Siam Wellness Group Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2021

Building a better working world

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 อาคารเลครัชดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
ตู้ ป.ณ. 1047 กรุงเทพฯ 10501
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
ey.com

Independent Auditor's Report

To the Shareholders of Siam Wellness Group Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Siam Wellness Group Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Siam Wellness Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siam Wellness Group Public Company Limited and its subsidiaries and of Siam Wellness Group Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

EY
Building a better working world

Material Uncertainty Related to Going Concern

I draw attention to Note 1.2 to the consolidated financial statements. The business operation of the Group has been affected from the effect of the COVID-19 pandemic in terms of temporary shutdown of spa and hotel business as required by a resolution of the cabinet and the Declaration of Provincial Governors on preventive measures to control the COVID-19. Due to the pandemic of the COVID-19 since March 2020 and new waves in 2021, the Group has continued to temporarily close most of spa branches for nearly the entire period. This is significantly impacting the Group's financial position, operating results, and cash flows at present. The Group's management has assessed the financial impact in respect of an uncertainty of the COVID-19 situation.

As a result of such situation, as at 31 December 2021 the Group had total current liabilities exceeded its total current assets by Baht 171.4 million (the Company only: Baht 212.5 million) and had operating losses for the year ended 31 December 2021 of Baht 286.7 million (the Company only: Baht 271.7 million). The Group had the measures to maintain its cash flow level for debt settlement and for its business operations by negotiation with the lessors to obtain the rental discount for each spa retail stores, and seeking source of funds. The Group believes that there will be the adequate cash flows for settlement of liabilities which to be due within one year. Furthermore, the management is in the process of implementing a business plan to improve its operations and turn a profit in the future. The management believes that it will be able to continue its operation as a going concern. However, these circumstances may give rise to significant doubts as to the Group's ability to continue its operations as a going concern. This may depend on the outcome of the ability of the Group to achieve its operational plans, and the relief of the COVID-19 pandemic situation in the future.

My opinion is not qualified in respect of this matter.

Key Audit Matter

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

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, key audit matters and how audit procedures respond to each matter are described below.

Revenue from Services

The revenue from services related to spa business of the Company is the main revenue of the Group, representing 73% of total Group's revenues for the year 2021. Such revenue is derived from provision of services to a large number of individual customers through a variety of sales channels and many spa branches for the spa business. Therefore, I addressed the occurrence and accuracy of the revenue from services as a key audit matter.

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

Impairment of property, plant and equipment and right-of-use assets

During 2021, the COVID-19 pandemic is still resulting in an economic slowdown and adversely impacting most businesses and industries which also significantly affects the Group's business activities. Such event is an indicator indicates that property, plant and equipment and right-of-use assets of the Group may be impaired. The Group had property, plant and equipment and right-of-use assets representing 84% of total Group's assets. In determining the impairment loss, management had to exercise judgement with respect to determination of the cash-generating unit, financial model, the projections of future operating performance, plans for management of assets of the Group, and determination of an appropriate discount rate and key assumptions. Therefore, I addressed the measurement of allowance for impairment loss of property, plant and equipment and right-of-use assets as a key audit matter.

Building a better working world

I have assessed appropriateness of determination of cash-generaing unit and the financial model selected by management. I also tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised in the future by comparing such assumptions with outside and inside sources and, reviewing the accuracy of past cash flow projections in comparison with actual operating results in order to assess the reliability of the cash flow projections. I also considered the appropriateness of management's assumptions through analysis of the weighted-average cost of discount rate and tested the calculation of the realisable value of property, plant and equipment and right-of-use assets using the selected financial model.

Other Information

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

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

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

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

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

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

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

Building a better working world

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Sumana Punpongsanon

Certified Public Accountant (Thailand) No. 5872

EY Office Limited

Bangkok: 28 February 2022

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	109,854,181	114,526,451	79,628,861	91,132,914
Current investments		4,012	4,005	1,003	1,001
Trade and other receivables	6, 8	15,259,909	21,774,888	12,483,176	21,873,875
Lease receivables - current portion	6	-	-	358,732	160,014
Share return receivables - current portion	9	9,197,669	9,462,337	9,197,669	9,462,337
Inventories	10	27,812,410	40,298,517	23,020,262	36,682,758
Other current assets		8,371,180	13,024,171	6,764,515	10,917,568
		170,499,361	199,090,369	131,454,218	170,230,467
Non-current assets classified as held for sale	13	32,294,702	32,294,702	32,294,702	32,294,702
Total current assets		202,794,063	231,385,071	163,748,920	202,525,169
Non-current assets					
Restricted deposits of financial institution	11	-	5,158,568	-	-
Lease receivables - net of current portion	6	-	-	25,755,802	26,114,534
Share return receivables - net of current portion	9	32,191,839	32,587,252	32,191,839	32,587,252
Investments in subsidiaries	12	-	-	101,705,464	101,705,464
Property, plant and equipment	13	946,641,923	1,074,588,204	877,074,260	995,606,540
Right-of-use assets	18	945,574,963	1,169,555,519	914,943,230	1,134,193,664
Goodwill	14	24,535,709	24,535,709	20,340,000	20,340,000
Intangible assets	15	8,005,054	9,086,049	7,924,192	8,976,437
Deferred tax assets	24	1,186,720	819,991	-	-
Deposits		73,049,772	78,548,925	72,449,201	78,005,376
Advance payment for purchase of assets		16,980,581	460,603	16,980,581	460,603
Other non-current assets		6,876,299	5,383,031	6,733,221	5,245,855
Total non-current assets		2,055,042,860	2,400,723,851	2,076,097,790	2,403,235,725
Total assets		2,257,836,923	2,632,108,922	2,239,846,710	2,605,760,894

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

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	*6, 16*	37,039,154	44,661,830	50,206,219	51,162,205
Current portion of long-term loans	*17*	114,469,000	103,354,149	108,214,000	93,354,149
Current portion of lease liabilities	*6, 18*	175,495,660	169,178,668	172,502,552	166,176,007
Income tax payable		316,574	3,212,754	-	-
Advance received - current portion	*26*	45,140,086	38,977,891	44,175,791	38,187,478
Other current liabilities		1,780,249	1,769,897	1,133,899	1,214,955
Total current liabilities		374,240,723	361,155,189	376,232,461	350,094,794
Non-current liabilities					
Long term loans - net of current portion	*17*	407,166,301	287,812,518	369,271,301	272,812,518
Long-term loans from related parties	*6*	-	-	30,000,000	30,000,000
Lease liabilities - net of current portion	*6, 18*	822,643,783	1,028,672,407	818,035,635	1,020,886,589
Advance received - net of current portion	*26*	5,988,943	9,758,854	5,988,943	9,758,854
Provision for long-term employee benefits	*19*	9,950,768	10,124,418	8,699,220	9,043,083
Deferred tax liabilities	*24*	3,024,701	11,744,592	3,024,701	11,748,672
Other non-current liabilities		16,329,974	17,628,899	15,525,934	16,639,937
Total non-current liabilities		1,265,104,470	1,365,741,688	1,250,545,734	1,370,889,653
Total liabilities		1,639,345,193	1,726,896,877	1,626,778,195	1,720,984,447

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

SIAM WELLNESS

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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital	21				
Registered					
855,000,000 ordinary shares of Baht 0.25 each		213,750,000	213,750,000	213,750,000	213,750,000
Issued and paid-up					
854,999,928 ordinary shares of Baht 0.25 each		213,749,982	213,749,982	213,749,982	213,749,982
Share premium		278,905,854	278,905,854	278,905,854	278,905,854
Discount on business combination under common control		(46,226,479)	(46,226,479)	-	-
Retained earnings					
Appropriated - statutory reserve	20	17,398,695	17,398,695	14,250,000	14,250,000
Unappropriated		64,093,385	350,811,968	15,595,244	287,303,176
Other components of shareholders' equity		90,567,435	90,567,435	90,567,435	90,567,435
Equity attributable to shareholders' of the Company		618,488,872	905,207,455	613,068,515	884,776,447
Non-controlling interests of the subsidiaries		2,858	4,590	-	-
Total shareholders' equity		618,491,730	905,212,045	613,068,515	884,776,447
Total liabilities and shareholders' equity		2,257,836,923	2,632,108,922	2,239,846,710	2,605,760,894

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

Directors

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Revenue from sales	26	37,320,794	68,604,224	9,495,547	21,427,048
Revenue from services	26	130,293,707	358,307,945	127,698,191	348,577,728
Dividend income		-	-	-	23,698,006
Interest income		2,020,947	2,330,201	1,992,737	4,150,010
Other income		5,307,645	6,382,322	5,742,207	10,229,033
Total revenues		174,943,093	435,624,692	144,928,682	408,081,825
Expenses					
Cost of sales		26,640,667	34,596,940	11,814,266	15,119,776
Cost of services		291,876,590	472,043,884	280,182,691	457,604,349
Selling and distribution expenses		23,768,459	34,200,600	18,066,840	26,913,424
Administrative expenses		83,925,289	84,457,030	71,601,749	72,906,444
Total expenses		426,211,005	625,298,454	381,665,546	572,543,993
Loss from operating activities		(251,267,912)	(189,673,762)	(236,736,864)	(164,462,168)
Finance cost	22	(44,172,377)	(21,495,787)	(43,695,039)	(21,486,537)
Loss before tax income		(295,440,289)	(211,169,549)	(280,431,903)	(185,948,705)
Tax income	24	8,719,974	2,084,184	8,723,971	6,120,650
Loss for the year		(286,720,315)	(209,085,365)	(271,707,932)	(179,828,055)
Other comprehensive income:					
Other comprehensive income		-	-	-	-
Total other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		(286,720,315)	(209,085,365)	(271,707,932)	(179,828,055)

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

SIAM WELLNESS

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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit attributable to:					
Equity holders of the Company		(286,718,583)	(209,084,942)	(271,707,932)	(179,828,055)
Non-controlling interests of the subsidiaries		(1,732)	(423)		
		(286,720,315)	(209,085,365)		
Total comprehensive income attributable to:					
Equity holders of the Company		(286,718,583)	(209,084,942)	(271,707,932)	(179,828,055)
Non-controlling interests of the subsidiaries		(1,732)	(423)		
		(286,720,315)	(209,085,365)		
					(Unit: Baht per share)
Earnings per share	25				
Basic earnings per share					
Loss attributable to equity holder of the Company		(0.335)	(0.245)	(0.318)	(0.210)

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

SIAM WELLNESS

บริษัท ... จำกัด (มหาชน)

