

Siam Wellness Group Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2022

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Siam Wellness Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Siam Wellness Group Public Company Limited and its subsidiaries as at 30 September 2022, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statement of changes in shareholders' equity and cash flows for the nine-month period 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 periods (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 1.2 to the interim consolidated financial statements. The business operation of the Group has been affected from the effect of the COVID-19 pandemic in terms of spa and hotel service business. Since the COVID-19 situation has not subsided from 2020 up to the present, the number of customers has yet to return to pre-pandemic levels. This situation is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future, also the assessment of the financial impact in respect of an uncertainty of the COVID-19 pandemic situation.

As a result of such situation, as at 30 September 2022 the Group had total current liabilities exceeded its total current assets by Baht 204.6 million (the Company only: Baht 247.8 million) and had operating losses for the three-month and nine-month periods ended 30 September 2022 of Baht 15.0 million and 101.7 million, respectively (the Company only: Baht 13.9 million and Baht 105.2 million, respectively). 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 store. The Group has also successfully negotiated with its bank to defer loan principal repayments at least by 12 months for most of loan facilities, 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 and for using in its operations. Furthermore, the Group is in the process of implementing a business plan to improve its operations and turn a profit in the future. In addition, the government approved for the relief of COVID-19 pandemic control measures since 1 May 2022 onwards. The Group believes that it will be able to continue its operation as a going concern. However, these circumstances indicate that a material uncertainty exists that may cast significant doubts on 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 conclusion is not modified in respect of this matter.



Kirdsiri Kanjanaprakasit

Certified Public Accountant (Thailand) No. 6014

EY Office Limited

Bangkok: 9 November 2022

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2022

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	131,270	109,854	95,331	79,629
Current investments	4	4	1	1
Trade and other receivables	3, 4	18,724	15,260	19,400
Lease receivables - current portion	3	-	-	333
Share return receivables - current portion	5	9,007	9,197	9,007
Inventories	6	30,590	27,812	27,352
Other current assets		8,829	8,371	7,755
		198,424	170,498	159,179
Non-current assets classified as held for sale	7	32,295	32,295	32,295
Total current assets		230,719	202,793	191,474
Non-current assets				
Lease receivables - net of current portion	3	-	-	22,594
Share return receivables - net of current portion	5	31,307	32,192	31,307
Investments in subsidiaries		-	-	101,705
Property, plant and equipment	8	970,735	946,642	898,371
Right-of-use assets	9	1,032,851	945,575	1,008,309
Goodwill		24,536	24,536	20,340
Intangible assets		6,717	8,005	6,655
Deferred tax assets		1,406	1,187	-
Deposits	10	72,238	73,050	71,185
Advance payment for purchase of assets		1,108	16,981	1,108
Other non-current assets		3,555	6,875	3,436
Total non-current assets		2,144,453	2,055,043	2,165,010
Total assets		2,375,172	2,257,836	2,356,484

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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2022	31 December 2021	30 September 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3	77,964	37,039	95,679	50,206
Current portion of long-term loans	11	121,441	114,469	114,348	108,214
Current portion of lease liabilities	3, 12	180,918	175,496	177,916	172,503
Income tax payable		1,722	316	-	-
Advance received - current portion		48,241	45,140	46,798	44,176
Other current liabilities		5,081	1,780	4,506	1,133
Total current liabilities		435,367	374,240	439,247	376,232
Non-current liabilities					
Long term loans - net of current portion	11	475,194	407,166	438,137	369,271
Long-term loans from related parties	3	-	-	28,000	30,000
Lease liabilities - net of current portion	3, 12	916,219	822,644	913,914	818,035
Advance received - net of current portion		3,604	5,989	3,604	5,989
Provision for long-term employee benefits		9,963	9,951	8,594	8,699
Deferred tax liabilities		2,673	3,025	2,673	3,025
Other non-current liabilities		15,345	16,329	14,439	15,526
Total non-current liabilities		1,422,998	1,265,104	1,409,361	1,250,545
Total liabilities		1,858,365	1,639,344	1,848,608	1,626,777

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

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Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
855,000,000 ordinary shares of Baht 0.25 each	213,750	213,750	213,750	213,750
Issued and paid-up				
854,999,928 ordinary shares of Baht 0.25 each	213,750	213,750	213,750	213,750
Share premium	278,906	278,906	278,906	278,906
Discount on business combination under common control	(46,226)	(46,226)	-	-
Retained earnings (deficit)				
Appropriated - statutory reserve	17,399	17,399	14,250	14,250
Unappropriated	(37,592)	64,093	(89,597)	15,595
Other components of shareholders' equity	90,567	90,567	90,567	90,567
Equity attributable to shareholders' of the Company	516,804	618,489	507,876	613,068
Non-controlling interests of the subsidiaries	3	3	-	-
Total shareholders' equity	516,807	618,492	507,876	613,068
Total liabilities and shareholders' equity	2,375,172	2,257,836	2,356,484	2,239,845

