

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Siam Wellness Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Siam Wellness Group Public Company Limited and its subsidiaries as at 30 June 2020, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated statement of changes in shareholders' equity and cash flows for the six-month periods then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Siam Wellness Group Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

I draw attention to Note 1.4 to the interim financial statements. The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation significantly affects the Group's business activities in terms of temporary shutdown of spa service provider business as required by a resolution of the cabinet and the Declaration of Provincial Governors in accordance with surveillance of the outbreak policy from March 2020, also the temporary shutdown of hotel business from April 2020. Spa service provider business and hotel business have returned to operate since June 2020 and July 2020, respectively. In addition, the Group's business were affected by its investment in the General Fixed Income Funds managed by a fund management company that announced the termination of the funds in late March 2020 which reached the first liquidation period in July 2020. Then, a fund management company has been approved for 90 days extension of its liquidation which will be due in October 2020. As a result, it is currently under liquidation. These situations are impacting the Group's operating results and cash flows. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, including the investment in the General Fixed Income Funds, and will record the impact (if any) when it is possible to do so. In addition, in preparing the interim financial information for the three-month and six-month periods ended 30 June 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions and TFRS 16 Leases which is effective in the current period, as mentioned in Note 1.5 to the interim financial statements.

My conclusion is not modified in respect of this matter.



Sumana Punpongsanon
Certified Public Accountant (Thailand) No. 5872

EY Office Limited
Bangkok: 14 August 2020

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		124,663	52,561	59,559	44,617
Current investments	4	81,084	73,098	64,126	15,391
Trade and other receivables	3, 6	21,879	37,213	15,495	35,972
Lease receivables - current portion	3	-	-	145	-
Share return receivables - current portion	5	44,483	39,200	44,483	39,200
Inventories	7	44,350	39,901	41,537	37,348
Other current assets		18,483	14,824	15,902	11,186
		<u>334,942</u>	<u>256,797</u>	<u>241,247</u>	<u>183,714</u>
Non-current assets classified as held for sale	11	32,295	32,295	32,295	32,295
Total current assets		<u>367,237</u>	<u>289,092</u>	<u>273,542</u>	<u>216,009</u>
Non-current assets					
Restricted deposits of financial institution	8	5,159	5,105	-	-
Lease receivables - net of current portion	3	-	-	26,186	-
Share return receivables - net of current portion	5	-	15,000	-	15,000
Investments in subsidiaries	9	-	-	101,705	101,705
Leasehold rights	10	-	9,265	-	9,265
Property, plant and equipment	11	1,050,226	1,082,797	975,941	1,004,421
Right-of-use assets	12	1,092,935	-	1,055,298	-
Goodwill		24,536	24,536	20,340	20,340
Intangible assets	13	9,637	9,139	9,510	8,953
Deferred tax assets	21	803	722	-	-
Deposits	14	92,509	79,466	91,965	78,922
Other non-current assets		5,030	1,023	4,894	932
Total non-current assets		<u>2,280,835</u>	<u>1,227,053</u>	<u>2,285,839</u>	<u>1,239,538</u>
Total assets		<u>2,648,072</u>	<u>1,516,145</u>	<u>2,559,381</u>	<u>1,455,547</u>

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

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อ. อรุณวรรณภักดิ์



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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	30 June 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institution	15	53,736	32	40,635	-
Short-term loans from and interest payable to related parties	3	4,715	4,615	-	-
Trade and other payables	3, 16	56,160	96,718	56,810	95,029
Current portion of long-term loans	17	47,430	80,200	47,430	80,200
Current portion of lease liabilities	18	158,102	-	155,271	-
Current portion of liabilities under finance lease agreements		-	120	-	120
Income tax payable		3,260	24,829	-	23,930
Advance received - current portion		28,683	28,922	28,536	27,740
Other current liabilities		1,760	9,631	1,371	8,954
Total current liabilities		353,846	245,067	330,053	235,973
Non-current liabilities					
Long term loans - net of current portion	17	253,737	80,167	228,737	80,167
Lease liabilities - net of current portion	18	948,984	-	939,632	-
Liabilities under finance lease agreements - net of current portion		-	260	-	260
Advance received - net of current portion		10,656	12,161	10,656	12,161
Provision for long-term employee benefits	19	9,332	8,556	8,363	7,683
Deferred tax liabilities	21	14,160	17,995	14,167	18,005
Other non-current liabilities		19,331	19,999	18,326	19,054
Total non-current liabilities		1,256,200	139,138	1,219,881	137,330
Total liabilities		1,610,046	384,205	1,549,934	373,303

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

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

Siam Wellness Group Public Company Limited and its subsidiaries

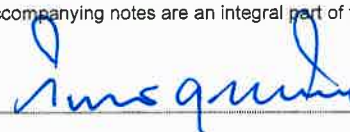
Statement of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 June 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	30 June 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Shareholders' equity				
Share capital				
Registered				
	855,000,000 ordinary shares of Baht 0.25 each			
	(31 December 2019: 570,000,000 ordinary shares			
	of Baht 0.25 each)			
20	213,750	142,500	213,750	142,500
Issued and paid-up				
	855,000,000 ordinary shares of Baht 0.25 each			
	(31 December 2019: 570,000,000 ordinary shares			
	of Baht 0.25 each)			
20	213,750	142,500	213,750	142,500
	278,906	278,906	278,906	278,906
	(46,226)	(46,226)	-	-
Retained earnings				
	17,399	16,381	14,250	14,250
	483,625	649,805	411,974	556,021
	90,567	90,567	90,567	90,567
	1,038,021	1,131,933	1,009,447	1,082,244
	5	7	-	-
Total shareholders' equity				
Total liabilities and shareholders' equity				

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



ปองเวียง อภิวัฒนภักดี
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Directors



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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from sales		17,323	20,731	4,724	14,732
Revenue from services		14,161	316,724	14,301	296,276
Interest income		572	120	1,096	247
Other income		13	5,167	845	6,846
Total revenues		32,069	342,742	20,966	318,101
Expenses					
Cost of sales		6,153	12,513	2,950	8,827
Cost of services		75,475	227,178	72,864	217,427
Selling and distribution expenses		4,865	14,837	3,473	12,916
Administrative expenses		21,662	30,690	20,102	26,327
Total expenses		108,155	285,218	99,389	265,497
Profit (loss) from operating activities		(76,086)	57,524	(78,423)	52,604
Finance cost		(5,596)	(2,803)	(5,416)	(2,707)
Profit (loss) before income tax expenses		(81,682)	54,721	(83,839)	49,897
Tax income (expenses)	21	1,060	(7,375)	2,631	(7,504)
Profit (loss) for the period		(80,622)	47,346	(81,208)	42,393
Other comprehensive income:					
Other comprehensive income		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(80,622)	47,346	(81,208)	42,393
Profit attributable to:					
Equity holders of the Company		(80,622)	47,211	(81,208)	42,393
Non-controlling interests of the subsidiaries		-	135	-	-
		(80,622)	47,346		
Total comprehensive income attributable to:					
Equity holders of the Company		(80,622)	47,211	(81,208)	42,393
Non-controlling interests of the subsidiaries		-	135	-	-
		(80,622)	47,346		
(Unit: Baht)					
Earnings per share	22		(Restated)		(Restated)
Basic earnings per share					
Profit attributable to equity holders of the Company		(0.094)	0.055	(0.095)	0.050

