

Siam Wellness Group Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2022

## Independent Auditor's Report

To the Shareholders of Siam Wellness Group Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Siam Wellness Group Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Siam Wellness Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siam Wellness Group Public Company Limited and its subsidiaries and of Siam Wellness Group Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### **Material Uncertainty Related to Going Concern**

I draw attention to Note 1.2 to the consolidated financial statements. The business operation of the Group has been affected from the effect of the COVID-19 pandemic in terms of 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 31 December 2022 the Group had total current liabilities exceeded its total current assets by Baht 238.4 million (the Company only: Baht 286.3 million) and had operating losses for the year ended 31 December 2022 of Baht 88.0 million (the Company only: Baht 98.6 million). The Group had the measures to maintain its cash flow level for debt settlement and for its business operations. The Group also has the ability to seek 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 opinion is not qualified in respect of this matter.

### **Key Audit Matter**

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

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

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

### **Revenue from Services**

The revenue from services related to spa business of the Company is the main revenue of the Group, representing 83% of the Group's total revenues for the year 2022. Such revenue is derived from provision of services to a large number of individual customers through a variety of sales channels and many spa branches for the spa business. Therefore, I addressed the occurrence and accuracy of the revenue from services as a key audit matter.

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

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

The COVID-19 pandemic since 2020 is still resulting in an economic slowdown and adversely impacting most businesses and industries which also significantly affects the Group's business activities. Such event is an indicator indicates that property, plant and equipment and right-of-use assets of the Group may be impaired. The Group had property, plant and equipment and right-of-use assets representing 83% of the Group's total assets. In determining the impairment loss, management had to exercise judgement with respect to determination of the cash-generating unit, financial model, the projections of future operating performance, plans for management of assets of the Group, and determination of an appropriate discount rate and key assumptions. Therefore, I addressed the measurement of allowance for impairment loss of property, plant and equipment and right-of-use assets as a key audit matter.

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

### **Other Information**

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

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

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

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

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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



Kirdsiri Kanjanaprakasit

Certified Public Accountant (Thailand) No. 6014

EY Office Limited

Bangkok: 27 February 2023

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	184,902,914	109,854,181	146,321,833	79,628,861
Current investments		4,025	4,012	1,006	1,003
Trade and other receivables	6, 8	30,153,013	15,259,909	30,968,844	12,483,176
Lease receivables - current portion	6	-	-	347,286	358,732
Share return receivables - current portion	9	8,944,794	9,197,669	8,944,794	9,197,669
Inventories	10	37,793,860	27,812,410	30,487,270	23,020,262
Other current assets		9,932,525	8,371,180	7,772,392	6,764,515
		<u>271,731,131</u>	<u>170,499,361</u>	<u>224,843,425</u>	<u>131,454,218</u>
Non-current assets classified as held for sale	13	-	32,294,702	-	32,294,702
<b>Total current assets</b>		<u>271,731,131</u>	<u>202,794,063</u>	<u>224,843,425</u>	<u>163,748,920</u>
<b>Non-current assets</b>					
Lease receivables - net of current portion	6	-	-	22,507,677	25,755,802
Share return receivables - net of current portion	9	31,089,341	32,191,839	31,089,341	32,191,839
Investments in subsidiaries	11	-	-	101,705,464	101,705,464
Investment in joint venture	12	424,019	-	-	-
Property, plant and equipment	13	1,030,820,443	946,641,923	959,458,415	877,074,260
Right-of-use assets	18	970,788,019	945,574,963	947,267,794	914,943,230
Goodwill	14	24,535,709	24,535,709	20,340,000	20,340,000
Intangible assets	15	7,244,019	8,005,054	7,185,378	7,924,192
Deferred tax assets	23	905,097	1,186,720	-	-
Deposits		75,983,873	73,049,772	74,927,112	72,449,201
Advance payment for purchase of assets		2,987,923	16,980,581	2,987,923	16,980,581
Other non-current assets		2,593,272	6,876,299	2,482,496	6,733,221
<b>Total non-current assets</b>		<u>2,147,371,715</u>	<u>2,055,042,860</u>	<u>2,169,951,600</u>	<u>2,076,097,790</u>
<b>Total assets</b>		<u>2,419,102,846</u>	<u>2,257,836,923</u>	<u>2,394,795,025</u>	<u>2,239,846,710</u>

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





Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	6, 16	94,139,856	37,039,154	113,847,325	50,206,219
Current portion of long-term loans	17	169,918,000	114,469,000	159,180,000	108,214,000
Current portion of lease liabilities	6, 18	179,702,490	175,495,660	176,681,109	172,502,552
Income tax payable		1,764,971	316,574	-	-
Advance received - current portion	25	57,193,992	45,140,086	55,056,675	44,175,791
Other current liabilities		7,409,498	1,780,249	6,339,478	1,133,899
<b>Total current liabilities</b>		<b>510,128,807</b>	<b>374,240,723</b>	<b>511,104,587</b>	<b>376,232,461</b>
<b>Non-current liabilities</b>					
Long term loans - net of current portion	17	441,717,301	407,166,301	408,305,301	369,271,301
Long-term loans from related parties	6	-	-	28,000,000	30,000,000
Lease liabilities - net of current portion	6, 18	863,745,239	822,643,783	862,202,332	818,035,635
Advance received - net of current portion	25	970,923	5,988,943	970,923	5,988,943
Provision for long-term employee benefits	19	5,512,935	9,950,768	4,436,375	8,699,220
Deferred tax liabilities	23	10,869,892	3,024,701	10,869,892	3,024,701
Other non-current liabilities		17,157,415	16,329,974	16,211,792	15,525,934
<b>Total non-current liabilities</b>		<b>1,339,973,705</b>	<b>1,265,104,470</b>	<b>1,330,996,615</b>	<b>1,250,545,734</b>
<b>Total liabilities</b>		<b>1,850,102,512</b>	<b>1,639,345,193</b>	<b>1,842,101,202</b>	<b>1,626,778,195</b>

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 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Shareholders' equity</b>					
Share capital					
Registered					
855,000,000 ordinary shares of Baht 0.25 each		213,750,000	213,750,000	213,750,000	213,750,000
Issued and paid-up					
854,999,928 ordinary shares of Baht 0.25 each		213,749,982	213,749,982	213,749,982	213,749,982
Share premium		278,905,854	278,905,854	278,905,854	278,905,854
Discount on business combination under common control		(46,226,479)	(46,226,479)	-	-
Retained earnings					
Appropriated - statutory reserve	20	17,398,695	17,398,695	14,250,000	14,250,000
Unappropriated		(20,209,189)	64,093,385	(79,589,913)	15,595,244
Other components of shareholders' equity		125,377,900	90,567,435	125,377,900	90,567,435
Equity attributable to shareholders' of the Company		568,996,763	618,488,872	552,693,823	613,068,515
Non-controlling interests of the subsidiaries		3,571	2,858	-	-
<b>Total shareholders' equity</b>		<b>569,000,334</b>	<b>618,491,730</b>	<b>552,693,823</b>	<b>613,068,515</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,419,102,846</b>	<b>2,257,836,923</b>	<b>2,394,795,025</b>	<b>2,239,846,710</b>

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

Directors

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from sales	25	97,823,132	37,320,794	31,537,189	9,495,547
Revenue from services	25	613,458,987	130,293,707	600,383,773	127,698,191
Interest income		1,569,419	2,020,947	2,208,238	1,992,737
Other income		8,514,640	5,307,645	12,016,367	5,742,207
<b>Total revenues</b>		<b>721,366,178</b>	<b>174,943,093</b>	<b>646,145,567</b>	<b>144,928,682</b>
<b>Expenses</b>					
Cost of sales		57,130,040	26,640,667	22,548,232	11,814,266
Cost of services		573,701,867	291,876,590	567,352,287	280,182,691
Selling and distribution expenses		35,006,305	23,768,459	25,744,823	18,066,840
Administrative expenses		92,153,473	83,925,289	81,354,787	71,601,749
<b>Total expenses</b>		<b>757,991,685</b>	<b>426,211,005</b>	<b>697,000,129</b>	<b>381,665,546</b>
<b>Loss from operating activities</b>		<b>(36,625,507)</b>	<b>(251,267,912)</b>	<b>(50,854,562)</b>	<b>(236,736,864)</b>
Share of loss from investment in joint venture	12	(85,981)	-	-	-
Finance cost	21	(50,351,098)	(44,172,377)	(49,490,281)	(43,695,039)
<b>Loss before tax income</b>		<b>(87,062,586)</b>	<b>(295,440,289)</b>	<b>(100,344,843)</b>	<b>(280,431,903)</b>
Tax income (expense)	23	(966,274)	8,719,974	1,717,877	8,723,971
<b>Loss for the year</b>		<b>(88,028,860)</b>	<b>(286,720,315)</b>	<b>(98,626,966)</b>	<b>(271,707,932)</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain - net of income tax	19, 23	3,726,999	-	3,441,809	-
Changes in revaluation of assets - net of income tax	13, 23	34,810,465	-	34,810,465	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		38,537,464	-	38,252,274	-
<b>Total other comprehensive income for the year</b>		<b>38,537,464</b>	<b>-</b>	<b>38,252,274</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(49,491,396)</b>	<b>(286,720,315)</b>	<b>(60,374,692)</b>	<b>(271,707,932)</b>

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

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

**Statement of comprehensive income (continued)**

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Profit attributable to:</b>					
Equity holders of the Company		(88,029,558)	(286,718,583)	(98,626,966)	(271,707,932)
Non-controlling interests of the subsidiaries		698	(1,732)		
		<u>(88,028,860)</u>	<u>(286,720,315)</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(49,492,109)	(286,718,583)	(60,374,692)	(271,707,932)
Non-controlling interests of the subsidiaries		713	(1,732)		
		<u>(49,491,396)</u>	<u>(286,720,315)</u>		
(Unit: Baht per share)					
<b>Earnings per share</b>					
24					
Basic earnings per share					
Loss attributable to equity holder of the Company		<u>(0.103)</u>	<u>(0.335)</u>	<u>(0.115)</u>	<u>(0.318)</u>

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



Siam Wellness Group Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements												
Equity attributable to shareholders of the Company												
	Issued and fully paid-up share capital	Share premium	Discount on business combination under common control	Retained earnings			Other components of shareholders' equity			Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated -		Unappropriated	Income	Surplus on revaluation of assets	Total other components of shareholders' equity			
				statutory reserve	Appropriated -							
Balance as at 1 January 2021	213,749,982	278,905,854	(46,226,479)	17,398,695	350,811,968	90,567,435	90,567,435	90,567,435	905,207,455	4,590	905,212,045	
Loss for the year	-	-	-	-	(286,718,583)	-	-	-	(286,718,583)	(1,732)	(286,720,315)	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	(286,718,583)	-	-	-	(286,718,583)	(1,732)	(286,720,315)	
Balance as at 31 December 2021	213,749,982	278,905,854	(46,226,479)	17,398,695	64,093,385	90,567,435	90,567,435	90,567,435	618,488,872	2,858	618,491,730	
Balance as at 1 January 2022	213,749,982	278,905,854	(46,226,479)	17,398,695	64,093,385	90,567,435	90,567,435	90,567,435	618,488,872	2,858	618,491,730	
Loss for the year	-	-	-	-	(88,029,558)	-	-	-	(88,029,558)	698	(88,028,860)	
Other comprehensive income for the year	-	-	-	-	3,726,984	34,810,465	34,810,465	34,810,465	38,537,449	15	38,537,464	
Total comprehensive income for the year	-	-	-	-	(84,302,574)	34,810,465	34,810,465	34,810,465	(49,492,109)	713	(49,491,396)	
Balance as at 31 December 2022	213,749,982	278,905,854	(46,226,479)	17,398,695	(20,209,189)	125,377,900	125,377,900	125,377,900	568,996,763	3,571	569,000,334	