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

Directors

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Profit or loss:					
Revenues					
Revenue from sales		16,167	6,201	6,129	1,733
Revenue from services		179,641	6,837	176,452	6,627
Interest income		390	490	54	485
Other income		1,712	1,328	3,097	1,137
Total revenues		197,910	14,856	185,732	9,982
Expenses					
Cost of sales		9,665	3,566	4,318	1,739
Cost of services		158,236	52,213	155,695	49,350
Selling and distribution expenses		10,090	4,597	7,515	2,667
Administrative expenses		22,410	23,534	19,718	20,717
Total expenses		200,401	83,910	187,246	74,473
Loss from operating activities		(2,491)	(69,054)	(1,514)	(64,491)
Finance cost		(13,667)	(10,964)	(13,306)	(10,880)
Loss before tax income		(16,158)	(80,018)	(14,820)	(75,371)
Tax income	13	1,174	2,164	929	2,286
Loss for the period		(14,984)	(77,854)	(13,891)	(73,085)
Other comprehensive income:					
Other comprehensive income		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(14,984)	(77,854)	(13,891)	(73,085)
Profit attributable to:					
Equity holders of the Company		(14,984)	(77,853)	(13,891)	(73,085)
Non-controlling interests of the subsidiaries		-	(1)	-	-
		(14,984)	(77,854)		
Total comprehensive income attributable to:					
Equity holders of the Company		(14,984)	(77,853)	(13,891)	(73,085)
Non-controlling interests of the subsidiaries		-	(1)	-	-
		(14,984)	(77,854)		
(Unit: Baht per share)					
Earnings per share					
Basic loss per share					
Loss attributable to equity holders of the Company		(0.018)	(0.091)	(0.016)	(0.085)

(Unit: Baht per share)

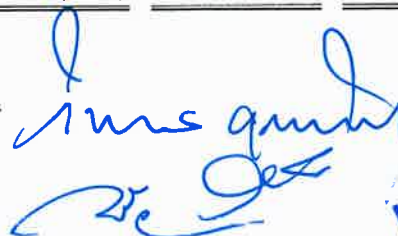
Earnings per share

Basic loss per share

Loss attributable to equity holders of the Company

(0.018)	(0.091)	(0.016)	(0.085)
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The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Revenue from sales		74,370	22,233	22,111	5,745
Revenue from services		363,871	68,039	358,050	67,105
Interest income		1,154	1,558	1,462	1,542
Other income		6,817	2,748	9,917	4,117
Total revenues		<u>446,212</u>	<u>94,578</u>	<u>391,540</u>	<u>78,509</u>
Expenses					
Cost of sales		45,089	14,508	16,024	5,048
Cost of services		373,161	214,262	367,825	204,417
Selling and distribution expenses		24,595	16,543	18,395	10,859
Administrative expenses		68,294	64,201	60,712	56,307
Total expenses		<u>511,139</u>	<u>309,514</u>	<u>462,956</u>	<u>276,631</u>
Loss from operating activities		<u>(64,927)</u>	<u>(214,936)</u>	<u>(71,416)</u>	<u>(198,122)</u>
Finance cost		<u>(34,905)</u>	<u>(33,374)</u>	<u>(34,127)</u>	<u>(32,972)</u>
Loss before tax income		<u>(99,832)</u>	<u>(248,310)</u>	<u>(105,543)</u>	<u>(231,094)</u>
Tax income (expenses)	13	<u>(1,853)</u>	<u>7,597</u>	<u>351</u>	<u>7,377</u>
Loss for the period		<u>(101,685)</u>	<u>(240,713)</u>	<u>(105,192)</u>	<u>(223,717)</u>
Other comprehensive income:					
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>(101,685)</u>	<u>(240,713)</u>	<u>(105,192)</u>	<u>(223,717)</u>
Profit attributable to:					
Equity holders of the Company		<u>(101,685)</u>	<u>(240,712)</u>	<u>(105,192)</u>	<u>(223,717)</u>
Non-controlling interests of the subsidiaries		<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
		<u>(101,685)</u>	<u>(240,713)</u>	<u>(105,192)</u>	<u>(223,717)</u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>(101,685)</u>	<u>(240,712)</u>	<u>(105,192)</u>	<u>(223,717)</u>
Non-controlling interests of the subsidiaries		<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
		<u>(101,685)</u>	<u>(240,713)</u>	<u>(105,192)</u>	<u>(223,717)</u>
Earnings per share					
Basic loss per share					
Loss attributable to equity holders of the Company		<u>(0.119)</u>	<u>(0.282)</u>	<u>(0.123)</u>	<u>(0.262)</u>

(Unit: Baht per share)

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



(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the nine-month period ended 30 September 2022

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to shareholders of the Company										Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Other components of shareholders' equity											
	Issued and fully paid-up share capital	Share premium	Discount on business combination under common control	Retained earnings (deficit)		Surplus on revaluation of assets	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company				
				Appropriated - statutory reserve	Unappropriated							
Balance as at 1 January 2021	213,750	278,906	(46,226)	17,399	350,812	90,567	90,567	905,208	4	905,212		
Loss for the period	-	-	-	-	(240,712)	-	-	(240,712)	(1)	(240,713)		
Other comprehensive income	-	-	-	-	-	-	-	-	-	-		
Total comprehensive income for the period	-	-	-	-	(240,712)	-	-	(240,712)	(1)	(240,713)		
Balance as at 30 September 2021	213,750	278,906	(46,226)	17,399	110,100	90,567	90,567	664,496	3	664,499		
Balance as at 1 January 2022	213,750	278,906	(46,226)	17,399	64,093	90,567	90,567	618,489	3	618,492		
Loss for the period	-	-	-	-	(101,685)	-	-	(101,685)	-	(101,685)		
Other comprehensive income	-	-	-	-	-	-	-	-	-	-		
Total comprehensive income for the period	-	-	-	-	(101,685)	-	-	(101,685)	-	(101,685)		
Balance as at 30 September 2022	213,750	278,906	(46,226)	17,399	(37,592)	90,567	90,567	516,804	3	516,807		

