

Siam Wellness Group Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2020

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Siam Wellness Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Siam Wellness Group Public Company Limited and its subsidiaries as at 31 March 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Siam Wellness Group Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

I draw attention to Note 1.4 to the interim consolidated financial statements. The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation significantly affects the Group's business activities in terms of temporary shutdown of spa service provider business as required by a resolution of the cabinet and the Declaration of Provincial Governors in accordance with surveillance of the outbreak policy, also the temporary shutdown of hotel business, as well as its investment in the General Fixed Income Funds managed by a fund management company that announced the termination of the funds in late March 2020 and is currently under liquidation. This is impacting the Group's operating results and cash flows. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, including the investment in the General Fixed Income Funds, and will record the impact (if any) when it is possible to do so. In addition, in preparing the interim financial information for the three-month period ended 31 March 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions and TFRS 16 Leases which is effective in the current period, as mentioned in Note 1.5 to the interim consolidated financial statements.

My conclusion is not modified in respect of this matter.



Sumana Punpongsanon
Certified Public Accountant (Thailand) No. 5872

EY Office Limited
Bangkok: 14 May 2020

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2020	31 December 2019	31 March 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		80,467	52,561	64,741	44,617
Current investments	4	130,285	73,098	103,039	15,391
Trade and other receivables	3, 6	21,949	37,213	16,741	35,972
Lease receivables - current portion	3	-	-	138	-
Share return receivables - current portion	5	35,000	39,200	35,000	39,200
Inventories	7	39,643	39,901	38,358	37,348
Other current assets		20,883	14,824	17,842	11,186
		328,227	256,797	275,859	183,714
Non-current assets classified as held for sale	11	32,295	32,295	32,295	32,295
Total current assets		360,522	289,092	308,154	216,009
Non-current assets					
Restricted deposits of financial institution	8	5,159	5,105	-	-
Lease receivables - net of current portion	3	-	-	26,227	-
Share return receivables - net of current portion	5	14,579	15,000	14,579	15,000
Investments in subsidiaries	9	-	-	101,705	101,705
Leasehold rights	10	-	9,265	-	9,265
Property, plant and equipment	11	1,059,217	1,082,797	983,222	1,004,421
Right-of-use assets	12	1,147,771	-	1,109,009	-
Goodwill		24,536	24,536	20,340	20,340
Intangible assets	13	8,726	9,139	8,586	8,953
Deferred tax assets	19	778	722	-	-
Deposits	14	88,622	79,466	88,078	78,922
Other non-current assets		3,511	1,023	3,420	932
Total non-current assets		2,352,899	1,227,053	2,355,166	1,239,538
Total assets		2,713,421	1,516,145	2,663,320	1,455,547

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


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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2020	31 December 2019	31 March 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts from financial institution	15	-	32	-	-
Short-term loans from and interest payable to related parties	3	4,665	4,615	-	-
Trade and other payables	3, 16	48,887	96,718	48,420	95,029
Current portion of long-term loans	17	21,870	80,200	21,870	80,200
Current portion of lease liabilities		156,221	-	153,419	-
Current portion of liabilities under finance lease agreements		-	120	-	120
Income tax payable		25,595	24,829	23,930	23,930
Advance received - current portion		28,850	28,922	28,714	27,740
Other current liabilities		2,582	9,632	2,188	8,954
Total current liabilities		288,670	245,068	278,541	235,973
Non-current liabilities					
Long term loans - net of current portion	17	234,297	80,167	234,297	80,167
Lease liabilities - net of current portion		997,654	-	987,582	-
Liabilities under finance lease agreements - net of current portion		-	260	-	260
Advance received - net of current portion		11,265	12,161	11,265	12,161
Provision for long-term employee benefits	18	8,944	8,556	8,023	7,683
Deferred tax liabilities	19	16,789	17,995	16,797	18,005
Other non-current liabilities		20,054	19,999	19,060	19,054
Total non-current liabilities		1,289,003	139,138	1,277,024	137,330
Total liabilities		1,577,673	384,206	1,555,565	373,303
Shareholders' equity					
Share capital					
Registered					
570,000,000 ordinary shares of Baht 0.25 each		142,500	142,500	142,500	142,500
Issued and paid-up					
570,000,000 ordinary shares of Baht 0.25 each		142,500	142,500	142,500	142,500
Share premium		278,906	278,906	278,906	278,906
Discount on business combination under common control		(46,226)	(46,226)	-	-
Retained earnings					
Appropriated - statutory reserve		17,399	16,380	14,250	14,250
Unappropriated		652,597	649,805	581,532	556,021
Other components of shareholders' equity		90,567	90,567	90,567	90,567
Equity attributable to shareholders' of the Company		1,135,743	1,131,932	1,107,755	1,082,244
Non-controlling interests of the subsidiaries		5	7	-	-
Total shareholders' equity		1,135,748	1,131,939	1,107,755	1,082,244
Total liabilities and shareholders' equity		2,713,421	1,516,145	2,663,320	1,455,547