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

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

**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2022**

(Unit: Baht)

	Separate financial statements						
	Other components of shareholders' equity						
	Other comprehensive						
	Issued and fully paid-up share capital	Share premium	Retained earnings - Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets	other components of shareholders' equity	Total
<b>Balance as at 1 January 2021</b>	213,749,982	278,905,854	14,250,000	287,303,176	90,567,435	90,567,435	884,776,447
Loss for the year	-	-	(271,707,932)	-	-	-	(271,707,932)
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	(271,707,932)	-	-	(271,707,932)
<b>Balance as at 31 December 2021</b>	213,749,982	278,905,854	14,250,000	15,595,244	90,567,435	90,567,435	613,068,515
<b>Balance as at 1 January 2022</b>	213,749,982	278,905,854	14,250,000	15,595,244	90,567,435	90,567,435	613,068,515
Loss for the year	-	-	-	(98,626,966)	-	-	(98,626,966)
Other comprehensive income	-	-	-	3,441,809	34,810,465	34,810,465	38,252,274
<b>Total comprehensive income for the year</b>	-	-	-	(95,185,157)	34,810,465	34,810,465	(60,374,692)
<b>Balance as at 31 December 2022</b>	213,749,982	278,905,854	14,250,000	(79,589,913)	125,377,900	125,377,900	552,693,823

*J. Anusorn*  
*CEO*

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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
Loss before income tax	(87,062,586)	(295,440,289)	(100,344,843)	(280,431,903)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	311,686,850	326,744,565	298,623,113	312,310,244
Unrealised loss on the change in fair value of share return receivables	1,355,373	660,081	1,355,373	660,081
Unrealised gain on the change in fair value of trading securities	(13)	(7)	(3)	(2)
Share of loss from investment in joint venture	85,981	-	-	-
Bad debts and allowance for expected credit losses (reversal)	(388,532)	8,188,662	(97,579)	7,843,026
Reduction of inventories to net realisable value (reversal)	(5,802,264)	5,398,750	(5,843,141)	3,961,290
Gain on disposal of property, plant and equipment	(22,869)	(71,783)	(19,212)	(71,783)
Loss on write-off of property, plant and equipment	9,617,346	4,473,104	9,615,416	4,473,104
Loss on write-off of right-of-use assets	33,407	-	33,407	-
Gain on lease agreements cancellation	(1,721,686)	(1,410,492)	(1,721,686)	(1,410,492)
Loss on impairment of property, plant and equipment (reversal)	(4,651,409)	4,651,409	(4,651,409)	4,651,409
Gain from rental discount - lease liabilities	(79,425,466)	(137,224,186)	(77,912,735)	(135,941,489)
Gain from rental discount - interest expenses	(10,934,328)	(23,273,320)	(10,401,990)	(23,177,408)
Loss from rental discount given to the lessees	-	-	222,946	160,014
Long-term employee benefit expenses (reversal)	1,416,005	(173,651)	1,240,755	(343,863)
Write-off of withholding taxes deducted at source	393,116	877,331	327,251	851,064
Interest income	(1,534,621)	(2,003,374)	(2,177,883)	(1,983,674)
Interest expenses	50,351,098	44,172,377	49,490,281	43,695,039
<b>Profit (loss) from operating activities before changes in operating assets and liabilities</b>	<b>183,395,402</b>	<b>(64,430,823)</b>	<b>157,738,061</b>	<b>(64,755,343)</b>
Decrease (increase) in operating assets				
Trade and other receivables	(14,504,572)	(1,673,684)	(18,388,089)	1,547,673
Inventories	(4,179,186)	7,087,357	(1,623,867)	9,701,206
Other current assets	(756,789)	3,395,395	(148,218)	2,851,192
Deposit	(2,702,778)	6,831,341	(2,257,778)	6,917,741
Other non-current assets	3,278,884	(2,252,370)	3,269,226	(2,264,398)
Increase (decrease) in operating liabilities				
Trade and other payables	51,054,149	(6,578,222)	57,691,425	(164,878)
Advance received	7,035,886	2,392,284	5,862,864	2,218,402
Other current liabilities	5,629,249	10,352	5,205,579	(81,057)
Other non-current liabilities	201,048	(1,651,814)	70,017	(1,457,437)
Provision for long-term employee benefits	(1,201,338)	-	(1,201,338)	-
<b>Cash flows from (used in) operating activities</b>	<b>227,249,955</b>	<b>(56,870,184)</b>	<b>206,217,882</b>	<b>(45,486,899)</b>
Cash paid for interest expenses	(38,903,440)	(20,369,180)	(38,453,973)	(20,005,005)
Cash paid for income tax	(1,636,800)	(3,657,084)	(609,757)	(327,251)
<b>Net cash flows from (used in) operating activities</b>	<b>86,709,715</b>	<b>(80,896,448)</b>	<b>167,154,152</b>	<b>(65,819,155)</b>

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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2022

(Unit: Baht)

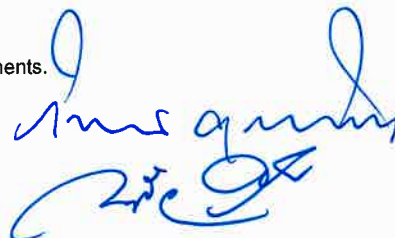
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from investing activities</b>				
Decrease in restricted deposits at financial institution	-	5,158,569	-	-
Cash paid for investing in joint venture	(510,000)	-	-	-
Cash paid for acquisition of property, plant and equipment	(114,887,836)	(13,274,339)	(104,356,467)	(12,436,507)
Cash paid for acquisition of intangible assets	(1,318,414)	(688,100)	(1,318,414)	(688,100)
Cash received from lease receivables	-	-	70,493	-
Proceed from disposal of property, plant and equipment	27,290	300,054	23,551	300,054
Cash paid in advance for purchase of assets	(2,025,947)	(16,519,978)	(2,025,947)	(16,519,978)
Cash received from interest income	133,194	91,189	789,737	77,763
<b>Net cash flows used in investing activities</b>	<b>(118,581,713)</b>	<b>(24,932,605)</b>	<b>(106,817,047)</b>	<b>(29,266,768)</b>
<b>Cash flows from financing activities</b>				
Repayment in liabilities under financial lease agreements	(83,079,269)	(29,311,851)	(81,644,133)	(27,736,764)
Cash received from long-term loans from financial institution	90,000,000	141,150,000	90,000,000	122,000,000
Cash paid for repayment of long-term loan from financial institution	-	(10,681,366)	-	(10,681,366)
Cash paid for repayment of long-term loan from related parties	-	-	(2,000,000)	-
<b>Net cash flows from financing activities</b>	<b>6,920,731</b>	<b>101,156,783</b>	<b>6,355,867</b>	<b>83,581,870</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>75,048,733</b>	<b>(4,672,270)</b>	<b>66,692,972</b>	<b>(11,504,053)</b>
Cash and cash equivalents at beginning of year	109,854,181	114,526,451	79,628,861	91,132,914
<b>Cash and cash equivalents at end of year</b>	<b>184,902,914</b>	<b>109,854,181</b>	<b>146,321,833</b>	<b>79,628,861</b>

Supplemental cash flows information

Non-cash transactions

Decrease (increase) in liabilities from acquisition of property, plant and equipment	(6,046,552)	1,044,455	(5,809,716)	791,108
Increase in provision for dismantling, removing and restoring of leasehold improvements	296,235	352,889	296,235	343,432
Increase in surplus on revaluation of lands	43,513,081	-	43,513,081	-
Actuarial gain	4,652,500	-	4,302,262	-
Decrease in non-current assets classified as held for sale due to reclassification	32,294,702	-	32,294,702	-
Decrease in right-of-use assets from the effect of changes from agreements	24,772,048	21,231,317	21,716,813	20,902,879
Decrease in right-of-use assets from the effect of changes from lease agreements cancellation	17,264,244	11,039,602	17,264,244	11,039,602
Decrease in lease liabilities from the effect of changes from lease agreements	24,772,048	22,566,843	24,682,946	22,237,406
Decrease in lease liabilities from the effect of changes from lease agreements cancellation	18,952,522	11,139,481	18,952,522	11,139,481
Increase in lease liabilities from new agreements	251,537,591	530,730	251,537,591	530,730
Increase in right-of-use assets from new agreements	251,537,591	530,730	251,537,591	530,730

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





# Siam Wellness Group Public Company Limited and its subsidiaries

## Notes to consolidated financial statements

For the year ended 31 December 2022

### 1. General information

#### 1.1 General information of the Company

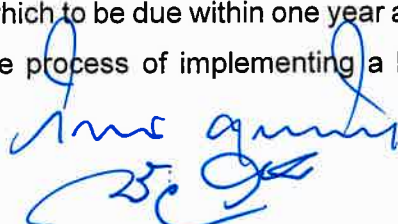
Siam Wellness Group Public Company Limited (“the Company”) was incorporated as limited company under the laws of Thailand on 28 November 2001. The Company operates in Thailand and principally engages in spa services business. Its registered head office is at No. 565, 567 B.U. Place Building, 22nd Floor, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Dindang, Bangkok. As at 31 December 2022, the Company has a total of 68 branches in Bangkok and upcountry (2021: 65 branches) and 2 foreign branches according to the franchise agreement (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 31 December 2022 the Group had total current liabilities exceeded its total current assets by Baht 238.4 million (the Company only: Baht 286.3 million) and had operating losses for the year ended 31 December 2022 of Baht 88.0 million (the Company only: Baht 98.6 million). 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 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 financial statements for the year ended 31 December 2022 based on the assumption that the Group will continue its operations as a going concern.

## 2. Basis of preparation

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

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

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

## 2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022 (Percent)	2021 (Percent)
<u>Held by the Company</u>				
Siam Wellness Resort Co., Ltd.	Hotel and restaurant operations	Thailand	99.99	99.99
Siam Wellness Lab Co., Ltd.	Manufacturing and distributing spa products	Thailand	99.99	99.99



Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022 (Percent)	2021 (Percent)
Siam Wellness Education Co., Ltd.	A school for Thai massage	Thailand	99.97	99.97
Siam Wellness Group (Hong Kong) Co., Ltd.	Investment for overseas expansion of the spa business	Hong Kong	100.00	100.00
Siam Wellness Group (Cambodia) Co., Ltd.	Spa business and sale of spa products	Cambodia	-	100.00
<u>Held by subsidiaries</u>				
Tiger Eyes Trading (Thailand) Co., Ltd. (Held by Siam Wellness Lab Co., Ltd. 99.99 percent)	Import and sale of spa products	Thailand	99.99	99.99
Shanghai Jia Tai Health Management Co., Ltd. (Held by Siam Wellness Group (Hong Kong) Co., Ltd. 100.00 percent)	Nutritional health and beauty consulting and management service	China	100.00	100.00

During the year 2022, there was change in the composition of the subsidiaries by dissolution of Siam Wellness Group (Cambodia) Co., Ltd. as disclosed in the Note 11 to the consolidated financial statements.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.