... COMPANY LIMITED

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to shareholders of the Company									
						Other components of shareholders' equity				
						Other comprehensive income				
	Issued and fully paid-up share capital	Share premium	Discount on business combination under common control	Retained earnings: Appropriated - statutory reserve	Retained earnings: Unappropriated	Surplus on revaluation of assets	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2020	142,500,000	278,905,854	(46,226,479)	16,380,580	649,265,026	90,567,435	90,567,435	1,131,392,416	7,007	1,131,399,423
Loss for the year	-	-	-	-	(209,084,942)	-	-	(209,084,942)	(423)	(209,085,365)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(209,084,942)	-	-	(209,084,942)	(423)	(209,085,365)
Increased share capital (Note 21)	71,249,982	-	-	-	-	-	-	71,249,982	-	71,249,982
Appropriated of retained earnings	-	-	-	1,018,115	(1,018,115)	-	-	-	-	-
Dividend paid (Note 21)	-	-	-	-	(88,350,001)	-	-	(88,350,001)	-	(88,350,001)
Subsidiaries paid dividend to non-controlling interes	-	-	-	-	-	-	-	-	(1,994)	(1,994)
Balance as at 31 December 2020	213,749,982	278,905,854	(46,226,479)	17,398,695	350,811,968	90,567,435	90,567,435	905,207,455	4,590	905,212,045
Balance as at 1 January 2021	213,749,982	278,905,854	(46,226,479)	17,398,695	350,811,968	90,567,435	90,567,435	905,207,455	4,590	905,212,045
Loss for the year	-	-	-	-	(286,718,583)	-	-	(286,718,583)	(1,732)	(286,720,315)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(286,718,583)	-	-	(286,718,583)	(1,732)	(286,720,315)
Balance as at 31 December 2021	213,749,982	278,905,854	(46,226,479)	17,398,695	64,093,385	90,567,435	90,567,435	618,488,872	2,858	618,491,730

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

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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements						
					Other components of shareholders' equity		
					Other comprehensive income		
	Issued and fully paid-up share capital	Share premium	Retained earnings: Appropriated - statutory reserve	Retained earnings: Unappropriated	Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2020	142,500,000	278,905,854	14,250,000	555,481,232	90,567,435	90,567,435	1,081,704,521
Loss for the year	-	-	-	(179,828,055)	-	-	(179,828,055)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(179,828,055)	-	-	(179,828,055)
Increased share capital (Note 21)	71,249,982	-	-	-	-	-	71,249,982
Dividend paid (Note 21)	-	-	-	(88,350,001)	-	-	(88,350,001)
Balance as at 31 December 2020	213,749,982	278,905,854	14,250,000	287,303,176	90,567,435	90,567,435	884,776,447
Balance as at 1 January 2021	213,749,982	278,905,854	14,250,000	287,303,176	90,567,435	90,567,435	884,776,447
Loss for the year	-	-	-	(271,707,932)	-	-	(271,707,932)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(271,707,932)	-	-	(271,707,932)
Balance as at 31 December 2021	213,749,982	278,905,854	14,250,000	15,595,244	90,567,435	90,567,435	613,068,515

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

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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Loss before income tax	(295,440,289)	(211,169,549)	(280,431,903)	(185,948,705)
Adjustments to reconcile loss before tax to net cash				
provided by (paid from) operating activities:				
Depreciation and amortisation	326,744,565	206,382,164	312,310,244	194,129,351
Unrealised gain (loss) on the change in fair value of				
trading securities	(7)	199,703	(2)	47,651
Bad debts and allowance for expected credit losses	8,848,743	2,334,889	8,503,107	2,171,219
Reduction of inventories to net realisable value	5,398,750	3,698,831	3,961,290	3,573,914
Gain on disposal of property, plant and equipment	(71,783)	(490,977)	(71,783)	(365,815)
Gain on disposal of intangible assets	-	(929)	-	-
Loss on write-off of property, plant and equipment	4,473,104	5,556,334	4,473,104	5,521,047
Loss on write-off of right-of-use assets	-	342	-	342
Loss (gain) on lease agreements cancellation	(1,410,492)	37,846	(1,410,492)	37,846
Loss on write-off of intangible assets	-	8,025	-	8,025
Loss on impairment of property, plant and equipment	4,651,409	358,609	4,651,409	358,609
Loss on impairment of right-of-use assets	-	201,391	-	201,391
Gain from rental discount - lease liabilities	(137,224,186)	-	(135,941,489)	-
Gain from rental discount - interest expenses	(23,273,320)	-	(23,177,408)	-
Loss from rental discount given to the lessees	-	-	160,014	-
Long-term employee benefit expenses	(173,651)	1,568,758	(343,863)	1,360,265
Write-off of withholding taxes deducted at source	877,331	-	851,064	-
Dividend income	-	-	-	(23,698,006)
Interest income	(2,003,374)	(2,328,126)	(1,983,674)	(4,147,935)
Interest expenses	44,172,377	21,495,787	43,695,039	21,486,537
Profit (loss) from operating activities before changes				
in operating assets and liabilities	(64,430,823)	27,853,098	(64,755,343)	14,735,736
Decrease (increase) in operating assets				
Current investments	-	72,894,328	-	15,342,857
Trade and other receivables	(1,673,684)	15,377,086	1,547,673	14,200,585
Inventories	7,087,357	(4,096,208)	9,701,206	(2,908,418)
Other current assets	3,395,395	2,822,619	2,851,192	1,295,466
Deposit	6,831,341	(4,743,075)	6,917,741	(4,743,075)
Other non-current assets	(2,252,370)	(998,950)	(2,264,398)	(953,174)
Increase (decrease) in operating liabilities				
Trade and other payables	(6,578,222)	(25,855,168)	(164,878)	(18,347,679)
Advance received	2,392,284	7,652,742	2,218,402	8,044,917
Other current liabilities	10,352	(7,861,576)	(81,057)	(7,739,595)
Other non-current liabilities	(1,651,814)	(2,919,111)	(1,457,437)	(2,954,611)
Cash flows from (used in) operating activities	(56,870,184)	80,125,785	(45,486,899)	15,973,009
Cash paid for interest expenses	(20,369,180)	(21,632,130)	(20,005,005)	(21,020,238)
Cash paid for income tax	(3,657,084)	(25,744,988)	(327,251)	(23,929,843)
Net cash flows from (used in) operating activities	(80,896,448)	32,748,667	(65,819,155)	(28,977,072)

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

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Slam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Decrease (Increase) in restricted deposits at financial institution	5,158,569	(53,057)	-	-
Cash paid for acquisition of property, plant and equipment	(13,274,339)	(140,673,288)	(12,436,507)	(129,197,410)
Cash paid for acquisition of intangible assets	(688,100)	(1,787,567)	(688,100)	(1,787,567)
Cash received from lease receivables	-	-	-	123,756
Proceed from disposal of property, plant and equipment	300,054	1,839,186	300,054	1,120,692
Cash paid in advance for purchase of assets	(16,519,978)	(460,603)	(16,519,978)	(460,603)
Proceed from disposal of intangible assets	-	32,000	-	-
Cash received from disposal investment in subsidiary	-	9,200,000	-	9,200,000
Cash received from dividend from investment in subsidiary	-	-	-	23,698,006
Cash received from interest income	91,189	321,480	77,763	2,141,289
Net cash flows used in investing activities	(24,932,605)	(131,581,849)	(29,266,768)	(95,161,837)
Cash flows from financing activities				
Decrease in bank overdrafts from financial institution	-	(31,621)	-	-
Repayment in liabilities under financial lease agreements	(29,311,851)	(48,867,508)	(27,736,764)	(48,044,677)
Cash received from long-term loans from financial institution	141,150,000	245,000,000	122,000,000	220,000,000
Cash paid for repayment of long-term loan from financial institution	(10,681,366)	(14,200,000)	(10,681,366)	(14,200,000)
Cash paid for repayment of short-term loan from related parties	-	(4,000,000)	-	-
Cash received from long-term loans from subsidiaries	-	-	-	30,000,000
Dividend paid to non-controlling interests of a subsidiary	-	(1,994)	-	-
Cash paid for dividend	-	(17,100,019)	-	(17,100,019)
Net cash flows from financing activities	101,156,783	160,798,858	83,581,870	170,655,304
Net increase (decrease) in cash and cash equivalents	(4,672,270)	61,965,676	(11,504,053)	46,516,395
Cash and cash equivalents at beginning of year	114,526,451	52,560,775	91,132,914	44,616,519
Cash and cash equivalents at end of year	109,854,181	114,526,451	79,628,861	91,132,914
Supplemental cash flows information				
Non-cash transactions				
Decrease in liabilities from acquisition of property, plant and equipment	1,044,455	13,876,637	791,108	13,312,888
Increase in provision for dismantling, removing and restoring of leasehold improvements	352,889	548,810	343,432	540,333
Stock dividend payment	-	71,249,982	-	71,249,982
Decrease in right-of-use assets from the effect of changes from agreements	21,231,317	9,924,909	20,902,879	9,924,909
Decrease in right-of-use assets from the effect of changes from lease agreements cancellation	11,039,602	3,846,206	11,039,602	3,846,206
Decrease in lease liabilities from the effect of changes from lease agreements	22,566,843	9,924,909	22,237,406	9,924,909
Decrease in lease liabilities from the effect of changes from lease agreements cancellation	11,139,481	3,808,018	11,139,481	3,808,018
Increase in lease liabilities from new agreements	530,730	173,148,194	530,730	173,148,194
Increase in right-of-use assets from new agreements	530,730	173,148,194	530,730	173,148,194

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

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Siam Wellness Group Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2021

1. General information

1.1 General information of the Company

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. 565, 567 B.U. Place Building, 22nd Floor, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Dindang, Bangkok (2020: No. 483, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Dindang, Bangkok). As at 31 December 2021, the Company has a total of 65 branches in Bangkok and upcountry (2020: 65 branches) and 5 foreign branches according to the franchise agreement (2020: 5 foreign 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 Coronavirus disease 2019 Pandemic and fundamental accounting assumptions

The COVID-19 pandemic has resulted in an economic slowdown and adversely impacted most businesses and industries in terms of consumer spending, limited or suspended operations. The business operation of the Group has been affected from the effect of the COVID-19 pandemic in terms of temporary shutdown of spa and hotel business as required by a resolution of the cabinet and the Declaration of Provincial Governors on preventive measures to control the COVID-19. Due to the pandemic of the COVID-19 since March 2020 and new waves in 2021, the Group has continued to temporarily close most of spa branches for nearly the entire period. This is significantly impacting the Group's financial position, operating results, and cash flows at present. The Group's management has assessed the financial impact in respect of an uncertainty of the COVID-19 situation.