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


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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries


Statement of comprehensive income

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from sales		37,873	43,761	13,859	29,566
Revenue from services		231,436	634,285	226,954	588,149
Interest income		1,212	262	2,416	330
Dividend income	9	-	-	23,698	-
Other income		5,116	9,511	7,023	12,839
Total revenues		275,637	687,819	273,950	630,884
Expenses					
Cost of sales		17,099	23,402	8,482	17,322
Cost of services		265,229	446,845	260,938	424,028
Selling and distribution expenses		16,616	27,155	13,797	23,476
Administrative expenses		40,206	60,346	35,744	50,793
Total expenses		339,150	557,748	318,961	515,619
Profit (loss) from operating activities		(63,513)	130,071	(45,011)	115,265
Finance cost		(14,176)	(5,190)	(13,849)	(5,015)
Profit (loss) before income tax expenses		(77,689)	124,881	(58,860)	110,250
Tax income (expenses)	21	1,417	(18,328)	3,703	(17,084)
Profit (loss) for the period		(76,272)	106,553	(55,157)	93,166
Other comprehensive income:					
Other comprehensive income		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(76,272)	106,553	(55,157)	93,166
Profit attributable to:					
Equity holders of the Company		(76,272)	106,284	(55,157)	93,166
Non-controlling interests of the subsidiaries		-	269	-	-
		(76,272)	106,553		
Total comprehensive income attributable to:					
Equity holders of the Company		(76,272)	106,284	(55,157)	93,166
Non-controlling interests of the subsidiaries		-	269	-	-
		(76,272)	106,553		
(Unit: Baht)					
Earnings per share	22		(Restated)		(Restated)
Basic earnings per share					
Profit attributable to equity holders of the Company		(0.089)	0.124	(0.064)	0.109

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


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 ผู้จัดการทั่วไป


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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements									
	Equity attributable to shareholders of the Company									
	Other components of shareholders' equity									
	Issued and fully paid-up share capital	Share premium	Discount on business combination under common control	Retained earnings - Appropriated - statutory reserve	Unappropriated	Income	Surplus on revaluation of assets	Total components of other shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries
Balance as at 1 January 2019	142,500	278,906	(46,226)	16,381	481,327	90,567	90,567	963,455	3	963,458
Profit for the period	-	-	-	-	106,284	-	-	106,284	269	106,553
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	106,284	-	-	106,284	269	106,553
Dividend paid (Note 24)	-	-	-	-	(85,500)	-	-	(85,500)	-	(85,500)
Increase in equity attributable to non-controlling interests of subsidiary due to purchase of investment in a subsidiary	-	-	-	-	-	-	-	-	10,937	10,937
Balance as at 30 June 2019	142,500	278,906	(46,226)	16,381	502,111	90,567	90,567	984,239	11,209	995,448
Balance as at 31 December 2019	142,500	278,906	(46,226)	16,381	649,805	90,567	90,567	1,131,933	7	1,131,940
- as previously reported	-	-	-	-	(540)	-	-	(540)	-	(540)
Cumulative effect of change in accounting policy for revenue recognition (Note 2)	142,500	278,906	(46,226)	16,381	649,265	90,567	90,567	1,131,393	7	1,131,400
Loss for the period	-	-	-	-	(76,272)	-	-	(76,272)	-	(76,272)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(76,272)	-	-	(76,272)	-	(76,272)
Increased share capital (Note 20)	71,250	-	-	-	-	-	-	71,250	-	71,250
Appropriated of retained earning	-	-	-	1,018	(1,018)	-	-	-	-	-
Dividend paid (Note 24)	-	-	-	-	(88,350)	-	-	(88,350)	-	(88,350)
Subsidiaries paid dividend to non-controlling interests	-	-	-	-	-	-	-	-	(2)	(2)
Balance as at 30 June 2020	213,750	278,906	(46,226)	17,399	483,625	90,567	90,567	1,038,021	5	1,038,026



นางสาวกัญญา
วิมลรัตน์

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

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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2020

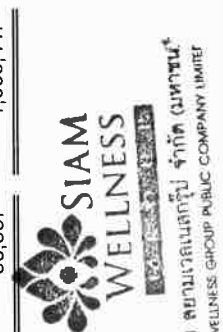
(Unit: Thousand Baht)

Separate financial statements

	Other components of shareholders' equity						
	Issued and fully paid-up share capital	Retained earnings		Other comprehensive income		Total components of other shareholders' equity	Total shareholders' equity
		Share premium	Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets		
Balance as at 1 January 2019	142,500	278,906	14,250	417,665	90,567	90,567	943,888
Profit for the period	-	-	-	93,166	-	-	93,166
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	93,166	-	-	93,166
Dividend paid (Note 24)	-	-	-	(85,500)	-	-	(85,500)
Balance as at 30 June 2019	142,500	278,906	14,250	425,331	90,567	90,567	951,554
Balance as at 1 January 2020	142,500	278,906	14,250	556,021	90,567	90,567	1,082,244
- as previously reported	-	-	-	(540)	-	-	(540)
Cumulative effect of change in accounting policy (Note 2)	-	-	-	(540)	-	-	(540)
Balance as at 1 January 2020 - as restated	142,500	278,906	14,250	555,481	90,567	90,567	1,081,704
Loss for the period	-	-	-	(55,157)	-	-	(55,157)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(55,157)	-	-	(55,157)
Increased share capital (Note 20)	71,250	-	-	-	-	-	71,250
Dividend paid (Note 24)	-	-	-	(88,350)	-	-	(88,350)
Balance as at 30 June 2020	213,750	278,906	14,250	411,974	90,567	90,567	1,009,447