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

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Directors



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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

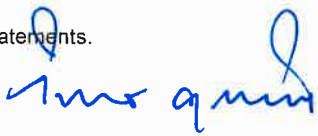
Statement of comprehensive income

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from sales		20,550	23,030	9,135	14,834
Revenue from services		217,275	317,561	212,653	291,873
Interest income		640	141	1,320	83
Dividend income	9	-	-	23,698	-
Other income		5,103	4,345	6,178	5,993
Total revenues		243,568	345,077	252,984	312,783
Expenses					
Cost of sales		10,946	10,889	5,532	8,495
Cost of services		189,754	219,667	188,074	206,601
Selling and distribution expenses		11,751	12,318	10,324	10,560
Administrative expenses		18,544	29,656	15,642	24,466
Total expenses		230,995	272,530	219,572	250,122
Profit from operations		12,573	72,547	33,412	62,661
Finance cost		(8,580)	(2,387)	(8,433)	(2,308)
Profit before income tax expenses		3,993	70,160	24,979	60,353
Tax income (expenses)	19	357	(10,953)	1,072	(9,580)
Profit for the period		4,350	59,207	26,051	50,773
Other comprehensive income:					
Other comprehensive income		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		4,350	59,207	26,051	50,773
Profit attributable to:					
Equity holders of the Company		4,350	59,073	26,051	50,773
Non-controlling interests of the subsidiaries		-	134	-	-
		4,350	59,207		
Total comprehensive income attributable to:					
Equity holders of the Company		4,350	59,073	26,051	50,773
Non-controlling interests of the subsidiaries		-	134	-	-
		4,350	59,207		
Earnings per share	20		(Restated)		(Restated)
Basic earnings per share					
Profit attributable to equity holders of the Company		0.005	0.069	0.030	0.059

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


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

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to shareholders of the Company									
	Equity attributable to shareholders of the Company				Other components of shareholders' equity				
					Other comprehensive				
					income	Surplus on revaluation of assets	Total components of other shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries
	Issued and fully paid-up share capital	Share premium	Discount on business combination under common control	Retained earnings	Appropriated - statutory reserve	Unappropriated			Total
Balance as at 1 January 2019	142,500	278,906	(46,226)	16,381	481,327	90,567	90,567	963,455	3
Profit for the period	-	-	-	-	59,073	-	-	59,073	134
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	59,073	-	-	59,073	134
Dividend paid (Note 22)	-	-	-	-	(85,500)	-	-	(85,500)	-
Increase in equity attributable to non-controlling interests of subsidiary due to purchase of investment in a subsidiary	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	142,500	278,906	(46,226)	16,381	454,900	90,567	90,567	937,028	10,937
Balance as at 31 December 2019	142,500	278,906	(46,226)	16,381	649,805	90,567	90,567	1,131,933	7
- as previously reported	-	-	-	-	(540)	-	-	(540)	-
Cumulative effect of change in accounting policy for revenue recognition (Note 2)	-	-	-	-	649,265	90,567	90,567	1,131,393	7
Balance as at 1 January 2020 - as restate	142,500	278,906	(46,226)	16,381	649,265	90,567	90,567	1,131,393	7
Profit for the period	-	-	-	-	4,350	-	-	4,350	-
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	4,350	-	-	4,350	-
Appropriated of retained earning	-	-	-	1,018	(1,018)	-	-	-	-
Subsidiaries paid dividend to non-controlling	-	-	-	-	-	-	-	-	(2)
Balance as at 31 March 2020	142,500	278,906	(46,226)	17,399	652,597	90,567	90,567	1,135,743	5