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 changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2022

(Unit: Thousand Baht)

Separate financial statements

	Other components of shareholders' equity						
	Other comprehensive income						Total
	Issued and fully paid-up share capital	Share premium	Retained earnings (deficit)	Surplus on revaluation of assets	other components of shareholders' equity	shareholders' equity	
			Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2021	213,750	278,906	14,250	287,303	90,567	90,567	884,776
Loss for the period	-	-	-	(223,717)	-	-	(223,717)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(223,717)	-	-	(223,717)
Balance as at 30 September 2021	213,750	278,906	14,250	63,586	90,567	90,567	661,059
Balance as at 1 January 2022	213,750	278,906	14,250	15,595	90,567	90,567	613,068
Loss for the period	-	-	-	(105,192)	-	-	(105,192)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(105,192)	-	-	(105,192)
Balance as at 30 September 2022	213,750	278,906	14,250	(89,597)	90,567	90,567	507,876

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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and Its subsidiaries

Statement of cash flows

For the nine-month period ended 30 September 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Loss before tax	(99,832)	(248,310)	(105,543)	(231,094)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	230,256	246,361	220,696	235,305
Unrealised loss on change in fair value of share return receivable	1,075	894	1,075	894
Bad debts and expected credit losses (reversal)	(372)	6,840	(98)	6,533
Reduction of inventories to net realisable value (reversal)	(2,190)	5,042	(3,482)	3,376
Gain on disposal of property, plant and equipment	(22)	(72)	(19)	(72)
Gain on lease agreements cancellation	(1,684)	(99)	(1,684)	(99)
Loss on write-off of property, plant and equipment	6,402	2,667	6,402	2,667
Loss on impairment of property, plant and equipment (reversal)	(1,438)	6,457	(1,438)	6,457
Gain from rental discount - lease liabilities	(67,989)	(96,442)	(66,719)	(94,142)
Gain from rental discount - interest expenses	(9,485)	(16,007)	(9,039)	(15,927)
Loss from rental discount given to the lessees	-	-	187	123
Long-term employee benefit expenses (reversal)	12	(531)	(105)	(646)
Write-off of withholding taxes deducted at source	393	876	327	851
Interest income	(1,125)	(1,545)	(1,438)	(1,536)
Interest expenses	34,905	33,374	34,127	32,972
Profit (loss) from operating activities before changes				
In operating assets and liabilities	88,906	(60,495)	73,249	(54,338)
Decrease (increase) in operating assets				
Trade and other receivables	(3,092)	8,375	(6,819)	7,952
Inventories	(588)	4,648	(850)	7,402
Other current assets	93	4,353	(382)	2,756
Deposits	1,329	5,493	1,774	5,580
Other non-current assets	2,053	(3,401)	2,049	(3,408)
Decrease in operating liabilities				
Trade and other payables	36,874	(6,327)	41,599	(3,702)
Advance received	716	(41)	237	(569)
Other current liabilities	3,301	(1,065)	3,372	(673)
Other non-current liabilities	(1,416)	(1,519)	(1,510)	(1,341)
Cash flows from (used in) operating activities	128,176	(49,979)	112,719	(40,341)
Cash paid for interest expenses	(25,036)	(16,966)	(24,674)	(16,656)
Cash paid for income tax	(1,362)	(3,612)	(341)	(285)
Net cash flows from (used in) operating activities	101,778	(70,557)	87,704	(57,282)

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



(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and Its subsidiaries

Statement of cash flows (continued)

For the nine-month period ended 30 September 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Decrease in restricted deposits at financial institution	-	5,159	-	-
Cash paid for acquisition of property, plant and equipment	(100,601)	(11,202)	(91,530)	(10,745)
Cash paid for acquisition of intangible assets	(284)	(28)	(284)	(28)
Cash paid in advance for purchase of assets	-	(4,170)	-	(4,170)
Cash received from lease receivables	-	-	35	-
Proceed from disposal of property, plant and equipment	22	300	19	300
Cash received from interest income	47	53	369	46
Net cash flows used in investing activities	(100,816)	(9,888)	(91,391)	(14,597)
Cash flows from financing activities				
Repayment in liabilities under lease agreement	(54,546)	(28,188)	(53,611)	(28,356)
Cash received from long-term loans from financial institution	75,000	121,150	75,000	102,000
Cash paid for repayment of long-term loan from financial institution	-	(10,682)	-	(10,682)
Cash paid for long-term loans from subsidiary	-	-	(2,000)	-
Net cash flows from financing activities	20,454	82,280	19,389	62,962
Net increase (decrease) in cash and cash equivalents	21,416	1,835	15,702	(8,917)
Cash and cash equivalents at beginning of period	109,854	114,526	79,629	91,133
Cash and cash equivalents at end of period	131,270	116,361	95,331	82,216

Supplemental cash flows information

Non-cash transactions

Increase (decrease) in liabilities from acquisition of property, plant and equipment	4,051	(1,092)	3,827	(1,073)
Increase in provision for dismantling, removing and restoring of leasehold improvements	187	247	187	240
Increase (decrease) in right-of-use assets from effect of modification of lease agreements	(10,609)	31,196	(7,553)	30,867
Increase (decrease) in right-of-use assets from cancellation of lease agreements	(17,264)	11,041	(17,264)	11,041
Increase in right-of-use assets from new agreements	251,277	531	251,277	531
Increase (decrease) in lease liabilities from modification of lease agreements	(10,609)	32,494	(10,519)	32,165
Increase (decrease) in lease liabilities from cancellation of lease agreements	(18,948)	11,140	(18,948)	11,140
Increase in lease liabilities from new agreements	251,089	531	251,089	531

