 3 years, due in December 2021. As at 30 September 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 September 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 September 2019, the sub lessees committed to pay an annual rental fee totaling to Baht 0.7 million, according to the current effective agreements.

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

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

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

As at 30 September 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 September 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.

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 September 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 September 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 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 nine-month periods ended 30 September 2019, the Company recognised rental and service revenues amounting to Baht 0.1 million and Baht 0.3 million, respectively (2018: Nil).

However, the Company canceled the sublease agreement and already received the return of subleased rental space from this Company as disclosed in Note 3 to the interim financial statements.

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.

However, the Company canceled the sublease agreement and already received the return of subleased rental space from this Company as disclosed in Note 3 to the interim financial statements.

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.
14. On 14 August 2019, the Company made sublease agreements with Chaba Elegance Co., Ltd. ("sub lessees") for partial areas for the period of 3 years, due in March 2022. Under the agreement, Chaba Elegance Co., Ltd. committed to pay and annual rental fee amounting to Baht 1.01 million.

However, the Company canceled the sublease agreement and already received the return of subleased rental space from this Company as disclosed in Note 3 to the interim financial statements.

## 5. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<b>Trading securities</b>				
Investment trusts	114,815	31,877	60,087	33
Add: Unrealised gain on the change in fair value of investments	229	155	173	-
Investment units - net	115,044	32,032	60,260	33
<b>Total current investments</b>	<b>115,044</b>	<b>32,032</b>	<b>60,260</b>	<b>33</b>

**6. Trade and other receivables**

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<u>Trade receivables - related parties</u> (Note 4)				
Aged on the basis of due dates				
Not yet due	-	216	238	470
Past due				
Up to 3 months	1	-	15	37
3 - 6 months	-	-	2	-
6 - 12 months	-	-	34	-
Total trade receivables - related parties, net	1	216	289	507
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	3,341	3,896	2,179	2,699
Past due				
Up to 3 months	19,919	15,317	18,771	13,552
3 - 6 months	7,463	1,965	7,418	1,815
6 - 12 months	1,790	1,036	1,772	945
Over 12 months	2,544	403	2,408	364
Total	35,057	22,617	32,548	19,375
Less: Allowance for doubtful debts	(5,167)	(414)	(5,022)	(394)
Total trade receivables - unrelated parties, net	29,890	22,203	27,526	18,981
Total trade receivable - net	29,891	22,419	27,815	19,488
<u>Other receivables</u>				
Other receivables - related parties (Note 4)				
	-	142	2,344	341
Other receivables - unrelated parties				
	1,063	1,187	938	977
Less: Allowance for doubtful debts	(236)	(236)	(236)	(236)
Total other receivables, net	827	1,093	3,046	1,082
Total trade and other receivables - net	30,718	23,512	30,861	20,570

**7. Inventories**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
Finished goods	13,592	10,800	11,221	9,914
Service materials and supplies	22,694	20,610	24,980	21,202
Food and beverage	441	510	13	22
Products during packaging and packages	1,396	1,114	460	26
Less: Reduce cost to net realisable value	(1,764)	(1,995)	(747)	(511)
Inventories - net	<u>36,359</u>	<u>31,039</u>	<u>35,927</u>	<u>30,653</u>

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	1,995	511
Add: Allowance for diminution in value of inventories made during the period	344	271
Less: Reversal of allowance for diminution in value of inventories made during the period	(575)	(35)
Balance as 30 September 2019	<u>1,764</u>	<u>747</u>

**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 September 2019 and 31 December 2018 are as follows:

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

### Dividends from its subsidiaries

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

### 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.

### Cancelation of investment in Chaba Elegance Co., Ltd.

On 6 October 2019, the Company entered into the separation agreement for the investment in Chaba Elegance Co., Ltd. with the former shareholders as disclosed in Note 3 to interim financial statements.



**10. Leasehold rights**

A reconciliation of net book value of leasehold rights for the nine-month period ended 30 September 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	(1,546)
Net book value as at 30 September 2019	<u>7,388</u>

**11. Property, plant and equipment**

A reconciliation of net book value of property, plant and equipment for the nine-month periods ended 30 September 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	100,774	94,374
Increase from purchase of investment by subsidiary (Note 3)	29,922	-
Disposals/write-off during period (net book value as at disposals/write-off date)	(784)	(996)
Depreciation for period	(87,377)	(76,610)
Transfer to non-current assets classified as held for sale (Note 3)	(31,380)	-
Net book value as at 30 September 2019	<u>1,078,246</u>	<u>997,898</u>

As at 30 September 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 September 2019, the Company has pledged its land and structures thereon amounting to Baht 324 million (31 December 2018: Baht 239 million) as collateral against its long-term loans facilities and against its bank guarantees and bank overdrafts from financial institution.