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

Siam Wellness
Siam Wellness Group Public Company Limited



(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries


Statement of cash flows

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	(77,689)	124,881	(58,860)	110,250
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	122,904	58,623	115,758	51,608
Loss (gain) from changing in fair value of investments	114	(342)	95	(22)
Bad debts and allowance for doubtful accounts (reversal)	99	1,183	(10)	1,145
Reduction of inventories to net realisable value (reversal)	355	(168)	238	10
Loss from impairment of assets	5,927	-	5,927	-
Loss (gain) on disposal of property, plant and equipment	(19)	(22)	12	(20)
Gain on disposal of intangible assets	(1)	-	-	-
Loss on write-off of property, plant and equipment	744	440	744	440
Long-term employee benefit expenses	776	4,228	680	3,163
Interest income	(1,210)	(257)	(2,414)	(326)
Dividend income	-	-	(23,698)	-
Interest expenses	14,176	5,190	13,849	5,015
Profit from operating activities before changes in operating assets and liabilities	66,176	193,756	52,321	171,263
Decrease (increase) in operating assets				
Current investments	(8,100)	(51,988)	(48,829)	(39,973)
Trade and other receivables	16,109	(42)	21,361	(10,133)
Inventories	(4,804)	(9,647)	(4,427)	(864)
Other current assets	(4,380)	(6,284)	(5,436)	(5,519)
Deposits	(16,346)	(17,660)	(16,346)	(6,674)
Other non-current assets	(704)	7,843	(658)	(154)
Increase (decrease) in operating liabilities				
Trade and other payables	(17,289)	3,080	(15,668)	1,729
Advance received	(1,744)	5,776	(709)	6,082
Other current liabilities	(7,872)	1,122	(7,585)	1,046
Other non-current liabilities	(868)	2,393	(923)	2,168
Cash flows from (used in) operating activities	20,178	128,349	(26,899)	118,971
Cash paid for interest expenses	(13,838)	(4,795)	(13,617)	(4,725)
Cash paid for income tax	(23,933)	(17,816)	(23,930)	(15,558)
Net cash flows from (used in) operating activities	(17,593)	105,738	(64,446)	98,688

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


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(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in restricted deposits at financial institution	(54)	(52)	-	-
Net cash paid to purchase of investments by subsidiaries	-	(91,699)	-	(93,750)
Cash received from share return receivables	9,200	-	9,200	-
Cash paid for acquisition of property, plant and equipment	(49,107)	(69,290)	(47,115)	(63,509)
Cash paid for acquisition of intangible assets	(1,407)	(1,571)	(1,407)	(1,556)
Cash received from lease receivables	-	-	67	-
Proceed from disposal of property, plant and equipment	874	33	129	30
Proceeds from disposal of intangible assets	32	-	-	-
Cash received from dividend from subsidiaries	-	-	23,698	-
Cash received from interest income	210	258	1,414	164
Net cash flows used in investing activities	(40,252)	(162,321)	(14,014)	(158,621)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institution	53,706	1,242	40,635	-
Increase in liabilities under financial lease agreements	-	87	-	87
Cash paid for liabilities under lease agreement	(47,457)	-	(45,933)	-
Cash received from long-term loan from financial institution	155,000	170,000	130,000	170,000
Cash paid for repayment of long-term loans from financial institution	(14,200)	(45,473)	(14,200)	(45,473)
Cash paid for dividend	(17,102)	(85,500)	(17,100)	(85,500)
Net cash flows from financing activities	129,947	40,356	93,402	39,114
Net increase (decrease) in cash and cash equivalents	72,102	(16,227)	14,942	(20,819)
Cash and cash equivalents at beginning of period	52,561	79,444	44,617	67,865
Cash and cash equivalents at end of period	124,663	63,217	59,559	47,046

Supplemental cash flows information

Non-cash transactions

Decrease in liabilities from acquisition of property, plant and equipment	10,945	1,337	10,345	3,109
Increase in provision for dismantling, removing and restoring of leasehold improvements	201	343	196	339
Payable for purchase of investment in a subsidiary	-	31,250	-	31,250
Receivable from disposal of equipment to a subsidiary	-	-	-	540
Stock dividend payment	71,250	-	71,250	-
Decrease in right-of-use assets from effect of changes from agreements	9,333	-	9,333	-
Decrease in liabilities under financial lease agreement from effect of changes from agreements	9,333	-	9,333	-

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

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

Siam Wellness Group Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month and six-month periods ended 30 June 2020

1. General information

1.1 The Company's general information

Siam Wellness Group Public Company Limited ("the Company") was incorporated as limited company under the laws of Thailand on 28 November 2001. The Company operates in Thailand and principally engages in spa services business. Its registered head office is at No. 483, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Dindang, Bangkok. As at 30 June 2020, the Company has a total of 59 branches in Bangkok and upcountry (31 December 2019: 58 branches) and 5 foreign branches according to the franchise agreement (31 December 2019: 5 branches).


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

1.2 Basis for the preparation of interim financial information

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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


บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
Siam Wellness Group Public Company Limited



1.3 Basis of preparation of the interim consolidated financial statements

These interim consolidated financial statements include the financial statements of Siam Wellness Group Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019, with there being no structural changes relating to the subsidiaries during the period.

1.4 Coronavirus disease 2019 Pandemic

The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation significantly affects the Group's business activities in terms of temporary shutdown of spa service provider business as required by a resolution of the cabinet and the Declaration of Provincial Governors in accordance with surveillance of the outbreak policy from March 2020, also the temporary shutdown of hotel business from April 2020. Spa services provider business and hotel business have returned to operate since June 2020 and July 2020, respectively. In addition, the Group's business were affected by its investment in the General Fixed Income Funds managed by a fund management company that announced the termination of the funds in late March 2020 which reached the first liquidation period in July 2020. Then a fund management company has been approved for 90 days extension of its liquidation which will be due in October 2020. It is currently under liquidation. These are impacting the Group's operating results and cash flows. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, including the investment in the General Fixed Income Funds, and will record the impact (if any) when it is possible to do so.

1.5 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The new standard involves changes to key principles, which are summarised below:



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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

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



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TFRS 16 Leases

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

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

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as rights-of-use assets and lease liabilities as at 1 January 2020, and the comparative information was not restated.

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


Accounting Treatment Guidance on “Temporary Relief Measures on Accounting Alternatives In Response to the Impact of the COVID-19 Situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary Relief Measures on Accounting Alternatives in Response to the Impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of debt instruments using Level 2 or Level 3 inputs.
- Not to use information relating to the COVID-19 situation that may affect financial forecasts used in measuring the fair values of land.


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- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.
- Not to use information relating to the COVID-19 situation that may affect the cash flow forecasts used in testing goodwill for impairment.

1.6 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases:

1.6.1 Financial instruments


Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, lease receivables without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component and lease receivables, the Group applies a simplified approach to determine the lifetime expected credit losses.


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1.6.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted 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 modification or reassessment.