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



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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Other components of shareholders' equity

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

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Siam Wellness Group Public Company Limited and its subsidiaries

For the three-month period ended 31 March 2020

Consolidated financial statements		Separate financial statements	
2020	2019	2020	2019
3,993	70,160	24,979	60,353
69,881	30,925	66,360	25,903
114	(244)	95	(87)
(56)	956	(124)	843
21	(112)	(36)	36
(19)	(3)	18	-
(1)	-	-	-
744	19	744	19
388	1,130	340	943
(640)	(141)	(1,320)	(83)
-	-	(23,698)	-
8,580	2,387	8,433	2,308
83,005	105,077	75,791	90,235
(57,300)	(46,062)	(87,743)	(35,062)
16,003	5,141	20,037	(4,894)
237	(9,429)	(973)	(934)
(9,236)	(6,863)	(9,833)	(5,909)
(12,980)	(17,226)	(12,980)	(7,692)
1,319	7,985	1,319	(12)
(25,209)	12,271	(24,871)	9,876
(969)	21	77	492
(7,049)	(104)	(6,767)	(307)
(67)	907	(113)	901
(12,246)	51,718	(46,056)	46,694
(8,413)	(2,196)	(8,317)	(2,170)
(2)	(376)	-	(360)
(20,661)	49,146	(54,373)	44,164

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

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SARAWAT PAPER CORPORATION COMPANY LTD.

(Unaudited but reviewed)

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

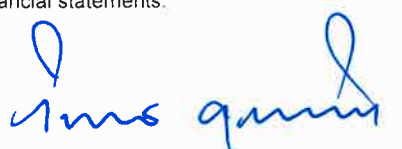
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in restricted deposits at financial institution	(53)	(52)	-	-
Net cash paid to purchase of investments by subsidiaries	-	(60,449)	-	(62,500)
Cash received from share return receivables	4,200	-	4,200	-
Cash paid for acquisition of property, plant and equipment	(21,142)	(31,707)	(19,570)	(29,905)
Cash paid for acquisition of intangible assets	(38)	(1,525)	(38)	(1,510)
Cash received from lease receivables	-	-	33	-
Proceeds from disposal of property, plant and equipment	797	3	4	-
Proceeds from disposal of intangible assets	32	-	-	-
Cash received from dividend from subsidiaries	-	-	23,698	-
Cash received from interest income	64	141	744	-
Net cash flows from (used in) investing activities	(16,140)	(93,589)	9,071	(93,915)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts from financial institution	(32)	650	-	-
Cash paid for liabilities under financial lease agreements	(30)	(21)	(30)	(21)
Cash paid for liabilities under lease agreement	(31,029)	-	(30,343)	-
Cash received from long-term loans from financial institution	110,000	45,000	110,000	45,000
Cash paid for repayment of long-term loans from financial institution	(14,200)	(21,060)	(14,200)	(21,060)
Cash paid for dividend to non-controlling interest of subsidiaries	(2)	-	-	-
Net cash flows from financing activities	64,707	24,569	65,427	23,919
Net increase (decrease) in cash and cash equivalents	27,906	(19,874)	20,125	(25,832)
Cash and cash equivalents at beginning of period	52,561	79,444	44,616	67,865
Cash and cash equivalents at end of period	80,467	59,570	64,741	42,033