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

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

### 3. New financial reporting standards

#### 3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

#### 3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

### 4. Significant accounting policies

#### 4.1 Revenue and expense recognition

##### a) Revenues from contracts with customers

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



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

Detail of revenue recognition of the Group are as follows:

**Revenue from sale**

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

**Revenue from spa service**

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

**Revenue from franchise agreement**

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

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

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

**Revenue from services and revenue from sales - Customer loyalty programmes**

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



**b) Interest income**

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

**c) Finance cost**

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

**d) Other expenses**

Other expenses are recognised on an accrual basis.

**e) Dividend income**

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

**4.2 Cost to fulfill a contract with customer**

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

**4.3 Balances of contracts with customers**

**Contract assets**

**Trade receivables**

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



## **Contract liabilities**

### **Advance received from customers**

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

### **4.4 Cash and cash equivalents**

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

### **4.5 Inventories**

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

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

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

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

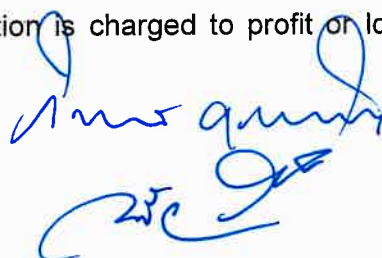
### **4.7 Investments in subsidiaries and joint venture**

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

Investment in joint venture is accounted for in the consolidated financial statements using the equity method.

### **4.8 Leasehold rights**

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



#### 4.9 Property, plant and equipment/Depreciation

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

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

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

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Surplus on revaluation of assets" in respect of the same asset.

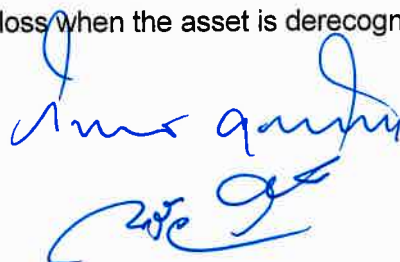
Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

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

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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





#### 4.10 Intangible assets

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

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

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

	<u>Useful lives</u>
Licenses	5 and 10 years
Trademark	10 years
Computer software	5 and 10 years


#### 4.11 Goodwill

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

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

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

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



#### 4.12 Leases

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

##### **The Group as a lessee**

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

##### **Right-of-use assets**

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

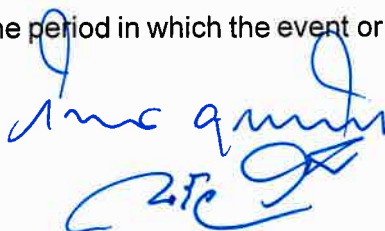
Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

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

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

##### **Lease liabilities**

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



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

***Short-term leases and leases of low-value assets***

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

**The Group as a lessor**

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

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

**4.13 Related party transactions**

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

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



#### 4.14 Foreign currencies

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

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

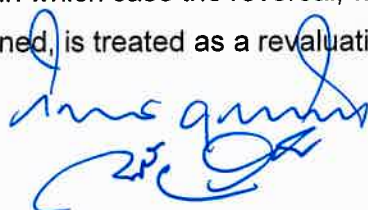
Gains and losses on exchange are included in determining income.

#### 4.15 Impairment of non-financial assets

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

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

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



#### 4.16 Employee benefits

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits***

###### *Defined contribution plans*

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

###### *Defined benefit plans*

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

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

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

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

#### 4.17 Provisions

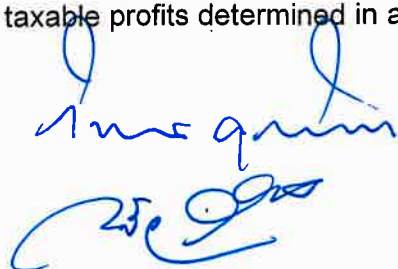
Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 4.18 Income tax

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

##### ***Current tax***

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



### ***Deferred tax***

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

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

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

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

### **4.19 Financial instruments**

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

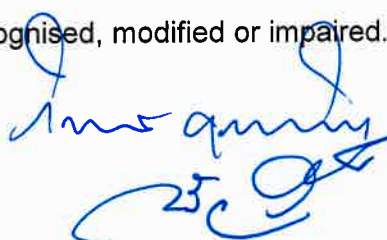
#### **Classification and measurement of financial assets**

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

#### ***Financial assets at amortised cost***

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

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



### **Financial assets at FVTPL**

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

These financial assets include security investments held for trading.

### **Classification and measurement of financial liabilities**

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

### **Derecognition of financial instruments**

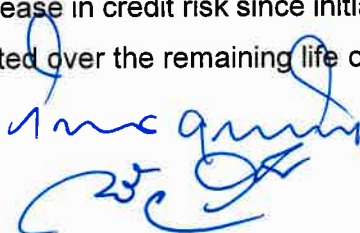
A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks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

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

### **Impairment of financial assets**

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

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



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

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

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

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

#### 4.20 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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


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## 5. Significant accounting judgements and estimates

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

### 5.1 Unearned revenue from a customer loyalty program

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

### 5.2 Leases

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

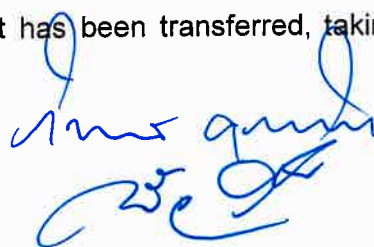
In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either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

#### ***Estimating the incremental borrowing rate - The Group as a lessee***

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

#### ***Lease classification - The Group as lessor***

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



### **5.3 Allowance for expected credit losses of trade receivables**

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

### **5.4 Fair value of financial instruments**

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

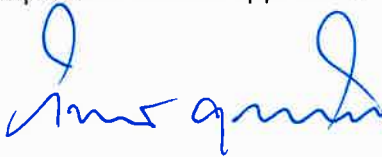

### **5.5 Non-consolidation of the Group in which the subsidiary's shareholding is more than half of the total shares**

Even though the subsidiary hold shares and voting rights in the joint venture, which are more than half (as described in Note 12 to the consolidated financial statements) the subsidiary entered into shareholder agreement to incorporate this joint venture. The agreement stipulates that key matters, as defined in the agreement, must be approved by at least one member appointed by each venturer in writing. The Group decided that they have no control over this joint venture. As a result, the Group classified this investment as "Investment in joint venture" and not to be included in the consolidated financial statements.

### **5.6 Property plant and equipment/Depreciation**

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

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

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

#### **5.7 Goodwill and intangible assets**

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

#### **5.8 Deferred tax assets**

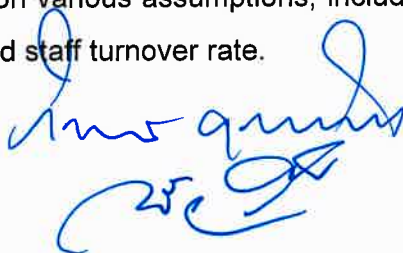
Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount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

#### **5.9 Allowance for impairment of non-financial assets**

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

#### **5.10 Post-employment benefits under defined benefit plans**

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



## 6. Related party transactions

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

Name of related parties	Type of business	Type of relationship
Siam Wellness Lab Co., Ltd.	Manufacturer and sale of spa products	A subsidiary
Siam Wellness Education Co., Ltd.	A school for Thai massage	A subsidiary
Siam Wellness Resort Co., Ltd.	Hotel and restaurant operations	A subsidiary
Siam Wellness Group (Hong Kong) Co., Ltd.	Investment for overseas expansion of the spa business	A subsidiary
Tiger Eyes Trading (Thailand) Co., Ltd.	Import and sale of spa products	A subsidiary (held by a subsidiary)
Shanghai Jia Tai Health Management Co., Ltd.	Nutritional health and beauty consulting and management service	A subsidiary (held by a subsidiary)
Siam Wellness Amara Co., Ltd.	Sleep clinics and distribute medical-grade cannabis products	Joint venture (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

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



(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing Policy
	financial statements		financial statements		
	2022	2021	2022	2021	
<b><u>Transactions with subsidiaries</u></b>					
(Being eliminated from the consolidated financial statements)					
Revenue from sales	-	-	0.7	3.0	Contract price
Revenue from services	-	-	0.6	0.5	Contract price
Revenue from rental and utilities	-	-	3.8	1.4	Contract price
Other income	-	-	4.6	2.2	Contract price
Purchase of goods	-	-	23.8	7.8	Contract price
Return of goods	-	-	-	1.8	Contract price
Service expenses	-	-	10.7	1.9	Contract price
Commission expenses	-	-	0.2	-	Contract price
Advertising and promotion expenses	-	-	0.2	1.9	Contract price
Rental and utilities expenses	-	-	0.8	0.4	Contract price
Interest expenses	-	-	0.8	0.6	1.52, 2.25, MLR-1.52, MLR-2.25 (%per annum)

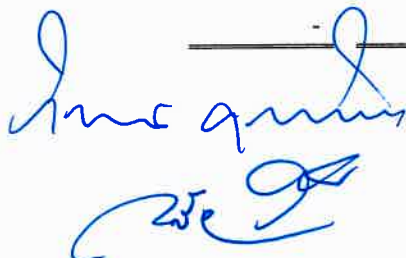
**Transactions with related parties**

Revenue from sales and services	2.4	0.4	0.4	0.1	Contract price
Other income	2.6	2.7	-	-	Actual price
Purchase of goods	6.4	0.8	5.2	0.4	Contract price
Service expenses	3.3	3.6	1.8	1.1	Contract price
Rental and utilities expenses	12.7	6.0	8.8	3.6	Contract price

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

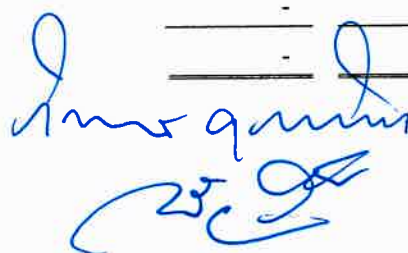
(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b><u>Trade receivables - subsidiaries (Note 8)</u></b>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	3,369	710
Siam Wellness Lab Co., Ltd.	-	-	6,164	1,544
Siam Wellness Education Co., Ltd.	-	-	992	224
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	708	496
Total	-	-	11,233	2,974



(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b><u>Trade receivables - related parties (Note 8)</u></b>				
Blooming Co., Ltd.	2,385	2,398	-	-
Cyberprint Group Co., Ltd.	-	32	-	-
B.U. Enterprise Co., Ltd.	2	6	2	2
Sawangsook Co., Ltd.	5,383	2,188	5	23
Director of subsidiaries	34	16	32	-
<b>Total</b>	<b>7,804</b>	<b>4,640</b>	<b>39</b>	<b>25</b>
<b><u>Other receivables - subsidiaries (Note 8)</u></b>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	40	10
Siam Wellness Group (Hong Kong) Co., Ltd.	-	-	281	270
Shanghai Jia Tai Health Management Co., Ltd.	-	-	230	230
<b>Total</b>	<b>-</b>	<b>-</b>	<b>551</b>	<b>510</b>
<b><u>Other receivables - related parties (Note 8)</u></b>				
Klom Kliao Pattana Co., Ltd.	-	300	-	300
Siam Wellness Amara Co., Ltd.	1,051	-	-	-
Related person	-	116	-	116
<b>Total</b>	<b>1,051</b>	<b>416</b>	<b>-</b>	<b>416</b>
<b><u>Lease receivables - subsidiaries</u></b>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	20,296	23,150
Siam Wellness Lab Co., Ltd.	-	-	1,314	1,512
Siam Wellness Education Co., Ltd.	-	-	226	264
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	1,019	1,188
<b>Total</b>	<b>-</b>	<b>-</b>	<b>22,855</b>	<b>26,114</b>
Current	-	-	347	359
Non-current	-	-	22,508	25,755
<b>Total</b>	<b>-</b>	<b>-</b>	<b>22,855</b>	<b>26,114</b>
<b><u>Long-term loans from subsidiaries</u></b>				
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
<b>Total</b>	<b>-</b>	<b>-</b>	<b>28,000</b>	<b>30,000</b>