As a result of such situation, as at 31 December 2021 the Group had total current liabilities exceeded its total current assets by Baht 171.4 million (the Company only: Baht 212.5 million) and had operating losses for the year ended 31 December 2021 of Baht 286.7 million (the Company only: Baht 271.7 million). The Group had the measures to maintain its cash flow level for debt settlement and for its business operations by negotiation with the lessors to obtain the rental discount for each spa retail stores, and seeking source of funds for which in February 2021 and July 2021, the Group got the approval of such credit facilities from the

Bank. In addition, the Group received waiver letter for not complying with such covenants from the bank as discussed in Note 17 to the consolidated financial statements. The Group believes that there will be the adequate cash flows for settlement of such loans and lease liabilities which to be due within one year and for using in its operations. Furthermore, the management is in the process of implementing a business plan to improve its operations and turn a profit in the future. The management believes that it will be able to continue its operation as a going concern.

The management believes that it is appropriate to prepare the Group's financial statements for the year ended 31 December 2021 based on the assumption that the Group will continue its operations as a going concern.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021 (Percent)	2020 (Percent)
Held by the Company				
Siam Wellness Resort Co., Ltd.	Hotel and restaurant operations	Thailand	99.99	99.99
Siam Wellness Lab Co., Ltd.	Manufacturing and distributing spa products	Thailand	99.99	99.99

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021 (Percent)	2020 (Percent)
Siam Wellness Education Co., Ltd.	A school for Thai massage	Thailand	99.97	99.97
Siam Wellness Group (Hong Kong) Co., Ltd.	Investment for overseas expansion of the spa business	Hong Kong	100.00	100.00
Siam Wellness Group (Cambodia) Co., Ltd.	Spa business and sale of spa products	Cambodia	100.00	100.00
Held by subsidiaries				
Tiger Eyes Trading (Thailand) Co., Ltd. (Held by Siam Wellness Lab Co., Ltd. 99.99 percent)	Import and sale of spa products	Thailand	99.99	99.99
Shanghai Jia Tai Health Management Co., Ltd. (Held by Siam Wellness Group (Hong Kong) Co., Ltd. 100.00 percent)	Nutritional health and beauty consulting and management service	China	100.00	100.00

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

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

3. New financial reporting standards

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

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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 Group's financial statements.

Furthermore, the Group elected to adopt the amendments to TFRS 16 Leases relating to COVID-19-related rent concessions. These amendments provide a practical expedient that permits a lessee to not assess whether rent concessions are lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the conditions are met, i.e., the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2022; and there is no substantive change to other terms and conditions of the lease.

The Group applies the practical expedient to all rent concessions that meet the above conditions and the effects of the application of this expident, due to resulting changes in payments under leases are recognised in profit or loss for the year ended 31 December 2021, amounting to Baht 160.5 million (the Company only: Baht 159.1 million). There was no impact on the opening balance of retained earnings.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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 management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

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

4. Significant accounting policies

4.1 Revenue and expense recognition

a) Revenues from contracts with customers

The Group accounts for a contract with a customer when it has entered into an agreement between counter parties that creates enforceable rights and obligations. The Group has to identify its performance obligations and allocate a transaction price to each obligation on an appropriate basis.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, net of value added tax ("VAT"). Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time.

Detail of revenue recognition of the Group are as follows:

Revenue from sale

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Revenue from spa service

Spa service revenue is recognised at a point in time upon completion of the service.

Revenue from franchise agreement

Initial fee from franchise agreement is recognised throughout the period of the agreement. In addition, monthly revenue sharing is recognised in the amount to which the Company has a right to invoice as it corresponds directly with the franchisee's revenues in accordance with the substance of the relevant franchise agreement.

Revenue from other services that the control of services are transferred to customers at a point in time

The Group recognises revenue from other services that the contract of services are transferred to customers at a point in time upon completion of the services.

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Revenue from services and revenue from sales - Customer loyalty programmes

The Group operates a loyalty programme which allows customers to accumulate points when they use the services or purchase products from the Group. The points can then be redeemed for discount of services or products purchase in the future. Certain sales consideration is allocated to the points issued, at their fair value. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed and the Group fulfill their obligations.

b) Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

c) Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

d) Other expenses

Other expenses are recognised on an accrual basis.

e) Dividend income

Dividend income is recognised when the right to receive the dividends is established.

4.2 Cost to fulfill a contract with customer

The Group recognises costs that relate to satisfied performance obligations in the contract in profit or loss when incurred except that the Group can identify that the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify, the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future, and the costs are expected to be recovered. Therefore, the Group recognises an asset from the costs incurred to fulfil a contract and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An allowance for loss on impairment of assets is recognised to the extent that the carrying amount of assets exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

SIAM WELLNESS

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

4.3 Balances of contracts with customers

Contract assets

Trade receivables

Trade receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Contract liabilities

Advance received from customers

The Group recognises a contract liability when the billings to date exceed the cumulative revenue earned which presented under the caption of "Advance received from customers" in the statements of financial position and the Group has an obligation to transfer goods or services to a customer. Contract liabilities are recognised as revenue when the Group fulfils their performance obligations under the contracts.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, due cheques which are not yet deposited and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Inventories

Inventories are valued at the lower of cost under the first-in, first-out method and net realisable value.

4.6 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.

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

4.7 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.8 Leasehold rights

Leasehold rights on land is stated at cost less accumulated amortisation and allowance for impairment (if any). Amortisation is charged to profit or loss on a straight-line basis over a period of lease.

4.9 Property, plant and equipment/Depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair value. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.

- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Surplus on revaluation of assets" in respect of the same asset.

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	-	5 years
Buildings and building on rental land	-	20 years and a period of lease
Buildings improvement	-	5, 20 years and a period of lease
Furniture, fixtures and office equipment	-	5 years
Motor vehicles	-	5 years

SIAM WELLNESS

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

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

4.10 Intangible assets

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

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

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

	Useful lives
Licenses	5 and 10 years
Trademark	10 years
Computer software	5 and 10 years

4.11 Goodwill

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

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

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

SIAM WELLNESS

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

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

4.12 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and land improvement	4 - 24	years
Buildings and building improvement	2 - 12	years
Furniture, fixtures and office equipment	3	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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

__Lease liabilities__

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounts the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

__Short-term leases and leases of low-value assets__

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.13 Related party transactions

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

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

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.15 Impairment of non-financial assets

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

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

SIAM WELLNESS

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

4.16 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

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 Group recognises restructuring-related costs.

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

4.17 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.19 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

SIAM WELLNESS

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

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include security investments held for trading.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

SIAM WELLNESS
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

4.20 Fair value measurement

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

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

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

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

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

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

5.1 Unearned revenue from a customer loyalty program

The Group has launched a customer loyalty program for registered members, under which the customers earn points when using services or making purchases at the specified amount. The points can be redeemed for goods or services. The Group estimates standalone selling price of the option by allocating the transaction price to the performance obligations by reference to the price of goods expected to be provided to the customers if the customers exercise the option, adjusted for the likelihood that the customers would exercise the option. This requires management to make subjective judgements.

5.2 Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

SIAM WELLNESS

5.3 Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

5.4 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

5.5 Property plant and equipment/Depreciation

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

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

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

5.6 Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

SIAM WELLNESS

5.7 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.8 Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property, plant and equipment, right-of-use assets and goodwill recognised by the Group. The key assumptions used to determine the recoverable amount, including a sensitivity analysis, are disclosed and further explained in Notes 13 and 14 to the consolidated financial statements.

5.9 Post-employment benefits under defined benefit plans

The obligation under the defined benefit is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. 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
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)
Shanghai Jia Tai Health Management Co., Ltd.	Nutritional health and beauty consulting and management service	A subsidiary (held by a subsidiary)
Blooming Intergift Co., Ltd.	Property rental	Common shareholders
Blooming Co., Ltd.	Sale of gift, a blessed card and a notebook	Common shareholders
B.U. Enterprise Co., Ltd.	Property rental	Common shareholders
Cyberprint Group Co., Ltd.	Printing business	Common shareholders
Asian Fortune Property Co., Ltd.	Real estate development	Common shareholders
Klom Kliao Pattana Co., Ltd.	Property rental	Common directors
G.G.P. Property Co., Ltd.	Property rental	Common directors
Sawangsuk Co., Ltd.	Food and beverages products	Close family member of director
Directors of the Company and its subsidiaries	-	Directors of the Company and its subsidiaries
A related person	-	Close family member of director

During the years, the Group 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)

	Consolidated financial statements		Separate financial statements		Transfer pricing Policy
	2021	2020	2021	2020	
Transactions with subsidiaries					
(Being eliminated from the consolidated financial statements)					
Revenue from sales	-	-	3.0	1.2	Contract price
Revenue from services	-	-	0.5	0.1	Contract price
Revenue from rental and utilities	-	-	1.4	1.5	Contract price
Other income	-	-	2.2	4.0	Contract price
Dividend income	-	-	-	23.7	Declared rate
Purchase of goods	-	-	7.8	20.8	Contract price
Return of goods	-	-	1.8	-	Contract price
Service expenses	-	-	1.9	3.8	Contract price
Commission expenses	-	-	-	0.2	Contract price
Advertising and promotion expenses	-	-	1.9	0.2	Contract price
Rental and utilities expenses	-	-	0.4	-	Contract price
Interest expenses	-	-	0.6	0.2	1.52%, 2.25% per year
Sale of fixed assets	-	-	-	0.2	Actual price
Transactions with related parties					
Revenue from sales and services	0.4	5.1	0.1	0.6	Contract price
Other income	2.7	0.7	-	-	Actual price
Purchase of goods	0.8	5.7	0.4	3.2	Contract price
Service expenses	3.6	4.8	1.1	1.6	Contract price
Rental and utilities expenses	6.0	12.9	3.6	10.0	Contract price
Interest expenses	-	0.2	-	-	5% per year

The balances of the accounts as at 31 December 2021 and 2020 between the Company, subsidiaries and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade receivables - subsidiaries (Note 8)				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	710	389
Siam Wellness Lab Co., Ltd.	-	-	1,544	2,459
Siam Wellness Education Co., Ltd.	-	-	224	-
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	496	1,963
Total	-	-	2,974	4,811

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade receivables - related parties (Note 8)				
Blooming Co., Ltd.	2,398	2,397	-	-
Cyberprint Group Co., Ltd.	32	251	-	251
B.U. Enterprise Co., Ltd.	6	5	2	5
Sawangsuk Co., Ltd.	2,188	1,082	23	39
Director of subsidiaries	16	22	-	-
Total	4,640	3,757	25	295
Other receivables - subsidiaries (Note 8)				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	10	10
Siam Wellness Group (Hong Kong) Co., Ltd.	-	-	270	255
Shanghai Jia Tai Health Management Co., Ltd.	-	-	230	230
Total	-	-	510	495
Other receivables - related parties (Note 8)				
Klom Kliao Pattana Co., Ltd.	300	300	300	300
B.U. Enterprise Co., Ltd.	-	84	-	-
Related person	116	-	116	-
Total	416	384	416	300
Lease receivables - subsidiaries				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	23,150	23,100
Siam Wellness Lab Co., Ltd.	-	-	1,512	1,610
Siam Wellness Education Co., Ltd.	-	-	264	284
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	1,188	1,280
Total	-	-	26,114	26,274
Current	-	-	359	160
Non-current	-	-	25,755	26,115
Total	-	-	26,114	26,275
Long-term loans from subsidiaries				
Siam Wellness Resort Co., Ltd.	-	-	15,000	15,000
Siam Wellness Lab Co., Ltd.	-	-	10,000	10,000
Siam Wellness Education Co., Ltd.	-	-	5,000	5,000
Total	-	-	30,000	30,000