**12. Bank overdrafts from financial institution**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Bank overdrafts from financial institution	2,273	1,342	-	-
<b>Total</b>	<b>2,273</b>	<b>1,342</b>	<b>-</b>	<b>-</b>

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.

**13. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Trade accounts payable - unrelated parties	23,505	26,994	20,159	22,874
Trade accounts payable - related parties (Note 4)	2,671	2,237	10,922	7,649
Payables for purchase of fixed assets - unrelated parties	1,551	563	1,549	563
Payables for purchase of fixed assets - related parties (Note 4)	-	-	3,903	-
Payables for construction and retention	15,107	16,320	14,511	15,758
Other payables - unrelated parties	2,184	1,806	2,083	1,197
Other payables - related parties (Note 4)	151	758	151	744
Payables for investment in a subsidiary (Note 4)	31,250	-	31,250	-
Accrued payroll and bonus expenses	17,654	19,679	17,280	19,003
Accrued rental expenses	12,642	11,933	12,476	11,698
Other accrued expenses - unrelated parties	5,569	3,096	4,998	2,703
Other accrued expenses - related parties (Note 4)	54	-	29	125
<b>Total trade and other payables</b>	<b>112,338</b>	<b>83,386</b>	<b>119,311</b>	<b>82,314</b>

**14. Long-term loans**

Loan	Facility amount (Million Baht)	Interest rate (% p.a.)	(Unit: Thousand Baht)	
			Consolidated and Separate financial statements	
			30 September 2019	31 December 2018
1	240	MLR - 3 and MLR - 2.2	79,400	119,900
2	80	MLR - 3 and MLR - 2.2	54,350	66,500
3	70	MLR - 3.25	58,300	23,830
4	100	MLR - 3.25	68,700	-
5	160	MLR - 3.75	46,667	-
Total			307,417	210,230
Less: Current portion			(109,360)	(84,240)
Long-term loan, net of current portion			198,057	125,990

**Credit facility amount of Baht 240 million**

The repayment of this loan is on monthly basis under condition as specified in the loan agreement (amendment version), with 60 periods. The last payment period is in December 2021. 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 September 2019, this long-term credit facilities of a Company which have not yet been drawn down amounted to 12 (31 December 2018: Baht 12 million).

**Credit facility amount of Baht 80 million**

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 September 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**

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 September 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 nine-month period ended 30 September 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 September 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 nine-month period ended 30 September 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 September 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 nine-month period ended 30 September 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	(72,813)
Balance as at 30 September 2019	<u>307,417</u>

#### 15. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Provision for long-term employee benefits</b>		
<b>as at 1 January 2019</b>	14,446	11,685
Current service cost	2,844	2,378
Interest cost	503	408
Past service cost	1,997	1,306
<b>Provision for long-term employee benefits</b>		
<b>as at 30 September 2019</b>	<u>19,790</u>	<u>15,777</u>

Long-term employee benefit expenses included in profit or loss for the nine-month period ended 30 September 2019 amounted to Baht 5.3 million (the Company only: Baht 4.1 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.

## 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 nine-month periods ended 30 September 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
<b>Current income tax from continuing operations</b>				
<b>Current income tax:</b>				
Interim corporate income tax charge	14,151	9,601	13,185	8,667
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(963)	(300)	(1,002)	(256)
<b>Income tax expenses from continuing operations reported in the statements of comprehensive income</b>	13,188	9,301	12,183	8,411
Current income tax from discontinued operation (Note 3)	383	-	-	-
<b>Total current income tax expenses</b>	<b>13,571</b>	<b>9,301</b>	<b>12,183</b>	<b>8,411</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Current income tax from continuing operations</b>				
<b>Current income tax:</b>				
Interim corporate income tax charge	33,717	26,994	31,557	24,355
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(2,391)	1,216	(2,290)	1,338
<b>Income tax expenses from continuing operations reported in the statements of comprehensive income</b>	31,326	28,210	29,267	25,693
Current income tax from discontinued operation (Note 3)	573	-	-	-
<b>Total current income tax expenses</b>	<b>31,899</b>	<b>28,210</b>	<b>29,267</b>	<b>25,693</b>

## 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 September					
	Consolidated financial statements					
	Continuing operations		Discontinued operation		Total	
	2019	2018	2019	2018	2019	2018
Profit for the period						
(Thousand Baht)	68,058	51,956	1,967	-	70,025	51,956
Weighted average number of ordinary share						
(Thousand shares)	570,000	570,000	570,000	-	570,000	570,000
Profit per share (Baht/share)	0.119	0.091	0.004	-	0.123	0.091