(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b><u>Trade payables - subsidiaries (Note 16)</u></b>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	3,083	1,925
Siam Wellness Lab Co., Ltd.	-	-	15,148	6,743
Siam Wellness Education Co., Ltd.	-	-	10,510	3,909
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	774	3,275
Total	-	-	29,515	15,852
<b><u>Trade payables - related parties (Note 16)</u></b>				
Blooming Co., Ltd.	1,284	514	1,177	160
Blooming Intergift Co., Ltd.	94	833	94	833
B.U. Enterprise Co., Ltd.	78	58	52	41
Cyberprint Group Co., Ltd.	210	189	197	174
Asian Fortune Property Co., Ltd.	4,225	82	4,225	82
Klom Kliao Pattana Co., Ltd.	783	20	600	-
G.G.P. Property Co., Ltd.	277	-	277	-
Sawangasuk Co., Ltd.	519	301	-	-
Total	7,470	1,997	6,622	1,290
<b><u>Other payables - a subsidiary (Note 16)</u></b>				
(Being eliminated from the consolidated financial statement)				
Siam Wellness Resort Co., Ltd.	-	-	-	195
Siam Wellness Education Co., Ltd.	-	-	-	11
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	-	70
Total	-	-	-	276
<b><u>Other payables - related parties (Note 16)</u></b>				
Directors of the Company	494	220	488	182
Total	494	220	488	182
<b><u>Accrued interest - a subsidiary (Note 16)</u></b>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	75	-
Siam Wellness Lab Co., Ltd.	-	-	50	-
Siam Wellness Education Co., Ltd.	-	-	15	-
Total	-	-	140	-

*[Handwritten signature]*

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b><u>Lease liabilities - a subsidiary</u></b>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Education Co., Ltd.	-	-	932	1,502
Total	-	-	932	1,502
Current	-	-	584	570
Non-Current	-	-	348	932
	-	-	932	1,502
<b><u>Lease liabilities - related parties</u></b>				
Blooming Intergift Co., Ltd.	2,094	2,690	2,094	2,690
B.U. Enterprise Co., Ltd.	5,070	11,509	-	3,338
Asian Fortune Property Co., Ltd.	31,795	43,757	31,795	43,757
Klom Kliao Pattana Co., Ltd.	55,815	65,862	55,388	64,929
G.G.P. Property Co., Ltd.	2,169	2,774	2,169	2,774
Related directors of the Company	6,676	9,049	6,676	9,049
Total	103,619	135,641	98,122	126,537
Current	20,789	24,020	17,183	20,457
Non-Current	82,830	111,621	80,939	106,080
	103,619	135,641	98,122	126,537






### Long-term loans from related parties

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

(Unit: Thousand Baht)

Lender	Interest rate (%per annum)	Separate financial statements			Balance as at 31 December 2022
		Balance as at 31 December 2021	During the year		
			Increase	Decrease	
Siam Wellness Resort Co., Ltd.	Year 1-2 2.25 and Year 3-4 MLR - 2.52	15,000	-	-	15,000
Siam Wellness Lab Co., Ltd.	Year 1-2 1.52 and Year 3-5 MLR - 1.52	10,000	-	-	10,000
Siam Wellness Education Co., Ltd.	Year 1-2 2.25 and Year 3-4 MLR - 2.52	5,000	-	(2,000)	3,000
<b>Total</b>		<b>30,000</b>	<b>-</b>	<b>(2,000)</b>	<b>28,000</b>

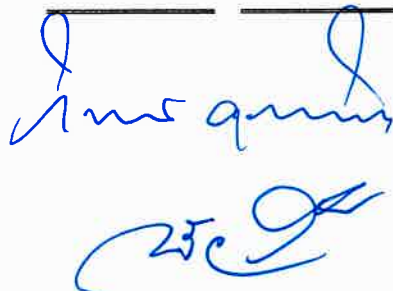
The outstanding balance as at 31 December 2022 and 2021 of long-term loans from subsidiaries are in the form of an unsecured loans due within 5 years from the date of signing the contracts (within September 2025).

### Directors and management's benefits

During the years 2022 and 2021, employee benefit expense payable to their directors and management of the Company and its subsidiaries are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial Statements	
	2022	2021	2022	2021
	Short-term employee benefits	15.8	11.0	15.8
Post-employment benefits	0.6	(1.0)	0.6	(1.0)
<b>Total</b>	<b>16.4</b>	<b>10.0</b>	<b>16.4</b>	<b>10.0</b>



### Guarantee obligations with related parties

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

#### 7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Cash	3,268	2,345	2,800	2,133
Bank deposits	181,635	107,509	143,522	77,496
Total	184,903	109,854	146,322	79,629

As at 31 December 2022, bank deposits in saving accounts carried interests between 0.15 and 0.35 percent per annum (2021: between 0.05 and 0.38 percent per annum).

#### 8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements	statements	statements	statements
	2022	2021	2022	2021
<u>Trade receivables - related parties</u> (Note 6)				
Aged on the basis of due dates				
Not yet due	6	45	918	825
Past due				
Up to 3 months	2,298	1,860	4,767	676
3 - 6 months	1,049	350	1,535	374
6 - 12 months	2,066	-	2,120	1,087
Over 12 months	2,385	2,385	1,932	37
Total trade receivables - related parties, net	7,804	4,640	11,272	2,999

	Consolidated financial		(Unit: Thousand Baht)	
	statements		Separate financial	
	2022	2021	2022	2021
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	6,177	2,020	4,847	1,321
Past due				
Up to 3 months	14,360	7,092	13,774	6,515
3 - 6 months	243	68	267	15
6 - 12 months	81	1,867	75	1,762
Over 12 months	8,757	7,426	8,396	6,847
Total	29,618	18,473	27,359	16,460
Less: Allowance for expected credit loss	(8,877)	(9,266)	(8,513)	(8,610)
Total trade receivables - unrelated parties, net	20,741	9,207	18,846	7,850
Total trade receivable - net	28,545	13,847	30,118	10,849
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	1,051	416	551	926
Other receivables - unrelated parties	870	1,310	613	1,021
Less: Allowance for expected credit loss	(313)	(313)	(313)	(313)
Total other receivables, net	1,608	1,413	851	1,634
Total trade and other receivables - net	30,154	15,260	30,969	12,483

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statement	financial statement
As at 1 January 2022	9,579	8,923
Provision for expected credit losses	96	66
Amount recovered	(485)	(163)
As at 31 December 2022	9,190	8,826



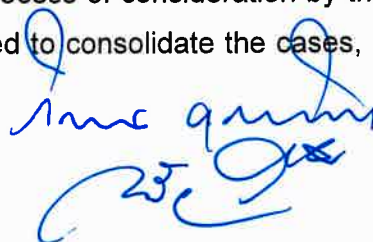

## 9. Share return receivables

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

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

Under the separation agreement, the former shareholders agreed to cancel the remaining amount of shares totaling Baht 31.25 million that the Company has not yet paid according to the share purchase agreement and the former shareholders agreed to return the Company amount of Baht 93.75 million that the former shareholders received to the Company in 8 installments i.e., within 2019 totaling Baht 43.75 million, within 2020 totaling Baht 35 million, and within 2021 totaling 15 million. The former shareholders agreed to pay the Company with 8 advance dated cheques with amounts and at due dates specified in the separation agreement.

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 8.9 million.

The movement of share return receivables from the former shareholders for the year ended 31 December 2022 are as detailed below.

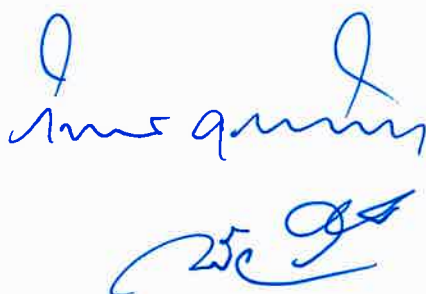
(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Net book value as at 1 January 2022	41,390
Decrease from fair value change during the period	(1,356)
Share return receivables as at 31 December 2022	40,034
Less: Current portion	(8,945)
Share return receivables - net of current portion	31,089

## 10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	20,611	18,057	(3,711)	(5,615)	16,900	12,442
Service materials and supplies	21,165	19,361	(1,082)	(4,952)	20,083	14,409
Food and beverage	687	487	(2)	(5)	685	482
Products during packaging and packages	309	688	(183)	(209)	126	479
<b>Total</b>	42,772	38,593	(4,978)	(10,781)	37,794	27,812



(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	10,310	10,251	(1,124)	(3,102)	9,186	7,149
Service materials and supplies	22,353	20,792	(1,061)	(4,924)	21,292	15,868
Food and beverage	11	8	(2)	(5)	9	3
<b>Total</b>	<b>32,674</b>	<b>31,051</b>	<b>(2,187)</b>	<b>(8,031)</b>	<b>30,487</b>	<b>23,020</b>

During the current year, the Group reduced cost of inventories by Baht 2.3 million (2021: Baht 7.9 million) (The Company only: Baht 0.5 million (2021: Baht 5.4 million)), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 8.1 million (2021: Baht 2.5 million) (The Company only: Baht 6.3 million (2021: Baht 1.4 million)), and reduced the amount of inventories recognised as expenses during the year.

## 11. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2022 and 2021 are as follows:

Company's name	Country of incorporation	Called-up share capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
		2022	2021	2022	2021	2022	2021	2022	2021
				(%)	(%)				
Siam Wellness Lab Co., Ltd.	Thailand	1,000	1,000	99.99	99.99	2,000	2,000	-	-
Siam Wellness Education Co., Ltd.	Thailand	1,000	1,000	99.97	99.97	1,000	1,000	-	-
Siam Wellness Resort Co., Ltd.	Thailand	60,000	60,000	99.99	99.99	98,705	98,705	-	-
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	-	-	-	-
<b>Total</b>						<b>101,705</b>	<b>101,705</b>	<b>-</b>	<b>-</b>

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

### Dissolution of subsidiary

Subsidiaries	Country of incorporation	Shareholding percentage	Description
Siam Wellness Group (Cambodia) Co., Ltd.	Cambodia	(%) 100	The dissolution was approved by relevant authority in Cambodia on 15 March 2022. (this subsidiary did not have any operations since its incorporation date).

## 12. Investment in joint venture

### 12.1 Details of investment in joint venture

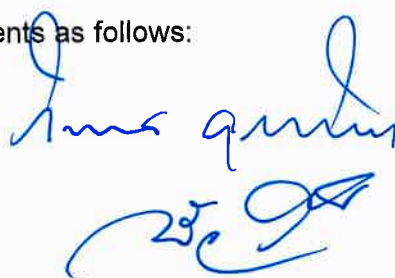
On 10 August 2022, Siam Wellness Lab Co., Ltd. (the subsidiary) entered into the Shareholder Agreement with Amara Asia Co., Ltd. (a non-related party) to jointly invest in Siam Wellness Amara Co., Ltd., with initial registered capital of Baht 1 million comprising 10,000 ordinary shares at a par value of Baht 100 each, with the shareholding proportion of 51% and 49% of the registered capital of such company, respectively. Subsequently on 3 November 2022, Siam Wellness Amara Co., Ltd. registered its incorporation with the Ministry of Commerce.