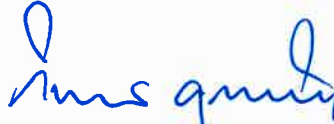
Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

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

As described in Note 3 to the interim financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of adjustment on the transactions in the statements of financial position as at 1 January 2020 from changes in accounting policies due to the adoption of new financial reporting standards are presented as follows:


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(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements

	The impacts of			1 January 2020
	31 December 2019 (Audited)	Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	37,213	(160)	-	37,053
Other current assets	14,824	2,022	-	16,486
Non-current assets				
Share return receivables - net				
current portion	15,000	(517)	-	14,483
Leasehold rights	9,265	-	(9,265)	-
Property, plant and equipment	1,082,797	-	(1,599)	1,081,198
Right-of-use assets	-	-	1,192,289	1,192,289
Deposits	79,466	(4,098)	-	75,368
Other non-current assets	1,023	2,078	-	3,101
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	96,718	-	(12,325)	84,393
Current portion of liabilities under				
finance lease agreements	120	-	(120)	-
Current portion of lease liabilities	-	-	155,077	155,077
Non-current liabilities				
Liabilities under finance lease				
agreements, net of current portion	260	-	(260)	-
Lease liabilities, net of current				
portion	-	-	1,039,053	1,039,053
Deferred tax liabilities	17,995	(135)	-	17,860
Shareholders' equity				
Retained earnings - unappropriated	649,805	(540)	-	649,265

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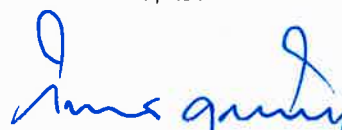


บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			1 January 2020
	31 December 2019	The impacts of		
	(Audited)	Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	35,972	(160)	-	35,812
Current portion of lease receivables	-	-	124	124
Other current assets	11,186	2,022	-	13,028
Non-current assets				
Lease receivables, net of current portion	-	-	26,274	26,274
Share return receivables - net current portion	15,000	(517)	-	14,483
Leasehold rights	9,265	-	(9,265)	-
Property, plant and equipment	1,004,421	-	(1,550)	1,002,871
Right-of-use assets	-	-	1,152,401	1,152,401
Deposits	78,922	(4,098)	-	74,824
Other non-current assets	932	2,078	-	3,010
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	95,029	-	(12,206)	82,823
Current portion of liabilities under finance lease agreements	120	-	(120)	-
Current portion of lease liabilities	-	-	152,306	152,306
Non-current liabilities				
Liabilities under finance lease agreements, net of current portion	260	-	(260)	-
Lease liabilities, net of current portion	-	-	1,028,264	1,028,264
Deferred tax liabilities	18,005	(135)	-	17,870
Shareholders' equity				
Retained earnings - unappropriated	556,021	(540)	-	555,481



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2.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Recognition of an allowance for expected credit losses on financial assets	(540)	(540)
Impacts on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments	(540)	(540)


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The classifications, measurement basis and carrying values of financial assets and liabilities in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

	Consolidated financial statements					Total
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9				
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost		
Financial assets as at 1 January 2020						
Cash and cash equivalents	52,561	-	-	52,561	52,561	
Current investments	73,098	73,098	-	-	73,098	
Trade and other receivables	37,213	-	-	37,053	37,053	
Current portion of share return receivables	39,200	-	-	39,200	39,200	
Restricted deposits of financial institution	5,105	-	-	5,105	5,105	
Share return receivables - net current portion	15,000	-	-	14,483	14,483	
Deposits	79,466	-	-	75,368	2,078	
Total financial assets	301,643	73,098	-	223,770	296,868	

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(Unaudited but reviewed)

(Unit: Thousand Baht)

Carrying amounts under the former basis	Separate financial statements			Total
	Classification and measurement in accordance with TFRS 9	Fair value through profit or loss	Fair value through other comprehensive income	
Financial assets as at 1 January 2020				
Cash and cash equivalents	44,617	-	-	44,617
Current investments	15,391	15,391	-	15,391
Trade and other receivables	35,972	-	-	35,812
Current portion of share return receivables	39,200	-	-	39,200
Current portion of lease receivables	-	-	-	124
Share return receivables - net current portion	15,000	-	-	14,483
Lease receivables, net of current portion	-	-	-	26,274
Deposits	78,922	-	-	74,824
Total financial assets	229,102	15,391	-	250,725

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As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

2.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020.


(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	655,488	651,217
Less: Short-term leases and leases of low-value assets	(323)	(323)
Add: Option to extend lease term	750,306	740,064
Less: Contracts reassessed as service agreements	(65,067)	(64,243)
Less: Deferred interest expenses	(147,654)	(146,835)
Increase in lease liabilities due to TFRS 16 adoption	1,193,750	1,180,190
Liabilities under finance lease agreements as at 31 December 2019	380	380
Lease liabilities as at 1 January 2020	1,194,130	1,180,570
Comprise of:		
Current lease liabilities	155,077	152,306
Non-current lease liabilities	1,039,053	1,028,264
	1,194,130	1,180,570

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Land and land improvement	91,987	91,455
Office building and leasehold improvement	1,089,576	1,077,346
Furniture, fixtures and office equipment	12,187	11,389
Total right-of-use assets	1,193,750	1,180,190


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3. 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
Chaba Elegance Co., Ltd.	Nails polish, hand and foot spa and eyelash extension business	A subsidiary (cancellation of related party since October 2019)
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. ⁽¹⁾	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
Sawangasuk 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

⁽¹⁾ During 2019, there was establishing the new subsidiary which operates in China. This subsidiary has 1 million Renminbi of its registered share capital.

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

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(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Revenue from sales and services	-	-	0.9	-	Contract price
Revenue from rental and utilities	-	-	0.1	1.8	Contract price
Other income	-	-	1.0	0.6	Contract price
Interest income	-	-	-	0.1	MLR - 2.175 per annum
Purchase of goods	-	-	3.3	7.6	Contract price
Service expenses	-	-	0.2	6.1	Contract price
Commission expenses	-	-	-	0.2	Contract price
Advertising expenses	-	-	0.1	0.1	Contract price
Rental and utilities expenses	-	-	-	0.2	Contract price
<u>Transactions with related parties</u>					
Revenue from sales and services	1.9	-	0.2	-	Contract price
Purchase of goods	1.2	4.2	0.4	3.9	Contract price
Service expenses	1.2	0.4	0.3	0.4	Contract price
Rental and utilities expenses	2.7	7.1	2.6	6.2	Contract price
Interest expenses	0.1	0.1	-	-	5% per annum

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Revenue from sales and services	-	-	1.0	0.1	Contract price
Revenue from rental and utilities	-	-	0.6	3.4	Contract price
Other income	-	-	2.0	1.2	Contract price
Interest income	-	-	-	0.2	MLR - 2.175 per annum
Dividend income	-	-	23.7	-	Declared rate
Purchase of goods	-	-	9.1	14.9	Contract price
Service expenses	-	-	2.8	9.3	Contract price
Commission expenses	-	-	0.1	0.5	Contract price
Advertising expenses	-	-	0.1	0.1	Contract price
Rental and utilities expenses	-	-	0.2	0.2	Contract price
Sale of fixed assets	-	-	-	0.5	Contract price
<u>Transactions with related parties</u>					
Revenue from sales and services	4.1	0.1	0.3	-	Contract price
Purchase of goods	4.1	8.6	3.0	7.6	Contract price
Service expenses	2.4	0.9	0.9	0.9	Contract price
Rental and utilities expenses	10.1	14.1	8.9	12.4	Contract price
Interest expenses	0.1	0.1	-	-	5% per annum