Supplemental cash flows information

Non-cash transactions

Increase in liabilities from acquisition of property, plant and equipment	10,297	3,777	9,532	4,329
Increase in provision for dismantling, removing and restoring of leasehold improvements	122	193	120	191
Dividend payable	-	85,500	-	85,500
Payable for purchase of investment in a subsidiary	-	62,500	-	62,500

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


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

Siam Wellness Group Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2020

1. General information

1.1 The Company's general information

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

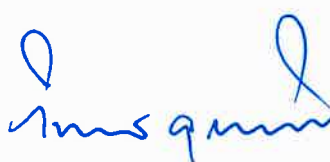
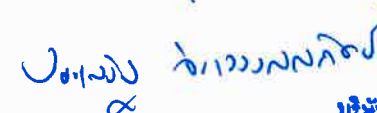
The Company registered in the Stock Exchange of Thailand on 31 October 2014 and its common shares had been approved to be listed in the MAI (MAI: Market of Alternative Investment).

1.2 Basis for the preparation of interim financial information

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

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

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



1.3 Basis of preparation of the interim consolidated financial statements

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

1.4 Coronavirus disease 2019 Pandemic

The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation significantly affects the Group's business activities in terms of temporary shutdown of spa service provider business as required by a resolution of the cabinet and the Declaration of Provincial Governors in accordance with surveillance of the outbreak policy, also the temporary shutdown of hotel business, as well as its investment in the General Fixed Income Funds managed by a fund management company that announced the termination of the funds in late March 2020 and is currently under liquidation. This is impacting the Group's operating results and cash flows. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, including the investment in the General Fixed Income Funds, and will record the impact (if any) when it is possible to do so.

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

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


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

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

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

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

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

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

TFRS 16 Leases

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

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

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

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

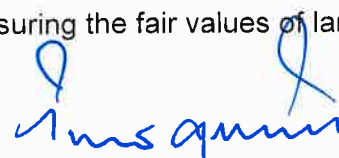
Accounting Treatment Guidance on “Temporary Relief Measures on Accounting Alternatives In Response to the Impact of the COVID-19 Situation”

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

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

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

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


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

1.6 Significant accounting policies

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

1.6.1 Financial instruments

Classification and measurement

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

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

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


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1.6.2 Leases

Right-of-use assets

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

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

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

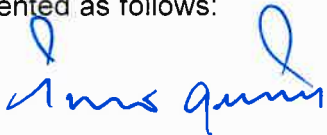
Short-term leases and Leases of low-value assets

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

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

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

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


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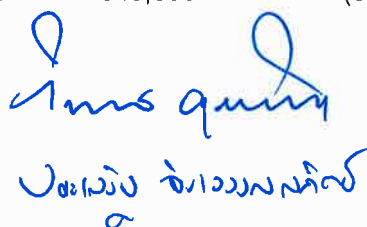
บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements

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


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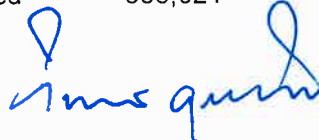


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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

(Unaudited but reviewed)

(Unit: Thousand Baht)

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


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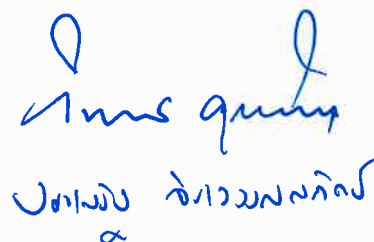


บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

2.1 Financial instruments

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

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


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(Unaudited but reviewed)

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

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

Siam Wellness
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บริษัท สยามเวลเนส จำกัด (มหาชน)
SIAM WELLNESS PUBLIC COMPANY LIMITED

(Unit: Thousand Baht)