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



Siam Wellness Group Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month and nine-month periods ended 30 September 2022

1. General information

1.1 General information of the Company

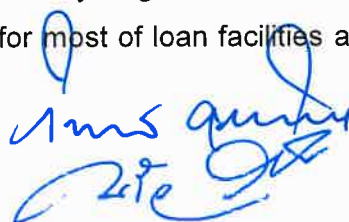
Siam Wellness Group Public Company Limited ("the Company") was incorporated as limited company under the laws of Thailand on 28 November 2001. The Company operates in Thailand and principally engages in spa services business. Its registered head office is at No. 565, 567, 22nd Floor B.U. Place Building, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Dindang, Bangkok. As at 30 September 2022, the Company has a total of 64 branches in Bangkok and upcountry (31 December 2021: 65 branches) and 5 foreign branches according to the franchise agreement (31 December 2021: 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 business operation of the Group has been affected from the effect of the COVID-19 pandemic in terms of spa and hotel service business. Since the COVID-19 situation has not subsided from 2020 up to the present, the number of customers has yet to return to pre-pandemic levels. This situation is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future, also the assessment of the financial impact in respect of an uncertainty of the COVID-19 pandemic situation.

As a result of such situation, as at 30 September 2022 the Group had total current liabilities exceeded its total current assets by Baht 204.6 million (the Company only: Baht 247.8 million) and had operating losses for the three-month and nine-month periods ended 30 September 2022 of Baht 15.0 million and Baht 101.7 million, respectively (the Company only: Baht 13.9 million and Baht 105.2 million, respectively). Although these circumstances may cast significant doubt on the Group's ability to continue its business as a going concern, 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 store. In addition, the Group received waiver letters for not complying with such covenants from the bank and has also successfully negotiated with its bank to defer loan principal repayments at least by 12 months for most of loan facilities as discussed in Note 11 to the



interim consolidated financial statements, 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 and for using in its operations. Furthermore, the Group is in the process of implementing a business plan to improve its operations and turn a profit in the future. In addition, the government approved for the relief of COVID-19 pandemic control measures since 1 May 2022 onwards. The Group 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 interim financial statements for the three-month and nine-month periods ended 30 September 2022 based on the assumption that the Group will continue its operations as a going concern.

1.3 Basis for the preparation of interim financial information

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

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

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

1.4 Basis of preparation of the interim consolidated financial statements

The interim consolidated financial statements include the financial statements of Siam Wellness Group Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") (collectively as "the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021, with no change in shareholding structure of subsidiaries during the current period. Except, the dissolution of Siam Wellness Group (Cambodia) Co., Ltd., a subsidiary, which was approved by a relevant authority in Cambodia on 15 March 2022 (this subsidiary did not have any operations since its incorporation date).



2. 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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have significant impact on the Group's financial statements.

3. Related party transactions

During the period, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties as follows.

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Revenue from sales and services	-	-	0.2	1.7	Contract price
Revenue from rental and utilities	-	-	1.0	0.3	Contract price
Other income	-	-	1.2	-	Contract price
Purchase of goods	-	-	4.2	0.1	Contract price
Return of goods	-	-	-	0.4	Contract price
Service expenses	-	-	4.1	0.2	Contract price
Rental and utilities expenses	-	-	0.1	0.4	Contract price
Interest expenses	-	-	0.1	0.1	1.52% and 2.25% per annum
<u>Transactions with related parties</u>					
Revenue from sales and services	0.1	-	0.1	-	Contract price
Other income	1.0	0.3	-	-	Contract price
Purchase of goods	1.5	0.1	1.5	-	Contract price
Service expenses	1.4	0.8	1.1	0.2	Contract price
Rental and utilities expenses	4.3	0.7	3.5	0.4	Contract price



(Unaudited but reviewed)

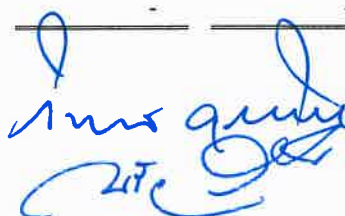
(Unit: Million Baht)

	For the nine-month periods ended 30 September				
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Revenue from sales and services	-	-	1.0	3.3	Contract price
Revenue from rental and utilities	-	-	2.0	2.5	Contract price
Other income	-	-	3.4	2.0	Contract price
Purchase of goods	-	-	17.3	1.1	Contract price
Return of goods	-	-	-	1.4	Contract price
Service expenses	-	-	6.5	0.8	Contract price
Commission expenses	-	-	0.1	-	Contract price
Advertising expenses	-	-	0.2	0.1	Contract price
Rental and utilities expenses	-	-	0.4	0.4	Contract price
Interest expenses	-	-	0.4	0.4	1.52% and 2.25% per annum
Sale of fixed assets	-	-	0.4	-	Actual price
<u>Transactions with related parties</u>					
Revenue from sales and services	2.2	0.2	0.2	0.1	Contract price
Other income	1.3	1.2	-	-	Contract price
Purchase of goods	3.4	0.3	2.7	0.1	Contract price
Service expenses	2.5	2.5	1.4	0.8	Contract price
Rental and utilities expenses	8.1	4.2	5.8	2.6	Contract price