	For the three-month periods ended 30 September					
	Separate financial statements					
	Continuing operations		Discontinued operation		Total	
	2019	2018	2019	2018	2019	2018
Profit for the period (Thousand Baht)	61,334	71,682	-	-	61,334	71,682
Weighted average number of ordinary share (Thousand shares)	570,000	570,000	-	-	570,000	570,000
Profit per share (Baht/share)	0.108	0.126	-	-	0.108	0.126

	For the nine-month periods ended 30 September					
	Consolidated financial statements					
	Continuing operations		Discontinued operation		Total	
	2019	2018	2019	2018	2019	2018
Profit for the period (Thousand Baht)	172,803	156,489	3,506	-	176,309	156,489
Weighted average number of ordinary share (Thousand shares)	570,000	570,000	570,000	-	570,000	570,000
Profit per share (Baht/share)	0.303	0.275	0.006	-	0.309	0.275

	For the nine-month periods ended 30 September					
	Separate financial statements					
	Continuing operations		Discontinued operation		Total	
	2019	2018	2019	2018	2019	2018
Profit for the period (Thousand Baht)	154,500	165,992	-	-	154,500	165,992
Weighted average number of ordinary share (Thousand shares)	570,000	570,000	-	-	570,000	570,000
Profit per share (Baht/share)	0.271	0.291	-	-	0.271	0.291

## 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 nine-month periods ended 30 September 2019 and 2018.

(Unit: Million Baht)

For the three-month periods ended 30 September

	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	355	258	18	16	11	14	-	-	368	288
Internal - segment revenues	7	5	12	11	-	-	(19)	(16)	-	-
Total revenues	362	263	30	27	11	14	(19)	(16)	368	288
Segment profit	115	83	10	10	3	5	-	-	122	98
Revenues and expenses which have not been allocated:										
Other income									4	3
Selling and distribution expenses									(13)	(11)
Administrative expenses									(29)	(26)
Finance costs									(3)	(3)
Profit before income tax expenses									81	61
Income tax expenses									(13)	(9)
Profit for the period of continuing operations									68	52
Profit for the period of discontinued operation									2	-
Total profit for the period									70	52

(Unit: Million Baht)

## For the nine-month periods ended 30 September

	Sales of spa products and healthy products						Hotel and restaurant		Elimination		Total	
	Spa services		healthy products		Hotel and restaurant		Elimination		Total			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external customers	973	740	52	47	37	44	-	-	-	1,016	831	
Internal - segment revenues	16	9	27	27	1	1	(44)	(37)	-	-	-	
Total revenues	989	749	79	74	38	45	(44)	(37)	1,016	831	831	
Segment profit	293	245	30	29	13	17	-	-	324	291	291	
Revenues and expenses which have not been allocated:												
Other income									14	1	1	
Selling and distribution expenses									(39)	(34)	(34)	
Administrative expenses									(87)	(77)	(77)	
Finance costs									(8)	(7)	(7)	
Profit before income tax expenses									204	184	184	
Income tax expenses									(31)	(28)	(28)	
Profit for the period of continuing operations									173	156	156	
Profit for the period of discontinued operation									4	-	-	
Total profit for the period									177	156	156	

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 nine-month periods ended 30 September 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 (Million Baht)	Dividend per share (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 September 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:

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Construction costs	34	15	34	15

(Unit: Million Baht)

## 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 September 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		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
Payable:				
In up to 1 year	176	180	173	176
In over 1 and up to 5 years	342	338	339	333
In over 5 years	132	141	132	141

As at 30 September 2019, Baht 25 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 20 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 nine-month periods ended 30 September 2019, the Company recognised rental and service expenses amounting to Baht 8 million and Baht 20 million, respectively (2018: Baht 5 million and Baht 13 million, respectively).

20.2.3 As at 30 September 2019, future minimum sublease payments expected to be received under non-cancellable subleases for partial areas amounting to Baht 7 million (31 December 2018: Baht 3 million). During the three-month and nine-month periods ended 30 September 2019, the Company recognised rental expenses of Baht 1 million and Baht 3 million, respectively (2018: Baht 1 million and Baht 2 million, respectively) and subleasing revenue for partial areas of Baht 2 million and Baht 4 million, respectively (2018: Baht 1 million and Baht 3 million, respectively).

### **20.3 Letters of guarantees**

As at 30 September 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

(Unaudited but reviewed)

As of 30 September 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 September 2019			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Current investments - Unit trusts	-	115	-	115
Lands	-	279	-	279

(Unit: Million Baht)

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

(Unit: Million Baht)

	30 September 2019			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Current investments - Unit trusts	-	60	-	60
Lands	-	279	-	279

(Unit: Million Baht)

	31 December 2018			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Lands	-	279	-	279

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 14 November 2019.