Investment in joint venture represents investment in entity which is jointly controlled by a subsidiary and another company. Details of the investment as at 31 December 2022 and 2021 is as follows:

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amounts based on equity method	
			2022	2021	2022	2021	2022	2021
			(%)	(%)				
<u>Held by Siam Wellness Lab Co., Ltd.</u>								
Siam Wellness Amara Co., Ltd.	Sleep clinics, develop and distribute medical - grade cannabis products	Thailand	51.00	-	510	-	424	-
Total					510	-	424	-

### 12.2 Share of comprehensive income and dividend received

During the years 2022 and 2021, the Company recognised its share of loss and comprehensive income from investment in the joint venture and dividend income in the consolidated financial statements as follows:



(Unit: Thousand Baht)

Joint venture	Share of loss from investment in joint venture during the year		Share of other comprehensive income from investment in joint venture during the year		Dividend received during the year	
	2022	2021	2022	2021	2022	2021
Siam Wellness Amara Co., Ltd.	(86)	-	-	-	-	-
Total	(86)	-	-	-	-	-

### 12.3 Summarised financial information about material joint venture of Siam Wellness Amara Co., Ltd.

Summarised information about financial position as at 31 December 2022 is as follow.

(Unit: Thousand Baht)

	2022
Cash and cash equivalents	1,049
Other current assets	462
Non-current assets	997
Trade and other payables	(1,560)
Other current liabilities	(102)
Non-current liabilities	(15)
Net assets	831
Shareholding percentage (%)	51
Share of net assets	424
Carrying amounts of joint venture based on equity method	424

Summarised information about comprehensive income for the years ended 31 December 2022 is as follow.

(Unit: Thousand Baht)

	2022
Revenue from sales and services	124
Expenses	(293)
Net loss	(169)





### 13. Property, plant and equipment

(Unit: Thousand Baht)

#### Consolidated financial statements

	Revaluation basis		Cost basis			Assets under installation and under construction		Total
	Land	Land improvements	Buildings and building improvements	Furniture, fixtures and equipment	Motor vehicles			
<b>Cost/Revalued amount:</b>								
1 January 2021	278,766	2,684	1,191,398	202,150	20,440	9,326	1,704,764	
Additions	-	-	811	2,393	-	9,026	12,230	
Disposals/Write-off	-	-	(16,960)	(343)	-	-	(17,303)	
Transfer in (out)	-	-	6,058	-	-	(6,058)	-	
31 December 2021	278,766	2,684	1,181,307	204,200	20,440	12,294	1,699,691	
Additions	-	-	2,623	14,798	1,288	118,244	136,953	
Revaluations	43,513	-	-	-	-	-	43,513	
Transferred from non-current assets classified as held for sale	-	-	32,295	-	-	-	32,295	
Disposals/Write-off	-	-	(18,829)	(497)	-	-	(19,326)	
Transfer in (out)	-	-	122,025	1,244	-	(123,269)	-	
31 December 2022	322,279	2,684	1,319,421	219,745	21,728	7,269	1,893,126	
<b>Accumulated depreciation:</b>								
1 January 2021	-	2,684	474,376	136,477	16,280	-	629,817	
Depreciation for the year	-	-	105,254	23,864	1,705	-	130,823	
Depreciation on disposals/write-off	-	-	(12,487)	(114)	-	-	(12,601)	
31 December 2021	-	2,684	567,143	160,227	17,985	-	748,039	
Depreciation for the year	-	-	102,085	20,105	1,422	-	123,612	
Depreciation on disposals/write-off	-	-	(9,217)	(487)	-	-	(9,704)	
31 December 2022	-	2,684	660,011	179,845	19,407	-	861,947	
<b>Allowance for impairment loss</b>								
1 January 2021	-	-	346	9	4	-	359	
Increase during the year	-	-	3,213	-	-	1,438	4,651	
31 December 2021	-	-	3,559	9	4	1,438	5,010	
Reversal during the year	-	-	(3,213)	-	-	(1,438)	(4,651)	
31 December 2022	-	-	346	9	4	-	359	
<b>Net book value:</b>								
31 December 2021	278,766	-	610,605	43,964	2,451	10,856	946,642	
31 December 2022	322,279	-	659,064	39,891	2,317	7,269	1,030,820	
<b>Depreciation for the year</b>								
2021 (Baht 124.8 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)							130,823	
2022 (Baht 118.9 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)							123,612	

## Separate financial statements

	Revaluation basis		Cost basis			Total
	Land	Buildings and improvements	Furniture, fixtures and equipment	Motor vehicles	Assets under installation and under construction	
<b>Cost/Revalued amount:</b>						
1 January 2021	278,766	1,038,996	175,789	18,230	9,326	1,521,107
Additions	-	777	1,843	-	9,026	11,646
Disposals/write-off	-	(16,960)	(342)	-	-	(17,302)
Transfer in (out)	-	6,058	-	-	(6,058)	-
31 December 2021	278,766	1,028,871	177,290	18,230	12,294	1,515,451
Additions	-	1,911	11,114	-	113,160	126,185
Revaluations	43,513	-	-	-	-	43,513
Transferred from non-current assets classified as held for sale	-	32,295	-	-	-	32,295
Disposals/write-off	-	(18,829)	(404)	-	-	(19,233)
Transfer in (out)	-	117,043	1,142	-	(118,185)	-
31 December 2022	322,279	1,161,291	189,142	18,230	7,269	1,698,211
<b>Accumulated depreciation:</b>						
1 January 2021	-	395,616	114,841	14,685	-	525,142
Depreciation for the year	-	97,308	22,072	1,445	-	120,825
Depreciation on disposals/write-off	-	(12,487)	(113)	-	-	(12,600)
31 December 2021	-	480,437	136,800	16,130	-	633,367
Depreciation for the year	-	94,800	18,673	1,167	-	114,640
Depreciation on disposals/write-off	-	(9,217)	(396)	-	-	(9,613)
31 December 2022	-	566,020	155,077	17,297	-	738,394
<b>Allowance for impairment loss</b>						
1 January 2021	-	346	9	4	-	359
Increase during the year	-	3,213	-	-	1,438	4,651
31 December 2021	-	3,559	9	4	1,438	5,010
Reversal during the year	-	(3,213)	-	-	(1,438)	(4,651)
31 December 2022	-	346	9	4	-	359
<b>Net book value:</b>						
31 December 2021	278,766	544,875	40,481	2,096	10,856	877,074
31 December 2022	322,279	594,925	34,056	929	7,269	959,458
<b>Depreciation for the year</b>						
2021 (Baht 114.8 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)						120,825
2022 (Baht 110.1 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)						114,640

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 2020, the Company received the deposit amounted Baht 2 million. According to the agreement, the buyer shall pay for the remaining amount of Baht 34.5 million within 31 December 2021. As at 31 December 2021, 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” in the statement of financial position. However, due to the COVID-19 pandemic situation, the Company entered into memorandum of the agreement with the buyer to postpone the settlement of the remaining amount to be within December 2022.

At present, the buyer has not yet paid for the remaining amount and the Company did not further entered into memorandum of the agreement with the buyer to postpone the settlement of such remaining amount. As a result, the Company reclassified such non-current assets classified as held for sale with the net book value of Baht 32.3 million as at 31 December 2022 as “Property, plant and equipment”.

For lands, the Company arranged for an independent professional value to appraise the value of land in 2022. Land was revalued using the comparable market approach for the basis of the revaluation.

Had the lands carried in the financial statements on a historical cost basis, their net book value as of 31 December 2022 and 2021 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2022	2021
Land	165,557	165,557

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

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2022	2021
Original costs	165,557	165,557
Surplus from revaluations	156,722	113,209
Revalued amount	322,279	278,766



As at 31 December 2022, certain items of building and building improvements, furniture, fixtures and equipment and motor vehicles were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 300.8 million (2021: Baht 257.1 million) (The Company only: Baht 223.5 million (2021: Baht 180.2 million)).

As at 31 December 2022, the Company has pledged its land and structures thereon with net book value of Baht 389.3 million (2021: the Company has pledged its land and structure thereon and non-current assets classified as held for sale with net book value of Baht 349.0 million) as collateral against its bank overdrafts facilities and long-term loans facilities as disclosed in Note 17 to the consolidated financial statements.

During the year 2022, the Company performed impairment review for its property, plant and equipment to ensure that the carrying amount of the assets presented at their recoverable amounts. This is because the COVID-19 pandemic situation that still impact the business operations led to the indicator of the impairment loss. The Company has determined the recoverable amounts of its assets based on value in use using cash flow projections from financial estimation approved by management.

Key assumption used in value in use calculation is discount rate for which 2022 using at the rate of 10.5% (2021: 10%). The sensitivity analysis of impairment losses of property, plant and equipment and right-of-use assets for 2022 increased of Baht 1.7 million (2021: Baht 2.0 million) for the increasing of 0.5% of discount rate.

#### 14. Goodwill

A reconciliation of net book value of goodwill for the years ended 31 December 2022 and 2021 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	24,536	20,340
Net book value as at 31 December 2021	24,536	20,340
Net book value as at 31 December 2022	24,536	20,340

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

(Unit: Thousand Baht)

	Consolidated financial statements					
	Spa services business under "Baan Suan Massage" brand		Spa services and sale of spa products business		Total	
	2022	2021	2022	2021	2022	2021
	Goodwill	20,340	20,340	4,196	4,196	24,536

(Unit: Thousand Baht)

	Separate financial statements Spa services business under "Baan Suan Massage" brand	
	2022	2021
	Goodwill	20,340

The Company estimates the recoverable amount of group of cash-generating units from value in use. In determining value in use, the estimated future cash flows are referred from financial estimation with significant assumptions using in relating to revenue growth rate and discount rate approved by the management. The discount rate used for this year was 10.5% (2021: 10%).

## 15. Intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Computer			Total	Computer			Total
	Licenses	software	Trademark		Licenses	software	Trademark	
As at 31 December 2022:								
Cost	10,352	3,383	4,798	18,533	10,282	2,576	4,798	17,656
Less: Accumulated amortisation	(6,134)	(1,647)	(3,508)	(11,289)	(6,093)	(870)	(3,508)	(10,471)
Net book value	4,218	1,736	1,290	7,244	4,189	1,706	1,290	7,185

*[Handwritten signatures]*

(Unit: Thousand Baht)

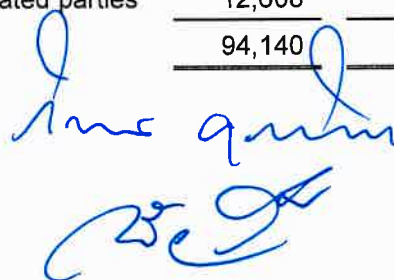
	Consolidated financial statements				Separate financial statements			
	Computer				Computer			
	Licenses	software	Trademark	Total	Licenses	software	Trademark	Total
As at 31 December 2021:								
Cost	9,934	2,483	4,798	17,215	9,864	1,676	4,798	16,338
Less: Accumulated amortisation	(4,712)	(1,472)	(3,026)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

A reconciliation of the net book value of intangible assets for the years 2022 and 2021 is presented below.