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade payables - subsidiaries (Note 16)				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	1,925	886
Siam Wellness Lab Co., Ltd.	-	-	6,743	6,831
Siam Wellness Education Co., Ltd.	-	-	3,909	2,227
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	3,275	438
Total	-	-	15,852	10,382
Trade payables - related parties (Note 16)				
Blooming Co., Ltd.	514	277	160	82
Blooming Intergift Co., Ltd.	833	502	833	502
B.U. Enterprise Co., Ltd.	58	47	41	47
Cyberprint Group Co., Ltd.	189	182	174	147
Asian Fortune Property Co., Ltd.	82	21	82	20
Klom Kliao Pattana Co., Ltd.	20	18	-	-
Sawangsuk Co., Ltd.	301	-	-	-
Total	1,997	1,047	1,290	798
Payables for purchase of fixed assets - related party (Note 16)				
Cyberprint Group Co., Ltd.	-	6	-	6
Total	-	6	-	6
Other payables - a subsidiary (Note 16)				
(Being eliminated from the consolidated financial statement)				
Siam Wellness Resort Co., Ltd.	-	-	195	195
Siam Wellness Education Co., Ltd.	-	-	11	-
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	70	-
Total	-	-	276	195
Other payables - related parties (Note 16)				
Directors of the Company	220	397	182	372
Total	220	397	182	372

SIAM WELLNESS

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Lease liabilities - a subsidiary				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Education Co., Ltd.	-	-	1,502	2,223
Total	-	-	1,502	2,223
Current	-	-	570	574
Non-Current	-	-	932	1,649
	-	-	1,502	2,223
Lease liabilities - related parties				
Blooming Intergift Co., Ltd.	2,690	3,269	2,690	3,269
B.U. Enterprise Co., Ltd.	11,509	18,675	3,338	6,591
Asian Fortune Property Co., Ltd.	43,757	50,994	43,757	50,994
Klom Kliao Pattana Co., Ltd.	65,862	67,247	64,929	66,320
G.G.P. Property Co., Ltd.	2,774	3,651	2,774	3,651
Related directors of the Company	9,049	10,964	9,049	10,964
Total	135,641	154,800	126,537	141,789
Current	24,020	23,392	20,457	19,816
Non-Current	111,621	131,408	106,080	121,973
	135,641	154,800	126,537	141,789

Long-term loans from related parties

As at 31 December 2021 and 2020, the balance of long-term loan from subsidiaries and those related parties and the movement is as follows:

(Unit: Thousand Baht)

	Separate financial statements				
Lender	Interest rate (% p.a)	Balance as at 31 December 2020	During the year Increase	During the year Decrease	Balance as at 31 December 2021
Siam Wellness Resort Co., Ltd.	2.25	15,000	-	-	15,000
Siam Wellness Lab Co., Ltd.	1.52	10,000	-	-	10,000
Siam Wellness Education Co., Ltd.	2.25	5,000	-	-	5,000
Total		30,000	-	-	30,000

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

The outstanding balance as at 31 December 2021 and 2020 of long-term loans from subsidiaries are in the form of an unsecured loans due within 5 years from the date of signing the contracts (within September 2025).

Directors and management's benefits

During the years 2021 and 2020, employee benefit expense payable to their directors and management of the Company and its subsidiaries are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefits	11.0	7.4	11.0	7.4
Post-employment benefits	(1.0)	0.6	(1.0)	0.6
Total	10.0	8.0	10.0	8.0

Guarantee obligations with related parties

The Company has guarantee obligations to subsidiaries as disclosed in Note 17 to the consolidated financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash	2,345	2,129	2,133	1,975
Bank deposits	107,509	112,397	77,496	89,158
Total	109,854	114,526	79,629	91,133

As at 31 December 2021, bank deposits in saving accounts carried interests between 0.05 and 0.38 percent per annum (2020: between 0.50 and 0.70 percent per annum).

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

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade receivables - related parties (Note 6)				
Aged on the basis of due dates				
Not yet due	45	348	825	3,747
Past due				
Up to 3 months	1,860	1,021	676	1,320
3 - 6 months	350	2,388	374	2
6 - 12 months	-	-	1,087	37
Over 12 months	2,385	-	37	-
Total trade receivables - related parties, net	4,640	3,757	2,999	5,106
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	2,020	4,891	1,321	4,325
Past due				
Up to 3 months	7,092	5,276	6,515	4,869
3 - 6 months	68	705	15	486
6 - 12 months	1,867	1,693	1,762	1,678
Over 12 months	7,426	4,525	6,847	4,225
Total	18,473	17,090	16,460	15,583
Less: Allowance for expected credit loss	(9,266)	(1,154)	(8,610)	(844)
Total trade receivables - unrelated parties, net	9,207	15,936	7,850	14,739
Total trade receivable - net	13,847	19,693	10,849	19,845
Other receivables				
Other receivables - related parties (Note 6)	416	384	926	795
Other receivables - unrelated parties	1,310	1,934	1,021	1,469
Less: Allowance for expected credit loss	(313)	(236)	(313)	(236)
Total other receivables, net	1,413	2,082	1,634	2,028
Total trade and other receivables - net	15,260	21,775	12,483	21,873

SIAM WELLNESS

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

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

(Unit: Thousand Baht)

	Consolidated financial statement	Separate financial statement
As at 1 January 2021	1,390	1,080
Provision for expected credit losses	8,553	8,207
Amount recovered	(364)	(364)
As at 31 December 2021	9,579	8,923

9. Share return receivables

On 17 December 2018, the meeting of the Company's Board of Directors No. 7/2018 passed the resolutions approving the acquisition of 349,600 ordinary shares of Chaba Elegance Co., Ltd. which principally engaged in nails polish, hand and foot spa, and eyelash extension business, or 76% of total share capital, in order to beneficially expand the Company's current business. This investment acquisition was approximately amounting to Baht 125 million. The Company made partial payment for the shares totalling Baht 93.75 million on 3 January 2019, 5 February 2019, and 2 May 2019. The Company had the remaining amount of the shares totaling Baht 31.25 million. The Company received shares of Chaba Elegance Co., Ltd. from the former shareholders on 1 January 2019.

Later, on 4 October 2019, the meeting of the Company's Board of Directors No. 7/2019 passed a resolution approving the cancellation 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 according 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. The former shareholders agreed to pay the Company with 8 advance dated cheques with amounts and at due dates specified in the separation agreement.

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

As at 31 December 2021, the Company cannot draw the money from the cheque which was due on 30 June 2020, 30 September 2020, 31 December 2020, 31 March 2021 and 30 June 2021 totaling Baht 45 million (cheque No. 4 to No. 8). The management of the Company has followed up and filed a lawsuit against the former shareholders for these four cheques that cannot be drawn on August 2020, October 2020, January 2021, May 2021 and July 2021, respectively. The former shareholders informed that they are in the process of arranging their assets and following procedures in order to pay for such amounts due to the Company. According to the judgment of the Court of First Instance in January 2022, the defendant lost the case relating to the cheque No.4. However, the defendant is in the process of submission an appeal to the Court. For the cheques No.5 to No.8, the Company requests the consolidation of cases, which currently are in the process of the taking of evidence. The management of the Company considers that the former shareholders have an ability to pay for such share returns to the Company in full amount. The Company expected to be received within one year amounting to Baht 9.2 million.

The movement of share return receivables from the former shareholders for the year ended 31 December 2021 are as detailed below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Net book value as at 1 January 2021	42,049
Decrease from fair value change during the period	
Received during the year	(659)
Share return receivables as at 31 December 2021	41,390
Less: Current portion	(9,198)
Share return receivables - net of current portion	32,192

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	18,057	21,507	(5,615)	(2,994)	12,442	18,513
Service materials and supplies	19,361	23,062	(4,952)	(2,199)	14,409	20,863
Food and beverage	487	414	(5)	(3)	482	411
Products during packaging and packages	688	696	(209)	(185)	479	511
Total	38,593	45,679	(10,781)	(5,381)	27,812	40,298

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	10,251	15,875	(3,102)	(1,888)	7,149	13,987
Service materials and supplies	20,792	24,863	(4,924)	(2,178)	15,868	22,685
Food and beverage	8	11	(5)	(3)	3	8
Products during packaging and packages	-	3	-	-	-	3
Total	31,051	40,752	(8,031)	(4,069)	23,020	36,683

During the current year, the Group reduced cost of inventories by Baht 7.9 million (2020: Baht 4.3 million) (The Company only: Baht 5.4 million (2020: Baht 3.9 million)), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 2.5 million (2020: Baht 0.6 million) (The Company only: Baht 1.4 million (2020: Baht 0.3 million)), and reduced the amount of inventories recognised as expenses during the year.

11. 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. On 20 May 2021, the subsidiary cancelled such collateral with a financial institution. Such bank overdraft is secured by the Company and land with structure thereon of the Company instead, as disclosed in Note 17 to the consolidated financial statements.