The balances of the accounts as at 30 September 2022 and 31 December 2021 between the Company, subsidiaries and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
<u>Trade receivables - subsidiaries (Note 4)</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	1,984	710
Siam Wellness Lab Co., Ltd.	-	-	3,426	1,544
Siam Wellness Education Co., Ltd.	-	-	793	224
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	564	496
Total	-	-	6,767	2,974



(Unaudited but reviewed)

(Unit: Thousand Baht)

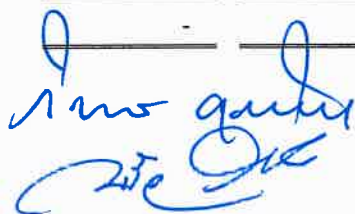
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 4)</u>				
Blooming Co., Ltd.	2,385	2,398	-	-
Cyberprint Group Co., Ltd.	-	32	-	-
B.U. Enterprise Co., Ltd.	1	6	1	2
Sawangasuk Co., Ltd.	3,468	2,188	1	23
Director of subsidiaries	4	16	-	-
Total	5,858	4,640	2	25
<u>Other receivables - subsidiaries (Note 4)</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	47	10
Siam Wellness Group (Hong Kong) Co., Ltd.	-	-	281	270
Shanghai Jia Tai Health Management Co., Ltd.	-	-	230	230
Total	-	-	558	510
<u>Other receivables - related parties (Note 4)</u>				
Klom Kliao Pattana Co., Ltd.	-	300	-	300
Related person	-	116	-	116
Total	-	416	-	416
<u>Lease receivables - subsidiaries</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	20,295	23,150
Siam Wellness Lab Co., Ltd.	-	-	1,349	1,512
Siam Wellness Education Co., Ltd.	-	-	233	264
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	1,050	1,188
Total	-	-	22,927	26,114
Current	-	-	333	359
Non-current	-	-	22,594	25,755
	-	-	22,927	26,114

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(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2022	31 December 2021 (Audited)	30 September 2022	31 December 2021 (Audited)
<u>Long-term loans from subsidiaries</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	15,000	15,000
Siam Wellness Lab Co., Ltd.	-	-	10,000	10,000
Siam Wellness Education Co., Ltd.	-	-	3,000	5,000
Total	-	-	28,000	30,000
<u>Trade payables - subsidiaries</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	2,587	1,925
Siam Wellness Lab Co., Ltd.	-	-	10,527	6,743
Siam Wellness Education Co., Ltd.	-	-	8,439	3,909
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	2,442	3,275
Total	-	-	23,995	15,852
<u>Trade payables - related parties</u>				
Blooming Co., Ltd.	1,428	514	1,242	160
Blooming Intergift Co., Ltd.	15	833	15	833
B.U. Enterprise Co., Ltd.	87	58	56	41
Cyberprint Group Co., Ltd.	154	189	134	174
Asian Fortune Property Co., Ltd.	2,625	82	2,625	82
Klom Kliao Pattana Co., Ltd.	237	20	150	-
G.G.P. Property Co., Ltd.	120	-	120	-
Sawangasuk Co., Ltd.	116	301	-	-
Directors of the Company	58	-	58	-
Total	4,840	1,997	4,400	1,290
<u>Other payables - subsidiaries</u>				
(Being eliminated from the consolidated financial statement)				
Siam Wellness Resort Co., Ltd.	-	-	-	195
Siam Wellness Education Co., Ltd.	-	-	3	11
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	35	70
Total	-	-	38	276



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
<u>Other payables - related parties</u>				
Directors of the Company	138	220	112	182
Total	138	220	112	182
<u>Interest payables - subsidiaries</u>				
(Being eliminated from the consolidated financial statement)				
Siam Wellness Resort Co., Ltd.	-	-	28	-
Siam Wellness Lab Co., Ltd.	-	-	12	-
Siam Wellness Education Co., Ltd.	-	-	6	-
Total	-	-	46	-
<u>Lease liabilities - a subsidiary</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Education Co., Ltd.	-	-	1,076	1,502
Total	-	-	1,076	1,502
Current	-	-	581	570
Non-Current	-	-	495	932
	-	-	1,076	1,502
<u>Lease liabilities - related parties</u>				
Blooming Intergift Co., Ltd.	2,244	2,690	2,244	2,690
B.U. Enterprise Co., Ltd.	6,695	11,509	843	3,338
Asian Fortune Property Co., Ltd.	34,814	43,757	34,814	43,757
Klom Kliao Pattana Co., Ltd.	56,221	65,862	55,689	64,929
G.G.P. Property Co., Ltd.	2,469	2,774	2,469	2,774
Director of the related company	7,175	9,049	7,175	9,049
Total	109,618	135,641	103,234	126,537
Current	21,532	24,020	17,948	20,457
Non-Current	88,086	111,621	85,286	106,080
	109,618	135,641	103,234	126,537



Long-term loans from related parties

As at 30 September 2022 and 31 December 2021, the balance of long-term loan from subsidiaries and the movement is as follows:

(Unit: Thousand Baht)

Lender	Interest rate (% p.a.)	Separate financial statements			
		Balance as at 31 December	During the period		Balance as at 30 September
		2021	Increase	Decrease	2022
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	-	(2,000)	3,000
Total		30,000	-	(2,000)	28,000

The outstanding balance as at 30 September 2022 and 31 December 2021 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 three-month and nine-month periods ended 30 September 2022 and 2021, employee benefit expenses payable to their directors and management of the Company and its subsidiaries are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	4.2	2.6	4.2	2.6
Post-employment benefits	0.2	0.2	0.2	0.2
Total	4.4	2.8	4.4	2.8



(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	11.2	7.8	11.2	7.8
Post-employment benefits	0.5	(1.1)	0.5	(1.1)
Total	11.7	6.7	11.7	6.7

Guarantee obligations with related parties

The Company has guarantee obligations to subsidiaries as disclosed in Note 17 to the consolidated financial statements of the year 2021.