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(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	30 June 2020	31 December 2019 (Audited)	30 June 2020	31 December 2019 (Audited)
<u>Trade payables - subsidiaries (Note 16)</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	371	114
Siam Wellness Lab Co., Ltd.	-	-	2,979	3,248
Siam Wellness Education Co., Ltd.	-	-	1,310	2,025
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	1,095	484
Total	-	-	5,755	5,871
<u>Trade payables - related parties (Note 16)</u>				
Blooming Co., Ltd.	945	1,540	25	1,411
Blooming Intergift Co., Ltd.	173	9	173	9
B.U. Enterprise Co., Ltd.	78	105	31	70
Cyberprint Group Co., Ltd.	551	406	539	387
Asian Fortune Property Co., Ltd.	1,173	201	1,173	201
Klom Kliao Pattana Co., Ltd.	11	-	-	-
G.G.P. Property Co., Ltd.	-	160	-	160
Total	2,931	2,421	1,941	2,238
<u>Payables for purchase of fixed assets - a subsidiary (Note 16)</u>				
Cyberprint Group Co., Ltd.	59	75	59	75
Total	59	75	59	75
<u>Other payables - related parties (Note 16)</u>				
Directors of the Company	314	148	314	123
Directors of the subsidiaries	10	-	-	-
Total	324	148	314	123
<u>Accrued expenses - a subsidiary (Note 16)</u>				
Siam Wellness Education Co., Ltd.	-	-	-	25
Total	-	-	-	25
<u>Lease liabilities - a subsidiary</u>				
Siam Wellness Education Co., Ltd.	-	-	2,491	-
Total	-	-	2,491	-
<u>Lease liabilities - related parties</u>				
Blooming Intergift Co., Ltd.	3,553	-	3,553	-
B.U. Enterprise Co., Ltd.	21,728	-	8,184	-
Asian Fortune Property Co., Ltd.	56,761	-	56,761	-
Klom Kliao Pattana Co., Ltd.	68,117	-	66,988	-
G.G.P. Property Co., Ltd.	4,081	-	4,081	-
Related directors of the Company	11,901	-	11,901	-
Total	166,141	-	151,468	-

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SIAM WELLNESS CO., LTD. (PUBLIC COMPANY LIMITED)



Short-term loans from and interest payable to related parties

As at 30 June 2020 and 31 December 2019, the balance of short-term loans from and interest payable between the subsidiary and those related parties and the movement are as follows:

(Unit: Thousand Baht)

Borrower	Consolidated financial statements			
	Balance as at	During the period		Balance as at
	31 December	Increase	Decrease	30 June
	2019			2020
Directors of the Company	1,143	25	-	1,168
Director of subsidiaries	3,472	75	-	3,547
Total	4,615	100	-	4,715

The outstanding balance as at 30 June 2020 and 31 December 2019 of short-term loans from and interest payable to related parties are in the form of an unsecured loan, carrying interest at the rate of 5% per annum and due at call.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2020 and 2019, employee benefit expenses payable to their directors and management of the Company and its subsidiaries are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	1.3	4.6	1.3	4.6
Post-employment benefits	0.2	0.5	0.2	0.5
Total	1.5	5.1	1.5	5.1

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(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	2.1	9.4	2.1	9.4
Post-employment benefits	0.4	0.8	0.4	0.8
Total	2.5	10.2	2.5	10.2

4. Current investments


(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Investment measured at fair value through profit or loss		(Audited)		(Audited)
Unit trusts	81,084	73,098	64,126	15,391

Outstanding balance of investments in unit trusts as at 30 June 2020 and 31 December 2019 are unit trusts of General Fixed Income Fund which a fund management company announced the termination of fund on 27 March 2020 and is currently under liquidation, as disclosed in Note 1.4 to the interim financial statements. However, for the six-month period ended 30 June 2020, the Group received from the fund according to the announcement from the fund management company totaling Baht 62.0 million (the Company only: Baht 49.1 million).

In addition, during July 2020, the Group received additional repayment from the fund in accordance with the announcement from the fund management company totaling Baht 57.6 million (the Company only: Baht 45.5 million). This resulted in having the remaining amount to be received from the fund amounting to Baht 23.5 million (the Company only: Baht 18.6 million).

The Company and its subsidiaries have pledged their unit trusts certificates with carrying amount as at 30 June 2020 of Baht 64.8 million (the Company only: Baht 47.8 million) as collateral against their short-term loans facilities from the financial institution as disclosed in Note 15 to interim financial statements.


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5. 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.

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

Under the separation agreement, the former shareholders agreed to cancel the remaining amount of shares totaling Baht 31.25 million that the Company has not yet paid 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 checks with amounts and at due dates specified in the separation agreement.

As at 30 June 2020 and 31 December 2019, the Company had outstanding share return receivables from the former shareholders as detailed below.



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(Unaudited but reviewed)


(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	30 June 2020	31 December 2019
		(Audited)
Share return receivables as at 31 December 2019	54,200	54,200
Cumulative effect from the financial reporting standards related to financial instruments	(517)	-
Received during the period	(9,200)	-
	44,483	54,200
Less: Portion due within one year	(44,483)	(39,200)
Share return receivables - net of current portion	-	15,000

However, the Company cannot draw the money from the cheque amounting to Baht 10 million, which was due on 30 June 2020. The management of the Company has followed up with the former shareholders and, the former shareholders informed that they are in the process of arranging their assets and following procedures in order to pay for such amount due to the Company. 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.

6. Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Audited)		(Audited)
<u>Trade receivables - related parties</u> (Note 3)				
Aged on the basis of due dates				
Not yet due	5	314	1,065	1,232
Past due				
Up to 3 months	972	7	28	239
3 - 6 months	2,182	1	176	-
6 - 12 months	-	-	-	37
Over 12 months	-	-	37	-
Total trade receivables - related parties, net	3,159	322	1,306	1,508


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(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019 (Audited)	30 June 2020	31 December 2019 (Audited)
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	6,051	3,463	1,849	2,125
Past due				
Up to 3 months	950	26,740	636	25,521
3 - 6 months	3,584	1,409	3,289	1,231
6 - 12 months	5,702	2,724	5,589	2,680
Over 12 months	2,893	2,566	2,694	2,411
Total	19,180	36,902	14,057	33,968
Less: Allowance for doubtful debts/				
Allowance for expected credit losses	(1,352)	(1,093)	(1,097)	(947)
Total trade receivables - unrelated parties, net	17,828	35,809	12,960	33,021
Total trade receivable - net	20,987	36,131	14,266	34,529
<u>Other receivables</u>				
Other receivables - related parties				
(Note 3)	-	-	501	496
Other receivables - unrelated				
parties	1,128	1,318	964	1,183
Less: Allowance for doubtful debts/				
Allowance for expected credit losses	(236)	(236)	(236)	(236)
Total other receivables, net	892	1,082	1,229	1,443
Total trade and other receivable - net	21,879	37,213	15,495	35,972

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

7. Inventories

Movements in the allowance for diminution in value of inventories account during the six-month periods ended 30 June 2020, are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	1,681	494
Add: Allowance for diminution in value of inventories made during the period	433	275
Less: Reversal of allowance for diminution in value of inventories made during the period	(78)	(37)
Balance as 30 June 2020	<u>2,036</u>	<u>732</u>


8. Restricted deposits at financial institution

These represent the fixed deposit of a subsidiary pledged with a financial institution to secure bank overdrafts from financial institution of another subsidiary as disclosed in Note 15 to the interim financial statements.

9. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 30 June 2020 and 31 December 2019 are as follows:

Company's name	Country of incorporation	Called-up share capital		Shareholding percentage		Cost		Dividend income	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	30 June 2019
			(Audited)	(%)	(%)		(Audited)		
					(Audited)				
Siam Wellness Lab Co., Ltd.	Thailand	1,000	1,000	99.99	99.99	2,000	2,000	8,099	-
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	9,599	-
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						<u>101,705</u>	<u>101,705</u>	<u>23,698</u>	<u>-</u>


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10. Leasehold rights

A reconciliation of net book value of leasehold rights for the six-month periods ended 30 June 2020 is presented below.

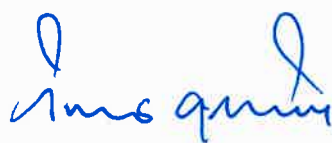
	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2020	9,265
Transferred to right-of-use assets (Note 12)	(9,265)
Net book value as at 30 June 2020	-

11. Property, plant and equipment

A reconciliation of net book value of property, plant and equipment for the six-month periods ended 30 June 2020 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	1,082,797	1,004,421
Transferred to right-of-use assets (Note 12)	(1,599)	(1,550)
Acquisition during period	38,160	36,768
Disposals/write-off during period (net book value as at disposals/write-off date)	(1,596)	(884)
Depreciation for period	(62,289)	(57,567)
Allowance for impairment of assets	(5,247)	(5,247)
Net book value as at 30 June 2020	1,050,226	975,941

As at 30 June 2020, the Company has pledged its land and structures thereon amounting to Baht 242 million (31 December 2019: Baht 243 million) as collateral against its long-term loans facilities as disclosed in Note 17 to the interim financial statements and against its bank guarantees and bank overdrafts from financial institution.


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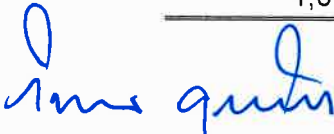
On 29 October 2019, the Meeting of Executive Committee has the resolution to approve the Company to sell its condominium unit. On 31 December 2019, the Company entered into the sales and purchase agreement of condominium unit with a non-related person with the amount of Baht 36.5 million. During the six-month period ended 30 June 2020 and during the year ended 31 December 2019, the Company received the deposit amounted Baht 1.8 million and Baht 0.2 million, respectively. According to the agreement, the buyer shall pay for the remaining amount of Baht 34.5 million within 31 December 2020. As at 30 June 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 of the Company.

On 23 July 2020, the meeting of Executive Committee has the resolution to approve the company to shutdown 1 branch of spa service. Therefore, the Company recorded the allowance for impairment of leasehold improvements and right-of-use assets amount of Baht 5.2 million and Baht 0.7 million, respectively in profit or loss for the three-month and six-month periods ended 30 June 2020.

12. Right-of-use assets

Movements of right-of-use assets account during the six-month periods ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2019	-	-
Adjustment to right-of-use assets due to TFRS 16 adoption	1,193,750	1,180,190
Adjustment of straight-line method	(12,325)	(12,206)
Adjustment of sublease agreements	-	(26,398)
Transfer from leasehold rights (Note 10)	9,265	9,265
Transfer from property, plant and equipment (Note 11)	1,599	1,550
Net book value as at 1 January 2020	1,192,289	1,152,401
Additions	44	44
Depreciation for the period	(57,796)	(56,339)
Lease discounts	(31,589)	(30,795)
Effect of changes from agreements cancellation	(9,333)	(9,333)
Allowance for impairment of assets	(680)	(680)
Net book value as at 30 June 2020	1,092,935	1,055,298


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13. Intangible assets

A reconciliation of net book value of intangible assets for the six-month periods ended 30 June 2020 is presented below


	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2019	9,139	8,953
Acquisition during the period	1,407	1,407
Disposal during the period	(31)	-
Amortisation for period	(878)	(850)
Net book value as at 30 June 2020	9,637	9,510

14. Deposits

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2019	79,466	78,922
Adjustment due to TFRSs related to financial instruments adoption	(4,098)	(4,098)
Net book value as at 1 January 2020	75,368	74,824
Additions	16,399	16,399
Interest income	1,000	1,000
Adjustment to the present value during the period	(258)	(258)
Net book value as at 30 June 2020	92,509	91,965

15. Bank overdrafts and short-term loans from financial institutionsBank overdrafts from financial institution

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


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Short-term loans from the financial institution


Loan	Facility amount (Million Baht)	Interest rate (% p.a.)	Consolidated		(Unit: Thousand Baht) Separate	
			financial statements		financial statements	
			30 June 2020	31 December 2019	30 June 2020	31 December 2019
				(Audited)		(Audited)
1	50.0	1.2, 1.8 and 2.4	40,635	-	40,635	-
2	9.0	1.2, 1.8 and 2.4	8,085	-	-	-
3	4.4	1.2 and 1.8	3,945	-	-	-
4	1.2	1.2 and 1.8	1,071	-	-	-
Total			53,736	-	40,635	-

The repayment of this loan is within 90 days from the date of signing the contracts or upon receiving the return from the pledged fund by allowing the financial institution to take such fund received offsetting with the outstanding loans.

The loan is secured by the pledge of investment in unit trusts of the Company as disclosed in the Note 4 to the interim financial statements.