SIAM WELLNESS

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

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

Company's name	Country of incorporation	Called-up share capital		Shareholding percentage		Cost		Dividend received during the year	
		2021	2020	2021	2020	2021	2020	2021	2020
				(%)	(%)				
Siam Wellness Lab Co., Ltd.	Thailand	1,000	1,000	99.99	99.99	2,000	2,000	-	8,100
Siam Wellness Education Co., Ltd.	Thailand	1,000	1,000	99.97	99.97	1,000	1,000	-	6,000
Siam Wellness Resort Co., Ltd.	Thailand	60,000	60,000	99.99	99.99	98,705	98,705	-	9,600
Siam Wellness Group (Hong Kong) Co., Ltd.	Hong Kong	1 (Hong Kong Dollar)	1 (Hong Kong Dollar)	100.00	100.00	-	-	-	-
Siam Wellness Group (Cambodia) Co., Ltd.	Cambodia	-	-	100.00	100.00	-	-	-	-
Total						101,705	101,705	-	23,700

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis	Cost basis					
	Land	Land improvements	Buildings and building improvements	Furniture, fixtures and equipment	Motor vehicles	Assets under installation and under construction	Total
Cost/Revalued amount:							
1 January 2020	278,766	2,684	1,110,344	185,157	19,981	21,066	1,617,998
Additions	-	-	14,331	19,978	459	92,489	127,257
Disposals/Write-off	-	-	(36,246)	(4,245)	-	-	(40,491)
Transfer in (out)	-	-	102,969	1,260	-	(104,229)	-
31 December 2020	278,766	2,684	1,191,398	202,150	20,440	9,326	1,704,764
Additions	-	-	811	2,393	-	9,026	12,230
Disposals/Write-off	-	-	(16,960)	(343)	-	-	(17,303)
Transfer in (out)	-	-	6,058	-	-	(6,058)	-
31 December 2021	278,766	2,684	1,181,307	204,200	20,440	12,294	1,699,691

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis	Cost basis					
	Land	Land improvements	Buildings and building improvements	Furniture, fixtures and equipment	Motor vehicles	Assets under installation and under construction	Total
Accumulated depreciation:							
1 January 2020	-	2,684	405,450	114,903	13,763	-	536,800
Depreciation for the year	-	-	99,627	24,460	2,517	-	126,604
Depreciation on disposals/ write-off	-	-	(30,701)	(2,886)	-	-	(33,587)
31 December 2020	-	2,684	474,376	136,477	16,280	-	629,817
Depreciation for the year	-	-	105,254	23,864	1,705	-	130,823
Depreciation on disposals/ write-off	-	-	(12,487)	(114)	-	-	(12,601)
31 December 2021	-	2,684	567,143	160,227	17,985	-	748,039
Allowance for impairment loss							
1 January 2020	-	-	-	-	-	-	-
Increase during the year	-	-	346	9	4	-	359
31 December 2020	-	-	346	9	4	-	359
Increase during the year	-	-	3,213	-	-	1,438	4,651
31 December 2021	-	-	3,559	9	4	1,438	5,010
Net book value:							
31 December 2020	278,766	-	716,676	65,664	4,156	9,326	1,074,588
31 December 2021	278,766	-	610,605	43,964	2,451	10,856	946,642

Depreciation for the year

2020 (Baht 120.1 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)	126,604
2021 (Baht 124.8 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)	130,823

SIAM WELLNESS

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

(Unit: Thousand Baht)

	Separate financial statements					
	Revaluation basis	Cost basis				
	Land	Buildings and building improvements	Furniture, fixtures and equipment	Motor vehicles	Assets under installation and under construction	Total
Cost/Revalued amount:						
1 January 2020	278,766	961,591	160,468	17,771	21,066	1,439,662
Additions	-	8,575	16,749	459	90,562	116,345
Disposals/write-off	-	(32,212)	(2,688)	-	-	(34,900)
Transfer in (out)	-	101,042	1,260	-	(102,302)	-
31 December 2020	278,766	1,038,996	175,789	18,230	9,326	1,521,107
Additions	-	777	1,843	-	9,026	11,646
Disposals/write-off	-	(16,960)	(342)	-	-	(17,302)
Transfer in (out)	-	6,058	-	-	(6,058)	-
31 December 2021	278,766	1,028,871	177,290	18,230	12,294	1,515,451
Accumulated depreciation:						
1 January 2020	-	330,210	94,072	12,510	-	436,792
Depreciation for the year	-	92,108	22,691	2,175	-	116,974
Depreciation on disposals/write-off	-	(26,702)	(1,922)	-	-	(28,624)
31 December 2020	-	395,616	114,841	14,685	-	525,142
Depreciation for the year	-	97,308	22,072	1,445	-	120,825
Depreciation on disposals/write-off	-	(12,487)	(113)	-	-	(12,600)
31 December 2021	-	480,437	136,800	16,130	-	633,367
Allowance for impairment loss						
1 January 2020	-	-	-	-	-	-
Increase during the year	-	346	9	4	-	359
31 December 2020	-	346	9	4	-	359
Increase during the year	-	3,213	-	-	1,438	4,651
31 December 2021	-	3,559	9	4	1,438	5,010
Net book value:						
31 December 2020	278,766	643,034	60,939	3,541	9,326	995,606
31 December 2021	278,766	544,875	40,481	2,096	10,856	877,074

Depreciation for the year

2020 (Baht 97.9 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)	116,974
2021 (Baht 114.8 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)	120,825

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

On 31 December 2019, the Company entered into the sales and purchase agreement of condominium unit with a non-related person with the amount of Baht 36.5 million. During the year ended 31 December 2020, the Company received the deposit amounted Baht 2 million. According to the agreement, the buyer shall pay for the remaining amount of Baht 34.5 million within 31 December 2020. However, on 16 January 2021 and 20 June 2021, the Company entered into the memorandum of the agreement with the buyer to postpone the settlement for the remaining amount to be within 1 July 2021 and 5 January 2022, respectively, due to the COVID-19 pandemic situation. However, since the COVID-19 pandemic situation has yet to improve, the Company entered into another memorandum of the agreement with the buyer on 5 January 2022 to postpone the settlement of the remaining amount to be within December 2022.

As at 31 December 2021 and 2020, the Company classified such condominium unit with its net book value of Baht 32.3 million as "Non-current assets classified as held for sale" under current assets in the consolidated and separate statement of financial position.

The Company arranged for an independent professional value to appraise the value of land in 2018. Land was revalued using the comparable market approach for the basis of the revaluation.

Had the lands carried in the financial statements on a historical cost basis, their net book value as of 31 December 2021 and 2020 would have been as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2021	2020
Land	165,557	165,557

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

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2021	2020
Original costs	165,557	165,557
Surplus from revaluations	113,209	113,209
Revalued amount	278,766	278,766

SIAM WELLNESS

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

As at 31 December 2021, certain items of building and building improvements, furniture, fixtures and equipment and motor vehicles were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 257.1 million (2020: Baht 205.6 million) (The Company only: Baht 180.2 million (2020: Baht 141.9 million)).

As at 31 December 2021, the Company has pledged its land and structures thereon and non-current assets classified as held for sale with net book value of Baht 349.0 million (2020: the Company has pledged its land and structure thereon with net book value of Baht 264.0 million) as collateral against its bank overdrafts facilities and long-term loans facilities as disclosed in Note 17 to the consolidated financial statements.

During the year 2021, the Company performed impairment review for its property, plant and equipment to ensure that the carrying amount of the assets presented at their recoverable amounts. This is because the COVID-19 pandemic situation that significantly impact the business operations led to the indicator of the impairment loss. The Company has determined the recoverable amounts of its assets based on value in use using cash flow projections from financial estimation approved by management.

Key assumption used in value in use calculation is discount rate for which 2021 using at the rate of 10% (2020: 8%). The sensitivity analysis of impairment losses of property, plant and equipment and right-of-use assets for 2021 increased of Baht 2 million (2020: Baht 8 million) for the increasing of 0.5% of discount rate.

14. Goodwill

A reconciliation of net book value of goodwill for the years ended 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	24,536	20,340
Net book value as at 31 December 2020	24,536	20,340
Net book value as at 31 December 2021	24,536	20,340

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

The Company allocated goodwill acquired in business combination to group of cash generating units for the purpose of impairment testing as follows.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Spa services business under "Baan Suan Massage" brand		Spa services and sale of spa products business		Total	
	2021	2020	2021	2020	2021	2020
Goodwill	20,340	20,340	4,196	4,196	24,536	24,536

(Unit: Thousand Baht)

	Separate financial statements	
	Spa services business under "Baan Suan Massage" brand	
	2021	2020
Goodwill	20,340	20,340

The Company estimates the recoverable amount of group of cash-generating units from value in use. In determining value in use, the estimated future cash flows are referred from financial estimation with significant assumptions using in relating to revenue growth rate and discount rate approved by the management. The discount rate used for this year was 10% (2020: 8%).

15. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Licenses	Computer software	Trademark	Total	Licenses	Computer software	Trademark	Total
As at 31 December 2021:								
Cost	9,934	2,483	4,798	17,215	9,864	1,676	4,798	16,338
Less: Accumulated amortisation	(4,712)	(1,472)	(3,026)	(9,210)	(4,678)	(710)	(3,026)	(8,414)
Net book value	5,222	1,011	1,772	8,005	5,186	966	1,772	7,924

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Licenses	Computer software	Trademark	Total	Licenses	Computer software	Trademark	Total
As at 31 December 2020:								
Cost	9,943	1,804	4,780	16,527	9,194	1,676	4,780	15,650
Less: Accumulated amortisation	(4,294)	(602)	(2,545)	(7,441)	(3,570)	(559)	(2,545)	(6,674)
Net book value	5,649	1,202	2,235	9,086	5,624	1,117	2,235	8,976

A reconciliation of the net book value of intangible assets for the years 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	9,086	9,139	8,976	8,953
Acquisition during the year	688	1,788	688	1,788
Write-off during the year	-	(40)	-	(9)
Amortisation	(1,769)	(1,801)	(1,740)	(1,756)
Net book value at end of year	8,005	9,086	7,924	8,976

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade accounts payable - unrelated parties	16,020	21,625	14,747	19,300
Trade accounts payable - related parties (Note 6)	1,997	1,047	17,142	11,180
Payables for purchase of fixed assets - unrelated parties	695	188	695	188
Payables for purchase of fixed assets - related parties (Note 6)	-	6	-	6
Payables for construction and retention	6,499	8,044	6,499	7,791
Other payables - unrelated parties	2,422	2,013	2,205	1,878
Other payables - related parties (Note 6)	220	397	458	567
Accrued payroll expenses	3,926	3,432	3,762	3,348
Other accrued expenses - unrelated parties	5,260	7,910	4,698	6,904
Total trade and other payables	37,039	44,662	50,206	51,162

SIAM WELLNESS

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

17. Long-term loans

(Unit: Thousand Baht)

Loan no.	Facility amount (Million Baht)	Loan agreement date	Interest rate (% per annum)	Repayment	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
1	240	27 April 2016	1st-2nd year: MLR - 3 and 3rd year onwards: MLR - 2.2	Pay the interest every month since the first drawdown and repayment of principle and interests within 60 periods after January 2017. The last repayment of principle and interests will be in December 2021.	56,900	56,900	56,900	56,900
		27 March 2020		Revised its principle repayment condition since March 2020 onwards, with the first repayment will be proceeded in March 2021. The last repayment of principle and interests will be in March 2022.				
		24 February 2021		Revised its principle repayment condition since March 2021 onwards, with the first repayment will be proceeded in March 2022. The last repayment of principle and interests will be in March 2023.				
2	80	31 August 2017	1st-2nd year: MLR - 3 and 3rd year onwards: MLR - 2.2	Repayment of principle and interests within 65 periods since the first drawdown, which the first principle repayment is since the last business day of 6th month. The last repayment of principle and interests will be in January 2023.	47,600	47,600	47,600	47,600
		27 March 2020		Revised its principle repayment condition since March 2020 onwards, with the first repayment will be proceeded in March 2021. The last repayment of principle and interests will be in February 2024.				
		24 February 2021		Revised its principle repayment condition since March 2021 onwards, with the first repayment will be proceeded in March 2022. The last repayment of principle and interests will be in February 2025.				