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Net book value at beginning of year	8,005	9,086	7,924	8,976
Acquisition during the year	1,318	688	1,318	688
Amortisation	(2,079)	(1,769)	(2,057)	(1,740)
Net book value at end of year	7,244	8,005	7,185	7,924

## 16. Trade and other payables

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade accounts payable - unrelated parties	38,359	16,020	32,172	14,747
Trade accounts payable - related parties (Note 6)	7,470	1,997	36,137	17,142
Payables for purchase of fixed assets - unrelated parties	639	695	639	695
Payables for construction and retention	12,607	6,499	12,365	6,499
Other payables - unrelated parties	3,075	2,422	2,847	2,205
Other payables - related parties (Note 6)	494	220	488	458
Accrued interest - related parties (Note 6)	-	-	140	-
Accrued payroll expenses	18,888	3,926	17,791	3,762
Other accrued expenses - unrelated parties	12,608	5,260	11,268	4,698
Total trade and other payables	94,140	37,039	113,847	50,206



## 17. Long-term loans

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

*Amnart*  
*Amnart*

(Unit: Thousand Baht)

Loan no.	Facility amount (Million Baht)	Loan agreement date	Interest rate (% per annum)	Repayment	Consolidated financial statements		Separate financial statements	
					2022	2021	2022	2021

27 March 2020  
Revised its principle repayment condition since March 2020 onwards, with the first repayment will be proceeded in March 2021. The last repayment of principle and interests will be in February 2024.

24 February 2021  
Revised its principle repayment condition since March 2021 onwards, with the first repayment will be proceeded in March 2022. The last repayment of principle and interests will be in February 2025.

22 March 2022  
Revised its principle repayment condition since March 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principle and interests will be in February 2026.

22 May 2019  
1st-2nd year:  
MLR - 3.75 and  
3rd year onwards:  
MLR - 3  
Pay the interest every month since the first drawdown and repayment of principle and interests within 60 periods after each drawdown. The last repayment of principle and interests will be in March 2025.

26 October 2020  
Revised its principle repayment condition since April 2020 onwards, with the first repayment will be proceeded in January 2021. The last repayment of principle and interests will be in November 2025.

19 May 2021  
Revised its principle repayment condition since May 2020 onwards, with the first repayment will be proceeded in May 2022. The last repayment of principle and interests will be in December 2026.

140,985

140,985

140,985

140,985

140,985



(Unit: Thousand Baht)

Loan no.	Facility amount (Million Baht)	Loan agreement date	Interest rate (% per annum)	Repayment	Consolidated financial statements		Separate financial statements	
					2022	2021	2022	2021
4	20	9 April 2020	1st-2nd year: 2 and 3rd year onwards: MLR	Revised its principle repayment condition since May 2022 onwards, with the first repayment will be proceeded in January 2023. The last repayment of principle and interests will be in August 2027.	20,000	20,000	20,000	20,000
5	10	9 April 2020	1st-2nd year: 2 and 3rd year onwards: MLR	Revised its principle repayment condition since April 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principle and interests will be in February 2026.	10,000	10,000	-	-
6	5	11 April 2020	1st-2nd year: 2 and 3rd year onwards: MLR	Revised its principle repayment condition since April 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principle and interests will be in February 2026.	5,000	5,000	-	-




(Unit: Thousand Baht)

Loan no.	Facility amount (Million Baht)	Loan agreement date	Interest rate (% per annum)	Repayment	Consolidated financial statements		Separate financial statements	
					2022	2021	2022	2021

7      10      22 March 2022      1st-2nd year: 2 and 3rd year onwards: MLR      Revised its principle repayment condition since April 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principle and interests will be in February 2026.      10,000      10,000      23,000      23,000

8      23      18 November 2020      1st-2nd year: 2 and 3rd year onwards: MLR-2      Pay the interest every month since the first drawdown and repayment of principle and interests within 36 periods since April 2022. The last repayment of principle and interests will be in March 2025.      23,000      23,000      23,000      23,000

9      89      20 November 2020      MLR -2      Revised its principle repayment condition since April 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principle and interests will be in February 2026.      89,000      89,000      89,000      89,000

22 March 2022      Revised its principle repayment condition since November 2021 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principle and interests will be in November 2025.      89,000      89,000      89,000      89,000

22 March 2022      Revised its principle repayment condition since March 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principle and interests will be in October 2026.      89,000      89,000      89,000      89,000

20 November 2020      Pay the interest every month since the first drawdown and repayment of principle and interests within 48 periods since December 2021. The last repayment of principle and interests will be in November 2025, if fully drawdown.      89,000      89,000      89,000      89,000



(Unit: Thousand Baht)  
 Consolidated financial statements  
 Separate financial statements

Loan no.	Facility amount (Million Baht)	Loan agreement date	Interest rate (% per annum)	Repayment	2022	2021	2022	2021
----------	--------------------------------	---------------------	-----------------------------	-----------	------	------	------	------

29 November 2021  
 Revised its principle repayment condition since November 2021 onwards, with the first repayment will be proceeded in March 2022. The last repayment of principle and interests will be in November 2025.

22 March 2022  
 Revised its principle repayment condition since March 2022 onwards, with the first repayment will be proceeded in March 2023. The last repayment of principle and interests will be in November 2026.

24 February 2021  
 1st-2nd year: 2 and 3rd year onwards: MLR - 2  
 Pay the interest every month since the first drawdown and repayment of principle and interests within 60 periods after March 2023. The last repayment of principle and interests will be in February 2028.

24 February 2021  
 1st-2nd year: 2 and 3rd year onwards: MLR - 2  
 Pay the interest every month since the first drawdown and repayment of principle and interests within 60 periods after March 2023. The last repayment of principle and interests will be in February 2028.

7 June 2021  
 1st-2nd year: 2, 3rd-5th: 2.95 and year onwards: MLR - 1.5  
 Pay the interest every month since January 2022 and repayment of principle and interests within 60 periods since July 2023. The last repayment of principle and interests will be in June 2028.

*Sue quah*  
*22/03*

(Unit: Thousand Baht)

Loan no.	Facility amount (Million Baht)	Loan agreement date	Interest rate (% per annum)	Repayment	Consolidated financial statements		Separate financial statements	
					2022	2021	2022	2021
13	3	7 June 2021	1st-2nd year: 2 and 3rd year: 2.95	Pay the interest every month since January 2022 and repayment of principle and interests within 60 periods since July 2023. The last repayment of principle and interests will be in June 2024.	3,000	3,000	-	-
14	120	23 September 2021	MLR-1.5	Pay the interest every month since the first drawdown and repayment of principle and interests within 55 periods. The first repayment will be proceeded in January 2023. The last repayment of principle and interests will be in July 2027.	110,000	20,000	110,000	20,000
Total					611,635	521,635	567,485	477,485
Less: Current portion					(169,918)	(114,469)	(159,180)	(108,214)
Long-term loans, net of current portion					441,717	407,166	408,305	369,271

*Siam Wellness Group*  
*CEO*

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

As at 31 December 2022, the Company and subsidiaries have been unable to maintain some financial ratios covenants under the loan agreements (unrelated to principle and interest payment) for loan facilities No. 1 to No. 5 and No. 7 to No. 13 which in December 2022, the Company and its subsidiaries have received waiver letters for not complying with such covenants from the Banks. As a result, the outstanding balances as at 31 December 2022 of these loans facilities are classified as current liabilities according to the conditions specified in the loan agreements.

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

As at 31 December 2022, long-term credit facilities of a Company which have not yet been drawn down amounted to Baht 22 million (2021: Baht 112 million).

Movements in the long-term loans from financial institution during the year ended 31 December 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 year	90,000	90,000
Balance as at 31 December 2022	<u>611,635</u>	<u>567,485</u>



## 18. Leases

### 18.1 The Group as a lessee

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

#### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statement			
	Land	Buildings	Machinery and equipment	Total
1 January 2021	88,257	1,071,152	10,147	1,169,556
Additions	-	531	-	531
Effect of modification of lease agreements	166	(21,647)	249	(21,232)
Effect from cancellation of lease agreement	-	(11,040)	-	(11,040)
Depreciation for the year	(6,265)	(183,478)	(2,497)	(192,240)
31 December 2021	82,158	855,518	7,899	945,575
Additions	-	251,505	329	251,834
Effect of modification of lease agreements	(8,643)	(16,076)	(53)	(24,772)
Effect from cancellation of lease agreement	-	(17,264)	-	(17,264)
Depreciation for the year	(5,897)	(176,214)	(2,474)	(184,585)
31 December 2022	67,618	897,469	5,701	970,788

(Unit: Thousand Baht)

## Separate financial statement

	Machinery and equipment			
	Land	Buildings	equipment	Total
1 January 2021	66,080	1,058,720	9,394	1,134,194
Additions	-	531	-	531
Effect of modification of lease agreements	-	(20,902)	-	(20,902)
Effect from cancellation of lease agreement	-	(11,040)	-	(11,040)
Depreciation for the year	(6,092)	(179,511)	(2,237)	(187,840)
31 December 2021	59,988	847,798	7,157	914,943
Additions	-	251,505	329	251,834
Effect of modification of lease agreements	(5,766)	(15,951)	-	(21,717)
Effect from cancellation of lease agreement	-	(17,264)	-	(17,264)
Depreciation for the year	(4,875)	(173,412)	(2,241)	(180,528)
31 December 2022	49,347	892,676	5,245	947,268

## b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Lease payments	1,238,849	1,106,431	1,234,205	1,098,606
Less: Deferred interest expenses	(195,402)	(108,291)	(195,322)	(108,068)
Total	1,043,447	998,140	1,038,883	990,538
Less: Portion due within one year	(179,702)	(175,496)	(176,681)	(172,503)
Lease liabilities - net of current portion	863,745	822,644	862,202	818,035



Movements of liabilities under finance lease agreements account during the year ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Balance at beginning of year	998,140	1,197,851	990,538	1,187,063
Additions	251,538	531	251,538	531
Accretion of interest	21,309	7,807	21,696	7,668
Repayments	(104,388)	(37,119)	(103,340)	(35,405)
Decrease from rental discount received during the year	(79,426)	(137,224)	(77,913)	(135,941)
Effect of changes from cancellation of lease agreements	(18,953)	(11,139)	(18,953)	(11,139)
Effect of changes from modification of lease agreements	(24,772)	(22,567)	(24,683)	(22,239)
Balance at end of year	<u>1,043,448</u>	<u>998,140</u>	<u>1,038,883</u>	<u>990,538</u>

A maturity analysis of lease payments is disclosed in Note 29 to the consolidated financial statements under the liquidity risk.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Depreciation expenses of right-of-use assets	184,584	192,240	180,528	187,840
Interest expenses on lease liabilities	32,243	31,080	32,098	30,845
Expenses relating to short-term leases	43	75	43	75
Expenses relating to variable lease payments	26,049	4,293	26,049	4,293
Rental discount - lease liabilities	(79,425)	(137,224)	(77,913)	(135,941)
Rental discount - interest expenses	(10,934)	(23,273)	(10,402)	(23,177)

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





#### d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 135 million (The Company only: Baht 133 million) (2021: Baht 41 million (The Company only: Baht 39 million)), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