4. Trade and other receivables

			(Unit: Thousand Baht)	
	Consolidated financial		Separate financial	
	statements		statements	
	30 September 2022	31 December 2021 (Audited)	30 September 2022	31 December 2021 (Audited)
Aged on the basis of due dates				
Not yet due	236	45	951	825
Past due				
Up to 3 months	1,167	1,860	1,771	676
3 - 6 months	606	350	1,280	374
6 - 12 months	1,464	-	1,390	1,087
Over 12 months	2,385	2,385	1,377	37
Total trade receivables - related parties, net	5,858	4,640	6,769	2,999

Trade receivables - related parties (Note 3)

Aged on the basis of due dates

Not yet due	236	45	951	825
Past due				
Up to 3 months	1,167	1,860	1,771	676
3 - 6 months	606	350	1,280	374
6 - 12 months	1,464	-	1,390	1,087
Over 12 months	2,385	2,385	1,377	37

Total trade receivables - related parties, net



(Unaudited but reviewed)

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	30 September 2022	31 December 2021 (Audited)	30 September 2022	31 December 2021 (Audited)
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	918	2,020	564	1,321
Past due				
Up to 3 months	11,242	7,092	11,022	6,515
3 - 6 months	145	68	139	15
6 - 12 months	42	1,867	41	1,762
Over 12 months	8,820	7,426	8,439	6,847
Total	21,167	18,473	20,205	16,460
Less: Allowance for expected credit loss	(8,894)	(9,266)	(8,512)	(8,610)
Total trade receivables - unrelated parties, net	12,273	9,207	11,693	7,850
Total trade receivable - net	18,131	13,847	18,462	10,849
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	-	416	558	926
Other receivables - unrelated parties	906	1,310	693	1,021
Less: Allowance for expected credit loss	(313)	(313)	(313)	(313)
Total other receivables, net	593	1,413	938	1,634
Total trade and other receivables - net	18,724	15,260	19,400	12,483

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 2022	9,579	8,923
Expected credit losses during the period	71	42
Reversal during the period	(443)	(140)
As at 30 September 2022	9,207	8,825

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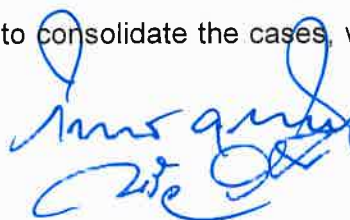
5. Share return receivables

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 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 2021 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.

Subsequently, the Company could not draw the money from the cheques which were due on 30 June 2020, 30 September 2020, 31 December 2020, 31 March 2021, and 30 June 2021 totaling Baht 45 million (cheques No. 4 to No. 8). The management of the Company has followed up and filed a lawsuit against the former shareholders for these five cheques that cannot be drawn on August 2020, October 2020, January 2021, May 2021, and July 2021 respectively, both for criminal cases and civil suit. 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. For criminal cases, the defendant lost the case relating to the cheque No.4 according to the judgment of the Court of First Instance in January 2022. Currently, the case is in the process of consideration by the Appeal Court. For the cheques No.5 to No.8, the Court allowed to consolidate the cases, which the Court of First Instance



had the judgment that the defendant lost the cases in June 2022. Currently, the case is also in the process of consideration by the Appeal Court. For civil suit, the defendant lost the case relating to the cheque No.4 to No.8 according to the judgment of the Court of First Instance in May 2022. Currently, the Appeal Court is in the process of consideration for the request to stay the execution of the case made by the defendant. 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 the amount to be received within one year amounting to Baht 9.0 million.

The movement of share return receivables from the former shareholders for the nine-month period ended 30 September 2022 are as detailed below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2022	41,389
Decrease from change in fair value during the period	(1,075)
Share return receivables as at 30 September 2022	40,314
Less: Current portion	(9,007)
Share return receivables - net of current portion	31,307

6. Inventories

Movements in the allowance for diminution in value of inventories account during the nine-month period ended 30 September 2022, are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	10,781	8,031
Add: Allowance for diminution in value of inventories made during the period	2,067	464
Less: Reversal of allowance for diminution in value of inventories made during the period	(4,257)	(3,947)
Balance as 30 September 2022	8,591	4,548

7. Non-current assets classified as held for sale

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 2021, the Company received the deposit totaling 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, due to the COVID-19 pandemic situation which has not yet relieved, the Company entered into the memorandum of the agreement with the buyer to postpone the settlement for the remaining amount to be within December 2022.

As at 30 September 2022, the Company has pledged its non-current assets classified as held for sale with net book value of Baht 32.3 million (31 December 2021: Baht 32.3 million) as collateral against its bank overdrafts facilities and long-term loans facilities as disclosed in Note 11 to the interim consolidated financial statements.