Movements in the short-term loans from financial institution during the six-month periods ended 30 June 2020 is summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	-	-
Add: Increase during the period	64,600	50,000
Less: Repayment	(10,864)	(9,365)
Balance as at 31 March 2020	53,736	40,635



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16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
June	December	June	December	
2020	2019	2020	2019	
		(Audited)	(Audited)	
Trade accounts payable - unrelated parties	31,043	21,755	27,935	17,517
Trade accounts payable - related parties (Note 3)	2,931	2,421	7,696	8,109
Payables for purchase of fixed assets				
- unrelated parties	276	1,176	276	954
Payables for purchase of fixed assets				
- related parties (Note 3)	59	75	59	75
Payables for construction and retention	9,950	20,144	9,898	19,548
Other payables - unrelated parties	2,416	7,593	2,337	7,457
Other payables - related parties (Note 3)	324	148	314	123
Accrued payroll and bonus expenses	3,047	22,367	3,043	21,698
Accrued rental expenses - unrelated parties	-	12,362	-	12,219
Other accrued expenses - unrelated parties	6,114	8,677	5,252	7,304
Other accrued expenses - related parties (Note 3)	-	-	-	25
Total trade and other payables	56,160	96,718	56,810	95,029

17. Long-term loans

Loan	Facility amount (Million Baht)	Repayment	Maturity	Interest rate (% p.a.)	(Unit: Thousand Baht)			
					Consolidated financial		Separate financial	
					statements		statements	
					30	31	30	31
June	December	June	December					
2020	2019	2020	2019					
					(Audited)		(Audited)	
1	240 ⁽¹⁾	Monthly basis with 60 periods	March 2022	MLR-3 and MLR-2.2	56,900	65,900	56,900	65,900
2	80 ⁽²⁾	Monthly basis with 60 periods	February 2024	MLR-3 and MLR-2.2	47,600	50,300	47,600	50,300
3	160 ⁽³⁾	Monthly basis with 60 periods	September 2025	MLR-3.75	151,667	44,167	151,667	44,167
4	20	Monthly basis with 36 periods	March 2025	2	20,000	-	20,000	-


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(Unit: Thousand Baht)

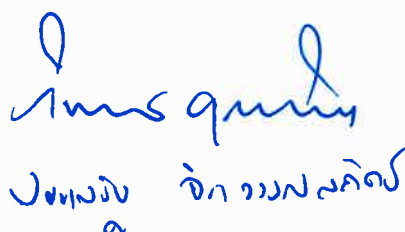
Loan	Facility amount (Million Baht)	Repayment	Maturity	Interest rate (% p.a.)	Consolidated financial statements		Separate financial statements		
					30	31	30	31	
					June 2020	December 2019	June 2020	December 2019	
5	10	Monthly basis with 36 periods	March 2025	2	10,000	-	-	(Audited)	(Audited)
6	5	Monthly basis with 36 periods	March 2025	2	5,000	-	-	-	-
7	10	Monthly basis with 36 periods	March 2025	2	10,000	-	-	-	-
Total					301,167	160,367	276,167	160,367	
Less: Current portion					(47,430)	(80,200)	(47,430)	(80,200)	
Long-term loans, net of current portion					253,737	80,167	228,737	80,167	

- (1) On 27 March 2020, the Company has entered into the amendment of loan agreement with a financial institution in order to revise 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.
- (2) On 27 March 2020, the Company has entered into the amendment of loan agreement with a financial institution in order to revise 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.
- (3) On 20 April 2020, the Company has entered into the amendment of loan agreement with a financial institution in order to revise its principle repayment condition since April 2020 onwards, with the first repayment will be proceeded in October 2020. The last repayment of principle and interests will be in September 2025.

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

The loan facility no. 1 to no. 3 are secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 11 to the interim 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 secured by the Company.

As at 30 June 2019, this long-term credit facilities of a Company which have not yet been drawn down amounted to Baht 12 million, which is a loan facility of Baht 240 million.


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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	160,367	160,367
Add: Increase during the period	155,000	130,000
Less: Repayment	(14,200)	(14,200)
Balance as at 30 June 2020	301,167	276,167

18. Liabilities under finance lease agreements

Movements of liabilities under finance lease agreements account during the six-month periods ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2019	-	-
Adjustment to liabilities under finance lease agreements due to TFRS 16 adoption	1,194,130	1,180,570
Net book value as at 1 January 2020	1,194,130	1,180,570
Decrease during the period	(77,711)	(76,334)
Effect of changes from agreements cancellation	(9,333)	(9,333)
Net book value as at 30 June 2020	1,107,086	1,094,903
Less: Portion due within one year	(158,102)	(155,271)
Liabilities under finance lease agreements - net of current portion	948,984	939,632

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19. Provision for long-term employee benefits

Provision for long-term employee benefits as at 30 June 2020 which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Provision for long-term employee benefits as at 1 January 2020	8,556	7,683
Current service cost	708	619
Interest cost	68	61
Provision for long-term employee benefits as at 30 June 2020	<u>9,332</u>	<u>8,363</u>


20. Share capital

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.

21. Income tax

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


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Income tax expenses for the three-month and six-month periods ended 30 June 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	1,595	8,178	-	8,195
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,655)	(803)	(2,631)	(691)
Tax expenses (income) reported in profit or loss	(1,060)	7,375	(2,631)	7,504

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	2,363	19,756	-	18,372
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,780)	(1,428)	(3,703)	(1,288)
Tax expenses (income) reported in profit or loss	(1,417)	18,328	(3,703)	17,084

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22. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the distribution of the stock dividend in accordance with the resolutions of the Annual General Meeting of the Company's shareholders held on 30 April 2020, as disclosed in Note 24 to the interim financial statements. The number of ordinary shares of the prior period used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the number of shares, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

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

	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		
	2020	2019	2020	2019	
			(Restated)		(Restated)
Profit (loss) for the period (Thousand Baht)	(80,622)	47,211	(81,208)	42,393	
Weighted average number of ordinary shares (Thousand shares)	855,000	855,000	855,000	855,000	
Profit (loss) per share (Baht/share)	(0.094)	0.055	(0.095)	0.050	

	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		
	2020	2019	2020	2019	
			(Restated)		(Restated)
Profit (loss) for the period (Thousand Baht)	(76,272)	106,284	(55,157)	93,166	
Weighted average number of ordinary shares (Thousand shares)	855,000	855,000	855,000	855,000	
Profit (loss) per share (Baht/share)	(0.089)	0.124	(0.064)	0.109	

23. Segment information


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

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The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2020 and 2019.