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

(Unit: Thousand Baht)

Loan no.	Facility amount (Million Baht)	Loan agreement date	Interest rate (% per annum)	Repayment	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
3	160	22 May 2019	1st-2nd year: MLR - 3.75 and 3rd year onwards: MLR - 3	Pay the interest every month since the first drawdown and repayment of principle and interests within 60 periods after each drawdown. The last repayment of principle and interests will be in March 2025.	140,985	151,667	140,985	151,667
		26 October 2020		Revised its principle repayment condition since April 2020 onwards, with the first repayment will be proceeded in January 2021. The last repayment of principle and interests will be in November 2025.				
		19 May 2021		Revised its principle repayment condition since May 2020 onwards, with the first repayment will be proceeded in May 2022. The last repayment of principle and interests will be in December 2026.				
4	20	9 April 2020	1st-2nd year: 2 and 3rd year onwards: MLR	Pay the interest every month since the first drawdown and repayment of principle and interests within 36 periods since April 2022. The last repayment of principle and interests will be in March 2025.	20,000	20,000	20,000	20,000
5	10	9 April 2020	1st-2nd year: 2 and 3rd year onwards: MLR	Pay the interest every month since the first drawdown and repayment of principle and interests within 36 periods since April 2022. The last repayment of principle and interests will be in March 2025.	10,000	10,000	-	-

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

(Unit: Thousand Baht)

Loan no.	Facility amount (Million Baht)	Loan agreement date	Interest rate (% per annum)	Repayment	Consolidated financial statements		Separate financial statements	
					2021	2020	2021	2020
6	5	11 April 2020	1st-2nd year: 2 and 3rd year onwards: MLR	Pay the interest every month since the first drawdown and repayment of principle and interests within 36 periods since April 2022. The last repayment of principle and interests will be in March 2025.	5,000	5,000	-	-
7	10	11 April 2020	1st-2nd year: 2 and 3rd year onwards: MLR	Pay the interest every month since the first drawdown and repayment of principle and interests within 36 periods since April 2022. The last repayment of principle and interests will be in March 2025.	10,000	10,000	-	-
8	23	18 November 2020	1st-2nd year: 2 and 3rd year onwards: MLR-2	Pay the interest every month since the first drawdown and repayment of principle and interests monthly basis within 48 periods since December 2021. The last repayment of principle and interests will be in November 2025.	23,000	23,000	23,000	23,000
		29 November 2021		Revised its principle repayment condition since November 2021 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principle and interests will be in November 2025				
9	89	20 November 2020	MLR -2	Pay the interest every month since the first drawdown and repayment of principle and interests within 48 periods since December 2021. The last repayment of principle and interests will be in November 2025 , if fully drawdown.	89,000	67,000	89,000	67,000
		29 November 2021		Revised its principle repayment condition since November 2021 onwards, with the first repayment will be proceeded in March 2022. The last repayment of principle and interests will be in November 2025.				
10	80	24 February 2021	1st-2nd year: 2 and 3rd year onwards: MLR - 2	Pay the interest every month since the first drawdown and repayment of principle and interests within 60 periods after March 2023. The last repayment of principle and interests will be in February 2028.	80,000	-	80,000	-

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

(Unit: Thousand Baht)

Loan no.	Facility amount (Million Baht)	Loan agreement date	Interest rate (% per annum)	Repayment	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
11	10	24 February 2021	1st-2nd year: 2 and 3rd year onwards: MLR - 2	Pay the interest every month since the first drawdown and repayment of principle and interests within 60 periods after March 2023. The last repayment of principle and interests will be in February 2028.	10,000	-	-	-
12	6.15	7 June 2021	1st-2nd year: 2, 3rd-5th: 2.95 and year onwards: MLR - 1.5	Pay the interest every month since January 2022 and repayment of principle and interests within 60 periods since July 2023. The last repayment of principle and interests will be in June 2028.	6,150	-	-	-
13	3	7 June 2021	1st-2nd year: 2 and 3rd year: 2.95	Pay the interest every month since January 2022 and repayment of principle and interests within 60 periods since July 2023. The last repayment of principle and interests will be in June 2024.	3,000	-	-	-
14	120	23 September 2021	MLR-1.5	Pay the interest every month since the first drawdown and repayment of principle and interests within 55 periods. The first repayment will be proceeded in January 2023. The last repayment of principle and interests will be in July 2027.	20,000	-	20,000	-
Total					521,635	391,167	477,485	366,167
Less: Current portion					(114,469)	(103,354)	(108,214)	(93,354)
Long-term loans, net of current portion					407,166	287,813	369,271	272,813

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

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

As at 31 December 2021, the Company and subsidiaries have been unable to maintain some financial ratios covenants under the loan agreements (unrelated to principle and interest payment) for loan facilities No. 1 to No. 5 and No. 7 to No. 13 which in December 2021, the Company and its subsidiaries have received waiver letters for not complying with such covenants from the Banks. As a result, the outstanding balances as at 31 December 2021 of these loans facilities are classified as current liabilities according to the conditions specified in the loan agreements.

On 23 September 2021, the Company has entered into the loan agreement with a third party for the facility of Baht 120 million (loan facility No. 14) in order to support the construction and decoration of that third party's establishment according to the drawdown condition specified in the agreement.

The loan facility No. 1 to No. 3 and No. 8 and No. 9 are secured by the mortgage of land and structures thereon, the loan facility No. 10 and No. 11 are secured by the mortgage of land and structures thereon and non-current assets classified as held for sales of the Company, as disclosed in the Note 13 to the consolidated financial statements. The loan facility No. 4 has no collateral, and the loan facility No. 5 to No. 7 which are long-term loans of its subsidiaries are guaranteed by the Company. For loan facility No. 12 and No. 13 which are also long-term loans of its subsidiaries are guaranteed by Thai Credit Guarantee Corporation and the Company. For loan facility No. 14 is secured by the mortgage of land and structures thereon of a related party.

In addition, as at 31 December 2021 a subsidiary has credit facility in terms of bank overdraft for the amount of Baht 5 million (2020: Baht 5 million), which is secured by the Company and land and structure thereon of the Company.

As at 31 December 2021, long-term credit facilities of a Company which have not yet been drawn down amounted to Baht 112 million (2020: Baht 31 million).

SIAM WELLNESS

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

Movements in the long-term loans from financial institution during the year ended 31 December 2021 is summarised below:

(Unit: Thousand Baht)

	Consolidated financial statement	Separate financial statement
Balance as at 1 January 2021	391,167	366,167
Add: Increase during the year	141,150	122,000
Less: Repayment	(10,682)	(10,682)
Balance as at 31 December 2021	521,635	477,485

18. Leases

18.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 2-30 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statement			
	Land	Buildings	Machinery and equipment	Total
1 January 2020	96,166	1,083,570	12,553	1,192,289
Additions	-	173,387	-	173,387
Effect of modification of lease agreements	-	(9,925)	-	(9,925)
Effect from cancellation of lease agreement	-	(3,846)	-	(3,846)
Depreciation for the year	(7,708)	(172,034)	(2,406)	(182,148)
Impairment loss	(201)	-	-	(201)
31 December 2020	88,257	1,071,152	10,147	1,169,556
Additions	-	531	-	531
Effect of modification of lease agreements	166	(21,647)	249	(21,232)
Effect from cancellation of lease agreement	-	(11,040)	-	(11,040)
Depreciation for the year	(6,265)	(183,478)	(2,497)	(192,240)
31 December 2021	82,158	855,518	7,899	945,575

SIAM WELLNESS

(Unit: Thousand Baht)

	Consolidated financial statement			
	Land	Buildings	Machinery and equipment	Total
1 January 2020	72,584	1,068,061	11,756	1,152,401
Additions	-	173,387	-	173,387
Effect of modification of lease agreements	-	(9,925)	-	(9,925)
Effect from cancellation of lease agreement	-	(3,846)	-	(3,846)
Depreciation for the year	(6,303)	(168,957)	(2,362)	(177,622)
Impairment loss	(201)	-	-	(201)
31 December 2020	66,080	1,058,720	9,394	1,134,194
Additions	-	531	-	531
Effect of modification of lease agreements	-	(20.902)	-	(20,902)
Effect from cancellation of lease agreement	-	(11,040)	-	(11,040)
Depreciation for the year	(6,092)	(179,511)	(2,237)	(187,840)
31 December 2021	59,988	847,798	7,157	914,943

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Lease payments	1,106,431	1,338,526	1,098,606	1,327,241
Less: Deferred interest expenses	(108,291)	(140,675)	(108,068)	(140,178)
Total	998,140	1,197,851	990,538	1,187,063
Less: Portion due within one year	(175,496)	(169,179)	(172,503)	(166,176)
Lease liabilities - net of current portion	822,644	1,028,672	818,035	1,020,887

Movements of liabilities under finance lease agreements account during the year ended 31 December 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance at beginning of year	1,197,851	1,187,063
Additions	531	531
Accretion of interest	7,807	7,668
Repayments	(37,119)	(35,405)
Decrease from rental discount received during the year	(137,224)	(135,941)
Effect of changes from cancellation of lease agreements	(11,139)	(11,139)
Effect of changes from modification of lease agreements	(22,567)	(22,239)
Balance at end of year	998,140	990,538

A maturity analysis of lease payments is disclosed in Note 30 to the consolidated financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation expenses of right-of-use assets	192,240	75,961*	187,840	73,384*
Interest expenses on lease liabilities	31,080	12,817*	30,845	13,244*
Expenses relating to short-term leases	75	292	75	292
Expenses relating to variable lease payments	4,293	10,711	4,293	10,711
Rental discount - lease liabilities	(137,224)	-	(135,941)	-
Rental discount - interest expenses	(23,273)	-	(23,177)	-

* Net of rental discount during the year.

The Group has lease contracts for office building space that contains variable payments based on sales or gross profit margins. The lease term is 4 - 15 years.

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 41 million (The Company only: Baht 39 million) (2020: Baht 82 million (The Company only: Baht 84 million)), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

18.2 Group as a lessor

The Company entered into lease agreements of land and office spaces with related parties and also entered into sub-lease agreements for partial leased assets with its subsidiaries. In 2021, the Company did not have income from such sub-lease agreements with its subsidiaries (2020: the Company had income from the sub-lease amounting to Baht 2 million). In case the Company and its subsidiaries made sub-leasing continuously throughout the lease period of which the Company made lease agreements with related parties (the lease period was between 12 years to 30 years), the future minimum received under such sub-leasing as at 31 December 2021 were as follows (depends on rental discount consideration (if any) according to the COVID-19 pandemic situation):

(Unit: Million Baht)

	Separate financial statements	
	2021	2020
Within 1 year	3	3
Over 1 and up to 5 years	13	13
Over 5 years	48	52
Total	64	68

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

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	10,124	8,556	9,043	7,683
Included in profit or loss:				
Current service cost	1,235	1,431	1,083	1,239
Interest cost	145	137	126	121
Reversal during the year	(1,553)	-	(1,553)	-
Provision for long-term employee benefits at end of year	9,951	10,124	8,699	9,043

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cost of sales	-	13	-	-
Cost of services	299	450	236	359
Selling and administrative expenses	(472)	1,105	(580)	1,001
Total expenses recognised in profit or loss	(173)	1,568	(344)	1,360

The Group expected not to pay long-term employee benefits during the next year (2020: Nil).