8. Property, plant and equipment

A reconciliation of net book value of property, plant and equipment for the nine-month period ended 30 September 2022 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2022	946,642	877,074
Additions	120,524	111,230
Written-off during the period (net book value as at write-off date)	(6,402)	(6,402)
Depreciation for the period	(91,467)	(84,969)
Reversal of allowance for impairment during the period	1,438	1,438
Net book value as at 30 September 2022	970,735	898,371

As at 30 September 2022, the Company has pledged its land and structures thereon with net book value of Baht 314.3 million as collateral against its bank overdrafts facilities and long-term loans facilities as disclosed in Note 11 to the interim consolidated financial statements.



9. Right-of-use assets

Movements of right-of-use assets account during the nine-month period ended 30 September 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2022	945,575	914,943
Additions	251,277	251,277
Amortisation for the period	(136,128)	(133,094)
Effect of cancellation of lease agreements	(17,264)	(17,264)
Effect of modification of lease agreements	(10,609)	(7,553)
Net book value as at 30 September 2022	1,032,851	1,008,309

10. Deposits

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2022	73,050	72,449
Additions during the period	3,896	3,451
Decrease during the period	(5,225)	(5,225)
Interest income	1,079	1,069
Effect of modification agreements	17	17
Adjustment to the present value during the period	(579)	(576)
Net book value as at 30 September 2022	72,238	71,185

11. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
Loan no.	30 September 2022	31 December 2021	30 September 2022	31 December 2021
		(Audited)		(Audited)
1	56,900	56,900	56,900	56,900
2	47,600	47,600	47,600	47,600
3	140,985	140,985	140,985	140,985

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(Unaudited but reviewed)

Loan no.	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
		(Audited)		(Audited)
4	20,000	20,000	20,000	20,000
5	10,000	10,000	-	-
6	5,000	5,000	-	-
7	10,000	10,000	-	-
8	23,000	23,000	23,000	23,000
9	89,000	89,000	89,000	89,000
10	80,000	80,000	80,000	80,000
11	10,000	10,000	-	-
12	6,150	6,150	-	-
13	3,000	3,000	-	-
14	95,000	20,000	95,000	20,000
Total	596,635	521,635	552,485	477,485
Less: Current portion	(121,441)	(114,469)	(114,348)	(108,214)
Long-term loans, net of current portion	475,194	407,166	438,137	369,271

During the current period, there were no significant changes in the facility amount, interest rate, repayment condition, and collateral of the above loan facilities as have been disclosed in Note 6, Note 13, and Note 17 to the consolidated financial statements of the year 2021, except loan facilities regarding revision of repayment condition as follows:

Loan no.	Facility amount (Million Baht)	Modified loan agreement date	Repayment
1	240	22 March 2022	Revised its principal repayment condition since March 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principal and interests will be in March 2024.
2	80	22 March 2022	Revised its principal repayment condition since March 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principal and interests will be in February 2026.
3	160	6 May 2022	Revised its principal repayment condition since May 2022 onwards, with the first repayment will be proceeded in January 2023. The last repayment of principal and interests will be in August 2027.

Loan no.	Facility amount (Million Baht)	Modified loan agreement date	Repayment
4	20	22 March 2022	Revised its principal repayment condition since April 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principal and interests will be in February 2026.
5	10	22 March 2022	Revised its principal repayment condition since April 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principal and interests will be in February 2026.
6	5	22 March 2022	Revised its principal repayment condition since April 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principal and interests will be in February 2026.
7	10	22 March 2022	Revised its principal repayment condition since April 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principal and interests will be in February 2026.
8	23	22 March 2022	Revised its principal repayment condition since March 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principal and interests will be in October 2026.
9	89	22 March 2022	Revised its principal repayment condition since March 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principal and interests will be in November 2026.

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

As at 30 September 2022, the Company was unable to maintain some financial ratio covenants under the loan agreements (unrelated to principal and interest payment) for loan facilities No. 1, No. 2 and No. 8 to No. 10 which in September 2022, the Company and subsidiaries have received waiver letters for not complying with such covenants from the financial institution. As a result, the outstanding balances as at 30 September 2022 of the loan facilities are classified as current liabilities according to the conditions specified in the loan agreements.

As at 30 September 2022, long-term credit facilities of a Company which have not yet been drawn down amounted to Baht 37 million (31 December 2021: Baht 112 million).



(Unaudited but reviewed)

Movements in the long-term loans during the nine-month period ended 30 September 2022 is summarised below:

(Unit: Thousand Baht)

	Consolidated financial statement	Separate financial statement
Balance as at 1 January 2022	521,635	477,485
Add: Increase during the period	75,000	75,000
Balance as at 30 September 2022	596,635	552,485

12. Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
		(Audited)		(Audited)
Lease payments	1,297,834	1,106,431	1,292,415	1,098,606
Less: Deferred interest expenses	(200,697)	(108,291)	(200,585)	(108,068)
Total	1,097,137	998,140	1,091,830	990,538
Less: Current portion	(180,918)	(175,496)	(177,916)	(172,503)
Lease liabilities - net of current portion	916,219	822,644	913,914	818,035

Movements of lease liabilities during the nine-month period ended 30 September 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	998,140	990,538
Increase during the period	251,089	251,089
Decrease from repayment during the period	(54,546)	(53,611)
Decrease from rental discount received during the period	(67,989)	(66,719)
Effect of changes from cancellation of lease agreements	(18,948)	(18,948)
Effect of changes from modification of lease agreements	(10,609)	(10,519)
Balance as at 30 September 2022	1,097,137	1,091,830



13. 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.