#### 18.2 Group as a lessor

The Company entered into lease agreements of land and office spaces with related parties and also entered into sub-lease agreements for partial leased assets with its subsidiaries. In 2022 and 2021, the Company did not have income from such sub-lease agreements with its subsidiaries. In case the Company and its subsidiaries made sub-leasing continuously throughout the lease period of which the Company made lease agreements with related parties (the lease period was between 12 years to 30 years), the future minimum received under such sub-leasing as at 31 December 2022 were as follows (depends on rental discount consideration (if any) according to the COVID-19 pandemic situation):

	(Unit: Million Baht)	
	Separate financial statements	
	2022	2021
Within 1 year	3	3
Over 1 and up to 5 years	13	13
Over 5 years	43	48
Total	59	64



## 19. Provision for long-term employee benefits

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

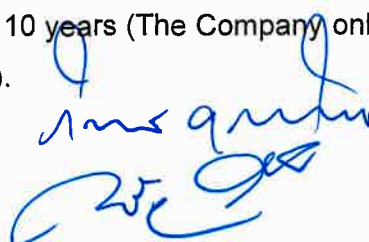
	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Provision for long-term employee benefits at beginning of year</b>	9,951	10,124	8,699	9,043
Included in profit or loss:				
Current service cost	1,252	1,235	1,098	1,083
Interest cost	164	145	143	126
Reversal during the year	-	(1,553)	-	(1,553)
Included in other comprehensive income:				
Actuarial gains arising from				
Demographic assumptions changes	(1,489)	-	(1,166)	-
Financial assumptions changes	(898)	-	(720)	-
Experience adjustments	(2,266)	-	(2,417)	-
Benefits paid during the year	(1,201)	-	(1,201)	-
<b>Provision for long-term employee benefits at end of year</b>	<b>5,513</b>	<b>9,951</b>	<b>4,436</b>	<b>8,699</b>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cost of services	304	299	240	236
Selling and administrative expenses	948	(472)	858	(580)
Total expenses recognised in profit or loss	<b>1,252</b>	<b>(173)</b>	<b>1,098</b>	<b>(344)</b>

The Group expected to pay long-term employee benefits during the next year amounting to Baht 2.9 million (The Company only: Baht 2.7 million) (2021: Baht 3.0 million (The Company only: Baht 3.0 million)).

As at 31 December 2022 and 2021, the weighted average duration of the liabilities for long-term employee benefit is 3 - 10 years (The Company only: 5 years) (2021: 7 - 25 years (The Company only: 7 - 25 years)).



Significant actuarial assumptions are summarised below:

(Unit: Percent per annum)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Discount rate	1.73 - 2.75	1.36 - 2.15	1.98	1.36
Salary increase rate	3.55	6.00	3.55	6.00
Turnover rate	20.00 - 43.00	13.00 - 57.00	20.00 - 43.00	13.00 - 57.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

(Unit: million Baht)

	Consolidated financial statements				Separate financial statements			
	Increase 0.5%		Decrease 0.5%		Increase 0.5%		Decrease 0.5%	
	2022	2021	2022	2021	2022	2021	2022	2021
Discount rate	(0.1)	(0.2)	0.1	0.2	(0.1)	(0.2)	0.1	0.2
Salary increase rate	0.1	0.2	(0.1)	(0.2)	0.1	0.2	(0.1)	(0.2)
Turnover rate	(0.1)	(0.3)	0.1	0.3	(0.1)	(0.3)	1.0	0.3

## 20. Statutory reserve

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

According to the Thai Civil and Commercial Code, the subsidiaries are required to set aside to a statutory reserve an amount equal to at least 5 percent of its net profit each time the subsidiaries pay out a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve cannot be used for dividend payment.



## 21. Finance cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest expenses on borrowings	17,788	12,858	17,073	12,617
Interest expenses on lease liabilities	32,563	31,314	32,417	31,078
<b>Total</b>	<b>50,351</b>	<b>44,172</b>	<b>49,490</b>	<b>43,695</b>

## 22. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Changes in inventories	(4,179)	7,086	(1,623)	9,701
Purchases of inventories	82,094	27,107	60,310	8,770
Depreciation of property, plant and equipment	123,612	130,823	114,640	120,825
Amortisation of intangible assets	2,079	1,769	2,057	1,740
Loss on impairment of assets (reversal)	(4,651)	4,651	(4,651)	4,651
Employee expenses	274,858	132,871	259,099	118,153
Directors' remuneration	2,024	1,773	2,024	1,773
Expenses related to lease and service agreements - net of discount	170,197	99,269	166,903	96,134
Public utilities	31,436	13,900	30,053	13,234
Maintenance and decorate locations expenses	17,978	4,348	18,079	4,324
Advertising and promotion expenses	20,676	13,115	14,409	9,680
Laundry expenses	16,628	3,806	16,523	3,655
Consulting fees	3,971	5,677	3,237	3,017

## 23. Income tax

### 23.1 Income tax expenses

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate financial	
	financial statements		statements	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Current income tax charge	2,468	367	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,502)	(9,087)	(1,719)	(8,724)
<b>Tax income reported in profit or loss</b>	<b>966</b>	<b>(8,720)</b>	<b>(1,719)</b>	<b>(8,724)</b>

### 23.2 Income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax on actuarial gains	926	-	861	-
Deferred tax on gain from revaluation of lands	8,703	-	8,703	-
	<b>9,629</b>	<b>-</b>	<b>9,564</b>	<b>-</b>



### 23.3 Reconciliation between accounting loss and tax income

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
Accounting loss before tax	(87,063)	(295,440)	(100,345)	(280,432)
Applicable tax rate	0%, 15%, 20%	0%, 15%, 20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(17,189)	(58,308)	(20,069)	(56,086)
Effects of:				
Non-deductible expenses	1,077	227	1,366	203
Additional expenses deductions Allowed	(167)	(3,888)	(165)	(3,788)
Total	910	(3,661)	1,201	(3,585)
Unused tax losses that may not be sufficient to allow utilisation	17,245	53,249	17,149	50,947
Tax expense (income) reported in profit or loss	966	(8,720)	(1,719)	(8,724)



## 23.4 Deferred tax assets / liabilities

The components of deferred tax assets and deferred tax liabilities as at 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Deferred tax assets</b>				
Allowance for expected credit losses	1,838	1,916	1,765	1,785
Allowance for diminution in value of inventories	1,120	2,472	438	1,606
Provision for long-term employee benefits	1,037	1,930	887	1,740
Lease agreements	15,441	11,983	15,441	11,983
Deferred revenue - customer loyalty program	151	135	151	135
Interest and depreciation from decommissioning estimation	687	604	687	604
Allowance for impairment loss on property, plant and equipment	72	1,002	72	1,002
Allowance for impairment loss on right-of-use assets	40	40	40	40
Allowance for expected credit losses - Share return receivables	993	722	993	722
<b>Total</b>	<b>21,379</b>	<b>20,804</b>	<b>20,474</b>	<b>19,617</b>
<b>Deferred tax liabilities</b>				
Surplus on revaluation of lands	31,344	22,642	31,344	22,642
<b>Total</b>	<b>31,344</b>	<b>22,642</b>	<b>31,344</b>	<b>22,642</b>
<b>Deferred tax assets - net</b>	<b>905</b>	<b>1,187</b>	<b>-</b>	<b>-</b>
<b>Deferred tax liabilities - net</b>	<b>10,870</b>	<b>3,025</b>	<b>10,870</b>	<b>3,025</b>

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As at 31 December 2022, the Group has deductible temporary differences and unused tax losses totaling Baht 597 million (The Company only: Baht 572 million) (2021: Baht 507 million (The Company only: Baht 482 million)), on which deferred tax assets have not been recognised as the Group considers there is an uncertainty for the sufficiency of future taxable profits to allow utilisation of the temporary differences and unused tax losses.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
31 December 2025	242	242	227	227
31 December 2026	265	265	255	255
31 December 2027	90	-	90	-
	<u>597</u>	<u>507</u>	<u>572</u>	<u>482</u>

## 24. Earnings per share

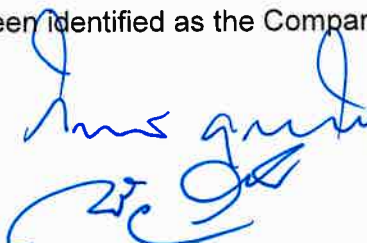
Basic loss per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

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

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Loss for the year (Thousand Baht)	(88,029)	(286,719)	(98,627)	(271,708)
Weighted average number of ordinary share (Thousand shares)	855,000	855,000	855,000	855,000
Loss per share (Baht/share)	(0.103)	(0.335)	(0.115)	(0.318)

## 25. Segment information

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

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



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

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

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

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

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

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2022 and 2021, respectively.

(Unit: Million Baht)

	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	600	127	74	29	37	12	-	-	711
Internal - segment revenues	11	2	46	16	1	-	(58)	(18)	-	-
<b>Total revenues</b>	<b>611</b>	<b>129</b>	<b>120</b>	<b>45</b>	<b>38</b>	<b>12</b>	<b>(58)</b>	<b>(18)</b>	<b>711</b>	<b>168</b>
Segment profit (loss)	34	(157)	39	13	7	(7)	-	-	80	(151)
Revenues and expenses which have not been allocated:										
Interest income									2	2
Other income									8	5
Selling and distribution expenses									(35)	(24)
Administrative expenses									(92)	(84)
Finance cost									(50)	(44)
Loss before tax income									(87)	(296)
Tax income (expense)									(1)	9
<b>Total loss for the year</b>									<b>(88)</b>	<b>(287)</b>

*Handwritten signatures in blue ink.*

## Contract assets / Contract liabilities

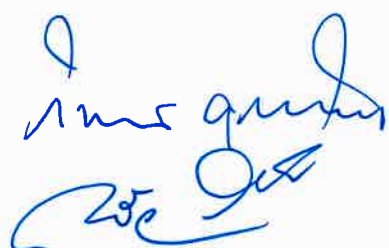
	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2022	2021	2022	2021
<b>Contract assets</b>				
Trade receivables - net	28,545	13,847	30,118	10,849
Total contract assets - net	<u>28,545</u>	<u>13,847</u>	<u>30,118</u>	<u>10,849</u>
<b>Contract liabilities</b>				
Advance received - current portion	57,914	45,140	55,057	44,176
Advance received - net of current portion	971	5,989	971	5,989
Total contract liabilities	<u>58,165</u>	<u>51,129</u>	<u>56,028</u>	<u>50,165</u>

## Disaggregated revenue from contracts with customers

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2022	2021	2022	2021
<b>Timing of revenue recognition:</b>				
Revenue recognised at a point in time				
Sale	97,823	37,321	31,537	9,496
Spa Service	591,537	122,907	592,824	123,373
Revenue recognised over time				
Hotel service	14,362	3,061	-	-
Franchise income	7,560	4,325	7,560	4,325
Management Fee	3,506	1,770	4,464	2,242
Total revenue from contracts with customers	<u>714,788</u>	<u>169,384</u>	<u>636,385</u>	<u>139,436</u>

## Revenue to be recognised for the remaining performance obligations

As at 31 December 2022, revenue totaling Baht 1 million (2021: Baht 6 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied) The Group expects to satisfy these performance obligations within 3-5 years.