As at 31 December 2021 and 2020, the weighted average duration of the liabilities for long-term employee benefit is 7-25 years (The Company only: 7 - 25 years).

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

Significant actuarial assumptions are summarised below:

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	1.36 - 2.15	1.36 - 2.15	1.36	1.36
Salary increase rate	6.00	6.00	6.00	6.00
Turnover rate	13.00 - 57.00	13.00 - 57.00	13.00 - 57.00	13.00 - 57.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: million Baht)

	Consolidated financial statements				Separate financial statements			
	Increase 0.5%		Decrease 0.5%		Increase 0.5%		Decrease 0.5%	
	2021	2020	2021	2020	2021	2020	2021	2020
Discount rate	(0.2)	(0.2)	0.2	0.2	(0.2)	(0.2)	0.2	0.2
Salary increase rate	0.2	0.2	(0.2)	(0.2)	0.2	0.2	(0.2)	(0.2)
Turnover rate	(0.3)	(0.3)	0.3	0.3	(0.3)	(0.3)	0.3	0.3

20. Statutory reserve

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

According to the Thai Civil and Commercial Code, the subsidiaries are required to set aside to a statutory reserve an amount equal to at least five percent of its net profit each time the subsidiaries pay out a dividend, until such reserve reaches ten percent of its registered share capital. The statutory reserve cannot be used for dividend payment.

SIAM WELLNESS

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

21. Dividends/Share capital

Dividends	Approved by	Cash dividends (Million Baht)	Cash dividend per share (Baht per share)	Share dividends (Million share)	Share dividends pay out rate (Existing share per share dividend)	Total amount share dividends (Million Baht)
Final dividends for 2019	Annual General Meeting of the Company's shareholders on 30 April 2020	17.10	0.03	285	2:1	71.25
Total dividend for 2020		17.10	0.03	285	2:1	71.25

On 30 April 2020, the Annual General Meeting of the Company's shareholders passed a resolution to increase the Company's registered share capital by Baht 71.25 million, from the existing registered share capital of Baht 142.50 million to Baht 213.75 million, by issuing up to 285 million new ordinary shares with a par value of Baht 0.25, to accommodate the stock dividend payment.

The Company registered the increase in its registered capital with the Ministry of Commerce on 12 May 2020.

Reconciliation of share capital

	Number of ordinary shares (Shares)	Amount (Baht)
Registered share capital		
As of 31 December 2019	570,000,000	142,500,000
Increase in registered ordinary shares	285,000,000	71,250,000
As of 31 December 2020	855,000,000	213,750,000
As of 31 December 2021	855,000,000	213,750,000

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

	Number of ordinary shares	Amount
	(Shares)	(Baht)
Issued and paid-up share capital		
As of 31 December 2019	570,000,000	142,500,000
Share dividend paid	284,999,928	71,249,982
As of 31 December 2020	854,999,928	213,749,982
As of 31 December 2021	854,999,928	213,749,982

22. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interest expenses on borrowings	12,858	8,364	12,617	7,927
Interest expenses on lease liabilities	31,314	13,132	31,078	13,560
Total	44,172	21,496	43,695	21,487

23. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Changes in inventories	7,086	(4,097)	9,701	(2,910)
Purchases of inventories	27,107	52,242	8,770	36,476
Depreciation of property, plant and equipment	130,823	126,604	120,825	116,974
Amortisation of intangible assets	1,769	1,801	1,740	1,756
Loss on impairment of assets	4,651	560	4,651	560
Employee expenses	132,871	214,089	118,153	199,468
Directors' remuneration	1,773	1,866	1,773	1,866

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Expenses related to lease and service agreements - net of discount	99,269	118,890	96,134	114,981
Public utilities	13,900	20,707	13,234	19,840
Maintenance and decorate locations expenses	4,348	17,389	4,324	17,114
Advertising and promotion expenses	13,115	19,756	9,680	14,991
Laundry expenses	3,806	10,244	3,655	10,244
Consulting fees	5,677	6,823	3,017	3,618

24. Income tax

24.1 Income tax expenses

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	367	4,129	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(9,087)	(6,213)	(8,274)	(6,121)
Tax income reported in profit or loss	(8,720)	(2,084)	(8,274)	(6,121)

24.2 Reconciliation between accounting loss and tax income

The reconciliation between accounting profit and tax income (expenses) is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting loss before tax	(295,440)	(211,170)	(280,432)	(185,949)
Applicable tax rate	0%, 15%, 20%	0%, 15%, 20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(58,308)	(35,129)	(56,086)	(37,190)
Effects of:				
Exempt dividend income	-	(4,740)	-	(4,740)
Non-deductible expenses	227	140	203	134
Additional expenses deductions Allowed	(3,888)	(10,826)	(3,788)	(10,011)
Total	(3,661)	(15,426)	(3,585)	(14,617)
Unused tax losses that may not be sufficient to allow utilisation	53,249	48,471	50,947	45,686
Tax income reported in profit or loss	(8,720)	(2,084)	(8,724)	(6,121)

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

24.3 Deferred tax assets / liabilities

The components of deferred tax assets and deferred tax liabilities as at 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for expected credit losses	1,916	278	1,785	216
Allowance for diminution in value of inventories	2,472	1,413	1,606	814
Provision for long-term employee benefits	1,930	1,975	1,740	1,809
Lease agreements	11,983	6,909	11,983	6,914
Deferred revenue - customer loyalty program	135	-	135	-
Interest and depreciation from decommissioning estimation	604	544	604	544
Allowance for impairment loss on property, plant and equipment	1,002	72	1,002	72
Allowance for impairment loss on right-of-use assets	40	40	40	40
Allowance for expected credit losses - Share return receivables	722	487	722	487
Total	20,804	11,718	19,617	10,896
Deferred tax liabilities				
Surplus on revaluation of land	22,642	22,642	22,642	22,642
Rental revenue on the straight-line method	-	-	-	2
Total	22,642	22,642	22,642	22,644
Deferred tax assets - net	1,187	820	-	-
Deferred tax liabilities - net	3,025	11,744	3,025	11,748

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

As at 31 December 2021, the Group has deductible temporary differences and unused tax losses totaling Baht 102 million (The Company only: Baht 97 million) (2020: Baht 49 million (The Company only: Baht 46 million), on which deferred tax assets have not been recognised as the Group considers there is an uncertainty for the sufficiency of future taxable profits to allow utilisation of the temporary differences and unused tax losses.

Details of expiry date of unused tax losses are summarised as below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
31 December 2025	49	49	46	46
31 December 2026	53	-	51	-
	102	49	97	46

25. Earnings per share

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

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Loss for the year (Thousand Baht)	(286,719)	(209,085)	(271,708)	(179,828)
Weighted average number of ordinary share (Thousand shares)	855,000	855,000	855,000	855,000
Loss per share (Baht/share)	(0.335)	(0.245)	(0.318)	(0.210)

26. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

For management purposes, the Group is organised into business units based on its products and services and have three reportable segments as follows:

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

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

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2021 and 2020, respectively.

(Unit: Million Baht)

	Spa services		Sales of spa products and healthy products		Hotel and restaurant		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from external Customers	127	349	29	61	12	17	-	-	168	427
Internal - segment revenues	2	3	16	23	-	-	(18)	(26)	-	-
Total revenues	129	352	45	84	12	17	(18)	(26)	168	427
Segment profit (loss)	(157)	(113)	13	36	(7)	(3)	-	-	(151)	(80)
Revenues and expenses which have not been allocated:										
Interest income									2	2
Other income									5	6
Selling and distribution expenses									(24)	(34)
Administrative expenses									(84)	(84)
Finance cost									(44)	(21)
Loss before tax income									(296)	(211)
Tax income									9	2
Total loss for the year									(287)	(209)

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

Contract assets / Contract liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Contract assets				
Trade receivables - net	13,847	19,693	10,849	19,845
Total contract assets - net	13,847	19,693	10,849	19,845
Contract liabilities				
Advance received - current portion	45,140	38,978	44,176	38,187
Advance received - net of current portion	5,989	9,759	5,989	9,759
Total contract liabilities	51,129	48,737	50,165	47,946

Disaggregated revenue from contracts with customers

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Timing of revenue recognition:				
Revenue recognised at a point in time				
Sale	37,321	68,604	9,496	21,427
Services				
Spa Service	122,907	341,865	123,373	341,905
Hotel and restaurant	3,061	9,770	-	-
Revenue recognised over time				
Franchise income	4,325	6,673	4,325	6,673
Management Fee	1,770	842	2,242	3,987
Total revenue from contracts with customers	169,384	427,754	139,436	373,992

Revenue to be recognised for the remaining performance obligations

As at 31 December 2021, revenue totaling Baht 6 million (2020: Baht 10 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied) The Group expects to satisfy these performance obligations within 3-5 years.

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

The above information does not include revenue to be recognised for the unsatisfied portions of performance obligations related to contracts with a duration of one year or less and where the revenue is recognised in the amount that the entity has a right to invoice.

The segment assets of the Group as at 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Spa services and sales of spa products and healthy products*		Hotel and restaurant		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Property, plant and equipment	883	1,003	64	71	-	-	947	1,074
Right-of-use assets	925	1,149	22	23	(1)	(2)	946	1,170
Lease receivables	26	26	-	-	(26)	(26)	-	-
Other assets	372	422	23	25	(30)	(59)	365	388
Total assets	2,206	2,600	109	119	(57)	(87)	2,258	2,632
Other material non-cash item:								
Write-off of property, plant and equipment	(5)	(6)	-	-	-	-	(5)	(6)
Depreciation of property, plant and equipment and right-of-use assets	(315)	(197)	(8)	(7)	-	-	(323)	(204)
Amortisation of intangible assets	(2)	(2)	-	-	-	-	(2)	(2)
Loss on impairment	(5)	(1)	-	-	-	-	(5)	(1)
Allowance for expected credit losses	(8)	-	-	-	-	-	(8)	-

* Spa services business had jointly used of assets with sales of spa products and health product business.