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Spa services		Sales of spa products and healthy products		Hotel and restaurant		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers	14	311	17	17	-	9	-	-	31	337
Internal - segment revenues	1	6	4	7	-	1	(5)	(14)	-	-
Total revenues	15	317	21	24	-	10	(5)	(14)	31	337
Segment profit (loss)	(59)	87	10	9	(2)	2	-	-	(51)	98
Revenues and expenses which have not been allocated:										
Other income									-	5
Selling and distribution expenses									(5)	(15)
Administrative expenses									(21)	(31)
Finance cost									(5)	(3)
Profit (loss) before income tax expenses									(82)	54
Tax income (expenses)									1	(7)
Profit (loss) for the period									(81)	47
Other significant non-cash item:										
Depreciation and amortisation	(52)	(27)	-	-	(2)	(1)	-	-	(54)	(28)
Allowance for impairment of property, plant and equipment	(5)	-	-	-	-	-	-	-	(5)	-
Allowance for impairment of right-of-use assets	(1)	-	-	-	-	-	-	-	(1)	-


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(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Spa services		Sales of spa products and healthy products		Hotel and restaurant		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Revenues from external customers	227	618	34	34	8	26	-	-	269
Internal - segment revenues	3	9	10	15	-	1	(13)	(25)	-	-
Total revenues	230	627	44	49	8	27	(13)	(25)	269	678
Segment profit (loss)	(32)	178	21	20	(2)	10	-	-	(13)	208
Revenues and expenses which have not been allocated:										
Interest income									1	-
Other income									5	9
Selling and distribution expenses									(17)	(27)
Administrative expenses									(40)	(60)
Finance cost									(14)	(5)
Profit (loss) before income tax expenses									(78)	125
Tax income (expenses)									2	(18)
Profit (loss) for the period									(76)	107
Other significant non-cash items:										
Write-off property, plant and equipment	(1)	(1)	-	-	-	-	-	-	(1)	(1)
Depreciation and amortisation	(119)	(56)	-	-	(4)	(3)	-	-	(123)	(59)
Allowance for impairment of property, plant and equipment	(5)	-	-	-	-	-	-	-	(5)	-
Allowance for impairment of right-of-use assets	(1)	-	-	-	-	-	-	-	(1)	-

Geographic information

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

Major Customer

During the six-month periods ended 30 June 2020 and 2019, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

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 Name: น.ส.กัญญา จิโรจน์กุล
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 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

24. Dividends

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 2018	Annual General Meeting of the Company's shareholders on 29 March 2019	85.50	0.15	-	-	-
Total dividend for 2019		85.50	0.15	-	-	-
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

25. Commitments and contingent liabilities**25.1 Commitments**

25.1.1 As at 30 June 2020 and 31 December 2019, 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	
	30 June 2020	31 December 2019
Construction costs	24	12
		(Audited)
	24	12
		35

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED



(Unaudited but reviewed)

25.1.2 The Group entered into lease agreement in in respect of the lease of service locations and equipment. The terms of the agreements are generally between 1 and 5 years with rights to extend the lease periods upon rates, terms and conditions announced by the lessors.

Moreover, the Company has entered into operating lease agreement in respect of the lease of land with a related party for the period of 30 years.

As at 31 December 2019, the Group has future minimum payments under those agreements as follows:

(Unit: Million Baht)

	31 December 2019	
	Consolidated	Separate
	financial statements	financial statements
	(Audited)	(Audited)
Payable:		
In up to 1 year	179	177
In over 1 and up to 5 years	359	358
In over 5 years	117	117

As at 31 December 2019, Baht 17 million of the commitments of the Group are obligations under lease agreements and service agreements with the related companies (The Company only: Baht 21 million).


In 2020, the Company adopted the TFRS 16 as at 1 January 2020. Therefore the Company recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 2 to the interim financial statements.

As at 30 June 2020, the Group has future minimum payments under short-term lease agreements, low-value assets lease agreement and service agreements other than recorded as lease liabilities in the statements of financial position as follows:

(Unit: Million Baht)

30 June 2020

	Consolidated and	
	Separate	
	financial statements	
Payable:		
In up to 1 year		22
In over 1 and up to 5 years		32
In over 5 years		14


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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

25.1.3 The Company had made operating agreements with certain lessors that the rental and service fees are to be calculated taking into account the proportion of service income that the Company received from the customers relating to its spa services. During the six-month periods ended 30 June 2020, the Company recognised rental and service expenses amounting to Baht 6 million (2019: Baht 12 million).

25.2 Letters of guarantees

As at 30 June 2020, there were outstanding bank guarantees of Baht 2 million (31 December 2019: Baht 2 million) (the Company only: Baht 2 million (31 December 2019: Baht 2 million)) issued by the banks on behalf of the Company and its subsidiaries as required in the normal course of business.

26. Fair value

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

Fair value hierarchy

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

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

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

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

As of 30 June 2020 and 31 December 2019, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	30 June 2020			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trusts	-	81	-	81
Lands	-	279	-	279
				37

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(Unaudited but reviewed)

(Unit: Million Baht)

31 December 2019

Consolidated financial statements

(Audited)

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trusts	-	73	-	73
Lands	-	279	-	279

(Unit: Million Baht)

30 June 2020

Separate financial statements

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trusts	-	64	-	64
Lands	-	279	-	279

(Unit: Million Baht)

31 December 2019

Separate financial statements

(Audited)

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trusts	-	15	-	15
Lands	-	279	-	279

Valuation techniques and inputs to Level 2 valuation

The fair value of investment in unit trusts as at 31 December 2019 has been determined by using the net asset values of the last working day of the reporting period as announced by the asset management company.

The fair value of investment in unit trusts as at 30 June 2020 has been determined by using the net asset value at the fund closing date deducting with the amount received from the fund according to the announcement from the fund management company, as disclosed in Note 4 to the interim financial statements.

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

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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, short-term loans from financial institution, bank overdrafts from financial institution, short-term loans from and interest payable to related parties, and trade and other payables, their carrying amounts in the statements of financial position approximate their fair values.
- b) For share return receivables, their carrying amounts in the statements of financial position approximates their fair values.
- c) For long-term loan carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximates their fair values.

27. Reclassification

Except the reclassification as a result from the adoption of new accounting standards as disclosed in Note 2 to the interim financial statements, the Group has reclassified certain accounts in the financial statements for the three-month and six-month periods ended 30 June 2019 to conform to the current period's classification, as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 30 June 2019	
	<u>Consolidated financial statements</u>	
	As reclassified	As previously reported
Statement of comprehensive income		
<u>Revenues</u>		
Interest income	120	-
Other income	5,167	5,287


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(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended
30 June 2019

Separate financial statements

Statement of comprehensive income

Revenues

	As reclassified	As previously reported
Interest income	247	-
Other income	6,846	7,093

(Unit: Thousand Baht)

For the six-month periods ended
30 June 2019

Consolidated financial statements

Statement of comprehensive income

Revenues

	As reclassified	As previously reported
Interest income	262	-
Other income	9,511	9,773

(Unit: Thousand Baht)

For the six-month periods ended
30 June 2019


Separate financial statements

Statement of comprehensive income

Revenues

	As reclassified	As previously reported
Interest income	330	-
Other income	12,839	13,169


The reclassifications had no effect to previously reported net profit or shareholders' equity.


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28. Approval of interim financial statements

These interim financial statements were authorised to issue by the Company's Board of Directors on 14 August 2020.


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