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

The segment assets of the Group as at 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Spa services and sales of spa products and healthy products*		Hotel and restaurant		Elimination		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	Property, plant and equipment	931	883	68	64	-	-	999
Right-of-use assets	954	925	18	22	(1)	(1)	971	946
Lease receivables	23	26	-	-	(23)	(26)	-	-
Other assets	489	372	40	23	(80)	(30)	449	365
<b>Total assets</b>	<b>2,397</b>	<b>2,206</b>	<b>126</b>	<b>109</b>	<b>(104)</b>	<b>(57)</b>	<b>2,419</b>	<b>2,258</b>
Other material non-cash item:								
Write-off of property, plant and equipment	(10)	(5)	-	-	-	-	(10)	(5)
Depreciation of property, plant and equipment and right-of-use assets	(300)	(315)	(8)	(8)	-	-	(308)	(323)
Amortisation of intangible assets	(2)	(2)	-	-	-	-	(2)	(2)
Loss on impairment	5	(5)	-	-	-	-	5	(5)
Allowance for expected credit losses	-	(8)	-	-	-	-	-	(8)

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

### Geographic information

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

### Major Customer

For the years 2022 and 2021, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.



## 26. Provident fund

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

During the years 2022 and 2021, the contributions to the fund which were recognised as expenses are as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2022	2021
Contributions to provident fund	1.2	0.9

## 27. Commitments and contingent liabilities

### 27.1 Capital commitments

As at 31 December 2022 and 2021, 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	
	2022	2021
Construction costs	5	49



## 27.2 Operating lease and service commitments

As at 31 December 2022 and 2021, the Group has future minimum payments under service agreement, short-term lease agreements and low-value assets lease agreement other than recorded as lease liabilities in the statements of financial position as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2022	2021
Payable:		
In up to 1 year	30	24
In over 1 and up to 5 years	48	34
In over 5 years	11	15

## 27.3 Guarantees

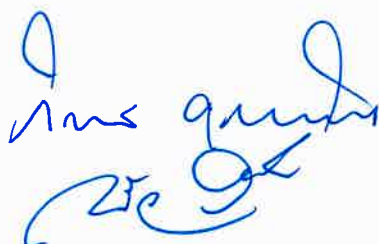
- (1) The Company has guaranteed bank credit facilities of its subsidiaries as described in Note 17 to the consolidated financial statements.
- (2) As at 31 December 2022, there were outstanding bank guarantees of Baht 1.7 million (2021: Baht 0.1 million) (The Company only: Baht 0.1 million (2021: Baht 0.1 million)) issued by the banks on behalf of the Group as required in the normal course of business.

## 28. Fair value hierarchy

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

(Unit: Million Baht)

	Consolidated financial statement			
	31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Lands	-	322	-	322
<b>Liabilities disclosed fair value</b>				
Loans from financial institution - fixed interest rates	-	98	-	98



(Unit: Million Baht)

Separate financial statement

31 December 2022

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Lands	-	322	-	322
<b>Liabilities disclosed fair value</b>				
Loans from financial institution - fixed interest rates	-	79	-	79

(Unit: Million Baht)

Consolidated financial statement

31 December 2021

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Lands	-	279	-	279
<b>Liabilities disclosed fair value</b>				
Loans from financial institution - fixed interest rates	-	161	-	161

(Unit: Million Baht)

Separate financial statement

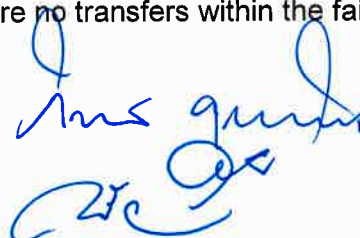
31 December 2021

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Lands	-	279	-	279
<b>Liabilities disclosed fair value</b>				
Loans from financial institution - fixed interest rates	-	118	-	118

Valuation techniques and inputs to Level 2 valuation

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

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



## 29. Financial instruments

### 29.1 Financial risk management

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

#### ***Credit risk***

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

#### ***Trade and other receivables***

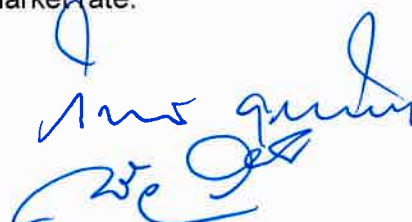
An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and does not hold collateral as security.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

#### ***Cash deposits***

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

#### ***Interest rate risk***

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



As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statement							
31 December 2022							
Fixed interest rates							
	Within	1-5	Over	Floating	Non-		
	1 year	years	5 years	interest rate	interest	Total	Interest rate
	At call				bearing		(% per annum)
<b>Financial assets</b>							
Cash and cash equivalent	-	-	-	181	4	185	0.01 - 0.35
Trade and other receivables	-	-	-	-	30	30	-
Share return receivables	-	-	-	-	40	40	-
	-	-	-	181	74	255	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	94	94	-
Lease liabilities	-	180	547	316	-	1,043	2.05 - 5.18
Long-term loans	-	99	-	513	-	612	Note 17
	-	279	547	316	513	1,749	

(Unit: Million Baht)

Separate financial statement							
31 December 2022							
Fixed interest rates							
	Within	1-5	Over	Floating	Non-		
	1 year	years	5 years	interest rate	interest	Total	Interest rate
	At call				bearing		(% per annum)
<b>Financial assets</b>							
Cash and cash equivalent	-	-	-	143	3	146	0.01 - 0.35
Trade and other receivables	-	-	-	-	31	31	-
Lease receivables	-	-	3	20	-	23	11 - 19
Share return receivables	-	-	-	-	40	40	-
	-	-	3	20	143	74	240
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	114	114	-
Long-term loans from related parties	-	-	-	28	-	28	-
Lease liabilities	-	177	546	316	-	1,039	2.05 - 5.18
Long-term loans	-	80	-	487	-	567	Note 17
	-	257	546	316	515	1,748	

*Handwritten signature and initials in blue ink.*



(Unit: Million Baht)

## Consolidated financial statement

31 December 2021

	Fixed interest rates					Non- interest bearing	Total	Interest rate (% per annum)
	At call	Within 1 year	1-5 years	Over 5 years	Floating interest rate			
<b>Financial assets</b>								
Cash and cash equivalent	-	-	-	-	107	3	110	0.05 - 0.38
Trade and other receivables	-	-	-	-	-	15	15	-
Share return receivables	-	-	-	-	-	41	41	-
	-	-	-	-	107	59	166	
<b>Financial liabilities</b>								
Trade and other payables	-	-	-	-	-	37	37	-
Lease liabilities	-	175	580	243	-	-	998	2.04 - 3.44
Long-term loans	-	4	-	-	518	-	522	Note 17
	-	179	580	243	518	37	1,557	

(Unit: Million Baht)

## Separate financial statement

31 December 2021

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


  
**SIAM WELLNESS GROUP**
  
 บริษัท สยามเวลเนส กรุ๊ป จำกัด (มหาชน)
   
 Siam Wellness Group Public Company Limited

### Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of market rate affected as at 31 December 2022 with all other variables held constant.

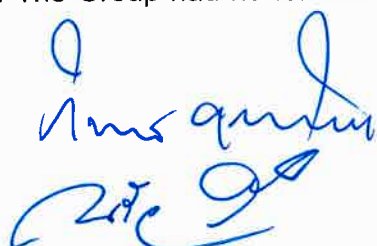
2022			
Currency	Consolidated and Separate financial statements	Consolidated financial statement	Separate financial statement
	Increase/decrease	Effect on profit before tax	
	(%)	(Million Baht)	(Million Baht)
Baht	0.5	(2.9)	(2.8)
	(0.5)	2.9	2.8

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

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

### Foreign currency risk

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



As at 31 December 2022 and 2021, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2022	2021	2022	2021	2022	2021
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	5	7	-	-	34.90	31.81
Hong Kong Dollar	705	706	-	-	4.44	4.07
Euro	-	-	78	-	37.24	-
Pound sterling	-	-	-	1	-	44.44

Foreign currencies	Separate financial statements			
	Financial assets		Average exchange rate	
	2022	2021	2022	2021
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	1	1	34.90	31.81
Hong Kong Dollar	705	706	4.44	4.07

### Liquidity risk

The Group monitors the risk of a shortage of liquidity through the payment of trade and other payables, loans and lease contracts. Approximately 25% of the Group's debt will mature in less than one year at 31 December 2022 (2021: 22%) (the Company only: 25% (2021: 22%)) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and the Group's operating, the Group concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:



(Unit: Million Baht)

Consolidated financial statement					
31 December 2022					
On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total	
Trade and other payables	-	94	-	94	
Lease liabilities	-	180	547	316	1,043
Interest on lease liabilities	-	36	90	69	195
Long-term loans	-	170	434	8	612
Interest on long-term loans	-	19	26	-	45
<b>Total</b>	-	<b>499</b>	<b>1,097</b>	<b>393</b>	<b>1,989</b>

(Unit: Million Baht)

Separate financial statement					
31 December 2022					
On demand	Less than 1 year	1 to 5 years	Over 5 years	Total	
Trade and other payables	-	114	-	114	
Lease liabilities	-	177	546	316	1,039
Interest on lease liabilities	-	36	90	69	196
Long-term loans	-	159	401	7	567
Interest on long-term loans	-	19	23	-	41
Long-term loans - related parties	-	-	28	-	28
Interest on long-term loans - related parties	-	2	2	-	4
<b>Total</b>	-	<b>507</b>	<b>1,090</b>	<b>392</b>	<b>1,989</b>

(Unit: Million Baht)

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

*[Handwritten signatures]*

(Unit: Million Baht)

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

## 29.2 Fair values of financial instruments

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

- For financial assets and liabilities which have short-term maturity, including cash and deposit at financial institutions, trade and other receivables and trade and other payables, their carrying amounts in the statements of financial position approximate their fair values.
- For current investments, their fair values are generally derived from quoted market prices.
- For share return receivables, their carrying amounts in the statements of financial position approximates their fair values.
- Future cash flow by the current market interest rate of the loans with similar terms and conditions. As at 31 December 2022 and 2021, fixed rate long-term loans are detailed below.

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	Carrying amount		Fair value		Carrying amount		Fair value	
	2022	2021	2022	2021	2022	2021	2022	2021
Long-term loans from financial institutions - fixed interest rate	99	167	98	161	80	123	79	118

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

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

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

### 30. Capital management

The primary objective of the Group's capital management is to ensure that they have appropriate capital structure in order to support their businesses and maximise shareholder value. As at 31 December 2022, the Group's debt-to-equity ratio was 3.25:1 (2021: 2.65:1) and the Company's was 3.33:1 (2021: 2.65:1).

### 31. Events after the reporting period

31.1 On 27 February 2023, the Board of Directors of the Company passed a resolution to propose that the Annual General Meeting of Siam Wellness Lab Co., Ltd. (a subsidiary) shareholders to consider the payment of a dividend for the year 2022 amounting to Baht 36.72 per share, or a total of Baht 3.7 million. The dividend payment will be paid within the second quarter of 2023.

31.2 On 27 February 2023, the Board of Directors of the Company passed a resolution to propose that the Annual General Meeting of Tiger Eyes Trading (Thailand) Co., Ltd. (a subsidiary) shareholders to consider the payment of a dividend for the year 2022 amounting to Baht 252.24 per share, or a total of Baht 5.0 million. The dividend payment will be paid within the second quarter of 2023.

31.3 On 27 February 2023, a meeting of the Board of Directors of the Company passed a resolution to enter into the loan agreement with a related party for credit facilities of Baht 200 million in March 2023 by issuing promissory notes. Such promissory note is unsecured with a term of repayment not exceeding to 1 year and the option to renew for not exceeding to 1 year from the due date, with a fixed interest rate at 4% per annum.

### 32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2023.