Tax expenses (income) for the three-month and nine-month periods ended 30 September 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)				
For the three-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Interim corporate income tax charge	30	130	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,204)	(2,294)	(929)	(2,286)
Tax income in profit or loss	(1,174)	(2,164)	(929)	(2,286)

(Unit: Thousand Baht)				
For the nine-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Interim corporate income tax charge	2,424	172	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(571)	(7,769)	(351)	(7,377)
Tax expenses (income) reported in profit or loss	1,853	(7,597)	(351)	(7,377)

14. Segment information

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

The following table presents revenue and profit (loss) information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2022 and 2021.

(Unit: Million Baht)

For the three-month periods ended 30 September										
	Spa services		Sales of spa products and healthy products		Hotel and restaurant		Elimination		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	177	6	9	5	10	2	-	-	196	13
Internal - segment revenues	4	1	5	2	-	-	(9)	(3)	-	-
Total revenues	181	7	14	7	10	2	(9)	(3)	196	13
Segment profit (loss)	20	(44)	7	4	1	(2)	-	-	28	(42)
Revenues and expenses which have not been allocated:										
Other income									2	1
Selling and distribution expenses									(10)	(5)
Administrative expenses									(22)	(23)
Finance cost									(14)	(11)
Loss before tax income									(16)	(80)
Tax income									1	2
Total loss for the period									(15)	(78)
Other significant non-cash items:										
Write-off property, plant and equipment	(2)	(3)	-	-	-	-	-	-	(2)	(3)
Depreciation and amortisation	(78)	(81)	-	-	(1)	(2)	-	-	(79)	(83)
Loss on impairment of property, plant and equipment	-	7	-	-	-	-	-	-	-	7



(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Sales of spa								Total	
	Spa services		products and healthy products		Hotel and restaurant		Elimination			
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	358	67	60	18	20	5	-	-	438	90
Internal - segment revenues	6	1	38	5	1	-	(45)	(6)	-	-
Total revenues	364	68	98	23	21	5	(45)	(6)	438	90
Segment profit (loss)	(11)	(141)	30	11	1	(8)	-	-	20	(138)
Revenues and expenses which have not been allocated:										
Interest income									1	1
Other income									7	3
Selling and distribution expenses									(25)	(17)
Administrative expenses									(68)	(64)
Finance cost									(35)	(33)
Loss before tax income									(100)	(248)
Tax income (expenses)									(2)	7
Total loss for the period									(102)	(241)
Other significant non-cash items:										
Write-off property, plant and equipment	(6)	(3)	-	-	-	-	-	-	(6)	(3)
Depreciation and amortisation	(225)	(240)	-	-	(5)	(6)	-	-	(230)	(246)
Loss on impairment of property, plant and equipment (reversal)	(1)	6	-	-	-	-	-	-	(1)	(6)
Expected credit losses	-	(7)	-	-	-	-	-	-	-	(7)
Gain on lease agreements cancellation	2	-	-	-	-	-	-	-	2	-

15. Commitments and contingent liabilities

	(Unit: Million Baht)	
	Consolidated and Separate financial statements	
	30 September 2022	31 December 2021 (Audited)
Capital commitments		
Building construction agreements	8.1	49.5
Other commitments		
Service agreement, short-term lease agreements and low-value assets lease agreement	88.7	73.4
Guarantees		
Letter of utility guarantee	1.7	0.1

In addition, the Company had made operating agreements with certain lessors that the rental and service fees are to be calculated taking into account the proportion of service income that the Company received from the customers relating to its spa services. During the three-month and nine-month periods ended 30 September 2022, the Company recognised rental and service expenses amounting to Bath 8.8 million and Bath 16.2 million, respectively (2021: Nil and Bath 2.0 million, respectively).

16. Fair value

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position, except:

- The fair value of share return receivables are estimated by discounting expected future cash flows by the current market interest rate adjusted with appropriate risk factors.
- For fixed rate long-term loans, their fair values are estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions. The details are as follows:



(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	Carrying amount		Fair value		Carrying amount		Fair value	
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	2022	2021	2022	2021	2022	2021	2022	2021
	(Audited)		(Audited)		(Audited)		(Audited)	
Long-term loans from financial								
institutions - fixed interest rate	122	167	120	161	103	123	101	118

Fair value hierarchy

As of 30 September 2022 and 31 December 2021, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	30 September 2022			
	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Lands	-	279	-	279

(Unit: Million Baht)

	31 December 2021			
	Consolidated and Separate financial statement			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Lands	-	279	-	279

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 period, there were no transfers within the fair value hierarchy.

17. Shareholder agreement

On 10 August 2022, Siam Wellness Lab Co., Ltd. (the subsidiary) entered into the Shareholder Agreement with Amara Asia Co., Ltd. (a non-related party) to jointly invest in Siam Wellness Amara Co., Ltd., with initial registered capital of Baht 1 million comprising 10,000 ordinary shares at a par value of Baht 100 each, with the shareholding proportion of 51% and 49% of the registered capital of such company, respectively. The main business is to establish sleep clinics to provide consultation and medical treatments, also develops and distributes products by using medical-grade cannabis. Subsequently on 3 November 2022, Siam Wellness Amara Co., Ltd. registered its incorporation with the Ministry of Commerce.

18. Approval of interim financial statements

These interim financial statements were authorised to issue by the Company's Board of Directors on 9 November 2022.