Geographic information

The Group operates mainly in Thailand. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major Customer

For the years 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

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

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributes to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by SCB Asset Management Company Limited., will be paid to employees upon termination in accordance with the fund rules.

During the years 2021 and 2020, the contributions to the fund which were recognised as expenses are as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2021	2020
Contributions to provident fund	0.9	1.3

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2021 and 2020, the Company has the outstanding commitments for construction, which the contracts have already been signed. These are summarised as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2021	2020
Construction costs	49	4

28.2 Operating lease commitments

As at 31 December 2021, the Group has future minimum payments under service agreement, short-term lease agreements and low-value assets lease agreement other than recorded as lease liabilities in the statements of financial position as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2021	2020
Payable:		
In up to 1 year	24	27
In over 1 and up to 5 years	34	47
In over 5 years	15	22

28.3 Letters of guarantees

As at 31 December 2021, there were outstanding bank guarantees of Baht 0.1 million (2020: Baht 2 million) (The Company only: Baht 0.1 million (2020: Baht 2 million)) issued by the banks on behalf of the Group as required in the normal course of business.

29. Fair value hierarchy

As at 31 December 2021 and 2020, the Company had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statement			
	31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Lands	-	279	-	279
Liabilities disclosed fair value				
Loans from financial institution - fixed interest rates	-	161	-	161

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

(Unit: Million Baht)

	Separate financial statement			
	31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Lands	-	279	-	279
Liabilities disclosed fair value				
Loans from financial institution -				
fixed interest rates	-	118	-	118

(Unit: Million Baht)

	Consolidated financial statement			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Lands	-	279	-	279
Liabilities disclosed fair value				
Loans from financial institution -				
fixed interest rates	-	64	-	64

(Unit: Million Baht)

	Separate financial statement			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Lands	-	279	-	279
Liabilities disclosed fair value				
Loans from financial institution -				
fixed interest rates	-	40	-	40

Valuation techniques and inputs to Level 2 valuation

The fair value of lands was revalued using the comparable market approach appraised by an independent professional valuer.

During the current year, there were no transfers within the fair value hierarchy.

SIAM WELLNESS

บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

30. Financial instruments

30.1 Financial risk management

The Group's financial instruments, principally comprise cash and cash equivalents, current investments, trade and other receivables, lease receivables, share return receivables, restricted deposits of financial institution, trade and other payables, liabilities under finance lease agreements, and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to deposit at financial institutions trade and other receivables and share return receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since their businesses are sales and services to minor customers. The maximum exposure to credit risk is limited to the carrying amounts of deposit at financial institutions, trade and other receivables, and share return receivables as stated in the statements of financial position.

Trade receivables

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and does not hold collateral as security. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Cash deposits

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to their deposit at financial institutions, restricted deposits of financial institution, bank overdrafts from financial institution, short-term loans from related parties, loans, and liabilities under finance lease agreements. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statement							
	31 December 2021							
	Fixed interest rates							
	At call	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate
								(% per annum)
Financial assets								
Cash and cash equivalent	-	-	-	-	107	3	110	0.05 - 0.38
Trade and other receivables	-	-	-	-	-	15	15	-
Share return receivables	-	-	-	-	-	41	41	-
	-	-	-	-	107	59	166	
Financial liabilities								
Trade and other payables	-	-	-	-	-	37	37	-
Lease liabilities	-	175	580	243	-	-	998	2.04 - 3.44
Long-term loans	-	4	-	-	518	-	552	Note 17
	-	179	580	243	518	37	1,557	

SIAM WELLNESS

(Unit: Million Baht)

	Separate financial statement							
	31 December 2021							
	Fixed interest rates							
	At call	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate
								(% per annum)
Financial assets								
Cash and cash equivalent	-	-	-	-	77	3	80	0.05 - 0.20
Trade and other receivables	-	-	-	-	-	12	12	-
Lease receivables	-	-	3	23	-	-	26	10 - 19
Share return receivables	-	-	-	-	-	41	41	-
	-	-	3	23	77	56	159	
Financial liabilities								
Trade and other payables	-	-	-	-	-	50	50	-
Long-term loans from related parties	-	-	30	-	-	-	30	1.52 - 2.25
Lease liabilities	-	172	575	243	-	-	990	2.04 - 3.44
Long-term loans	-	-	4	-	473	-	477	Note 17
	-	172	609	243	473	50	1,547	

(Unit: Million Baht)

	Consolidated financial statement							
	31 December 2020							
	Fixed interest rates							
	At call	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate
								(% per annum)
Financial assets								
Cash and cash equivalent	-	-	-	-	110	4	114	0.05 - 0.70
Trade and other receivables	-	-	-	-	-	22	22	-
Share return receivables	-	-	-	-	-	42	42	-
Restricted deposits of financial institution	-	5	-	-	-	-	5	1.05
	-	5	-	-	110	68	183	
Financial liabilities								
Trade and other payables	-	-	-	-	-	45	45	-
Lease liabilities	-	169	682	347	-	-	1,198	2.60 - 3.38
Long-term loans	10	-	58	-	323	-	391	Note 17
	10	169	740	347	323	45	1,634	

(Unit: Million Baht)

	Separate financial statement							
	31 December 2020							
	Fixed interest rates							
	At call	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate
								(% per annum)
Financial assets								
Cash and cash equivalent	-	-	-	-	89	2	91	0.05 - 0.70
Trade and other receivables	-	-	-	-	-	22	22	-
Lease receivables	-	-	2	24	-	-	26	10 - 19
Share return receivables	-	-	-	-	-	42	42	-
	-	-	2	24	89	66	181	
Financial liabilities								
Trade and other payables	-	-	-	-	-	51	51	-
Long-term loans from related parties	-	-	30	-	-	-	30	1.52 - 2.25
Lease liabilities	-	166	674	347	-	-	1,187	2.60 - 3.38
Long-term loans	-	-	-	-	366	-	366	Note 17
	-	166	704	347	366	51	1,634	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of market rate affected as at 31 December 2021 with all other variables held constant.

	2021		
	Consolidated and Separate financial statements	Consolidated financial statement	Separate financial statement
Currency	Increase/decrease	Effect on profit before tax	
	(%)	(Million Baht)	(Million Baht)
Baht	0.5	(2.3)	(2.2)
	(0.5)	2.3	2.2

	2020		
	Consolidated and Separate financial statements	Consolidated financial statement	Separate financial statement
Currency	Increase/decrease	Effect on profit before tax	
	(%)	(Million Baht)	(Million Baht)
Baht	0.5	(2.4)	(2.3)
	(0.5)	2.4	2.3

The above analysis has been prepared assuming that the amounts loans from and all other variables remain constant over one year. Moreover, the floating legs of these loans are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Foreign currency risk

The Group's exposure to foreign currency risk arises from deposit at overseas banks, purchase and service transactions that are denominated in foreign currencies. The Group does not expect to incur material losses from the exchange rates as their businesses are sales and services to minor customers. The Group had no forward contracts outstanding balance as at the end of reporting period.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

	Consolidated financial statements					
Foreign currencies	Financial assets		Financial liabilities		Average exchange rate	
	2021	2020	2021	2020	2021	2020
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	7	7	-	-	31.81	30.04
Hong Kong Dollar	706	706	-	-	4.07	3.88
Euro	-	-	-	3	-	36.88
Pound sterling	-	-	1	4	44.44	40.64

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

Foreign currencies	Separate financial statements			
	Financial assets		Average exchange rate	
	2021	2020	2021	2020
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	1	-	31.81	-
Hong Kong Dollar	706	706	4.07	3.88

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank loans and lease contracts. Approximately 21% of the Group's debt will mature in less than one year at 31 December 2021 (2020: 19%) (the Company only: 21% (2020: 19%)) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and the Group's operating, the Group concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities instruments as at 31 December 2021 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statement				
	31 December 2021				
	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	-	37	-	-	37
Lease liabilities	-	175	580	243	998
Interest on lease liabilities	-	26	58	24	108
Long-term loans	-	114	384	24	522
Interest on long-term loans	-	15	25	1	41
Total	-	367	1,047	292	1,706

(Unit: Million Baht)

	Separate financial statement				
	31 December 2021				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	-	50	-	-	50
Lease liabilities	-	172	575	243	990
Interest on lease liabilities	-	26	58	24	108
Long-term loans	-	108	351	18	477
Interest on long-term loans	-	13	22	-	35
Long-term loans - related parties	-	-	30	-	30
Interest on long-term loans - related parties	-	1	5	-	6
Total	-	370	1,041	285	1,696

(Unit: Million Baht)

	Consolidated financial statement				
	31 December 2020				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	-	45	-	-	45
Lease liabilities	-	169	682	347	1,198
Interest on lease liabilities	-	32	77	32	141
Long-term loans	10	93	288	-	391
Interest on long-term loans	-	10	15	-	25
Total	10	349	1,062	379	1,800

(Unit: Million Baht)

	Separate financial statement				
	31 December 2020				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	-	51	-	-	51
Lease liabilities	-	166	674	347	1,187
Interest on lease liabilities	-	32	76	32	140
Long-term loans	-	93	273	-	366
Interest on long-term loans	-	10	14	-	24
Long-term loans - related parties	-	-	30	-	30
Interest on long-term loans - related parties	-	1	3	-	4
Total	-	353	1,070	379	1,802

30.2 Fair values of financial instruments

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

a) For financial assets and liabilities which have short-term maturity, including cash and deposit at financial institutions, trade and other receivables and trade and other payables, their carrying amounts in the statements of financial position approximate their fair values.

b) For current investments, their fair values are generally derived from quoted market prices.

c) For share return receivables, their carrying amounts in the statements of financial position approximates their fair values.

d) Future cash flow by the current market interest rate of the loans with similar terms and conditions. As at 31 December 2021 and 2020, fixed rate long-term loans are detailed below.

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	Carrying amount		Fair value		Carrying amount		Fair value	
	2021	2020	2021	2020	2021	2020	2021	2020
Long-term loans from financial institutions - fixed interest rate	167	68	161	64	123	43	118	40

e) For long-term loan carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximates their fair values.

f) For lease receivables and lease liabilities which their interest rates are close to the market rate, their carrying amounts in the statements of financial position approximate their fair values.

During the current year, there were no transfers within the fair value hierarchy.

31. Capital management

The primary objective of the Group's capital management is to ensure that they have appropriate capital structure in order to support their businesses and maximise shareholder value. As at 31 December 2021, the Group's debt-to-equity ratio was 2.65:1 (2020: 1.91:1) and the Company's was 2.65:1 (2020: 1.95:1).

SIAM WELLNESS

32. Event after the reporting period

On 15 February 2022, Siam Wellness Group (Cambodia) Co., Ltd., a subsidiary of the Company, received the notice of the application for company dissolution from a relevant authority in Cambodia. Currently, the application is during the consideration by the related authority.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2022.