Separate financial statements				
Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	44,617	-	44,617	44,617
Current investments	15,391	15,391	-	15,391
Trade and other receivables	35,972	-	35,812	35,812
Current portion of share return receivables	39,200	-	39,200	39,200
Current portion of lease receivables	-	-	124	124
Share return receivables - net current portion	15,000	-	14,483	14,483
Lease receivables, net of current portion	-	-	26,274	26,274
Deposits	78,922	-	74,824	74,824
Total financial assets	229,102	15,391	235,334	250,725


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

2.2 Leases

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

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

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

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

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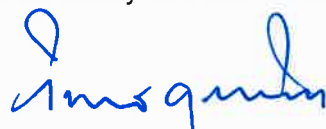
3. Related party transactions

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

Name of Related parties	Type of business	Type of relationship
Siam Wellness Lab Co., Ltd.	Manufacturer and sale of spa products	A subsidiary
Siam Wellness Education Co., Ltd.	A school for Thai massage	A subsidiary
Siam Wellness Resort Co., Ltd.	Hotel and restaurant operations	A subsidiary
Siam Wellness Group (Hong Kong) Co., Ltd.	Investment for overseas expansion of the spa business	A subsidiary
Siam Wellness Group (Cambodia) Co., Ltd.	Spa business and sale of spa products	A subsidiary
Chaba Elegance Co., Ltd.	Nails polish, hand and foot spa and eyelash extension business	A subsidiary (cancellation of related party since October 2019)
Tiger Eyes Trading (Thailand) Co., Ltd.	Import and sale of spa products	A subsidiary (held by a subsidiary)
Shanghai Jia Tai Health Management Co., Ltd. ⁽¹⁾	Nutritional health and beauty consulting and management service	A subsidiary (held by a subsidiary)
Blooming Intergift Co., Ltd.	Property rental	Common shareholders
Blooming Co., Ltd.	Sale of gift, a blessed card and a notebook	Common shareholders
B.U. Enterprise Co., Ltd.	Property rental	Common shareholders
Cyberprint Group Co., Ltd.	Printing business	Common shareholders
Asian Fortune Property Co., Ltd.	Real estate development	Common shareholders
Klom Kliao Pattana Co., Ltd.	Property rental	Common directors
G.G.P. Property Co., Ltd.	Property rental	Common directors
Sawangasuk Co., Ltd.	Food and beverages products	Close family member of director
Directors of the Company and its subsidiaries	-	Directors of the Company and its subsidiaries
A related person	-	Close family member of director

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

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



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

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 31 March					
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Revenue from sales and services	-	-	0.1	0.1	Contract price
Revenue from rental and utilities	-	-	0.5	1.6	Contract price
Other income	-	-	1.0	0.6	Contract price
Interest income	-	-	-	0.1	Contract rate
Dividend income	-	-	23.7	-	Declared rate
Purchase of goods	-	-	5.8	7.3	Contract price
Service expenses	-	-	2.6	3.2	Contract price
Commission expenses	-	-	0.1	0.3	Contract price
Rental and utilities expenses	-	-	0.2	-	Contract price
<u>Transactions with related parties</u>					
Revenue from sales and services	2.2	0.1	0.1	-	Contract price
Purchase of goods	2.9	4.4	2.6	3.7	Contract price
Service expenses	2.2	0.5	0.6	0.5	Contract price
Rental and utilities expenses	7.4	7.0	6.3	6.2	Contract price

The balances of the accounts as at 31 March 2020 and 31 December 2019 between the Company, subsidiaries and those related companies are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade receivables - subsidiaries (Note 6)</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	217	589
Siam Wellness Lab Co., Ltd.	-	-	93	61
Siam Wellness Education Co., Ltd.	-	-	-	4
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	35	679
Total	-	-	345	1,333
<u>Trade receivables - related parties (Note 6)</u>				
Blooming Co., Ltd.	2,056	135	1	-
Cyberprint Group Co., Ltd.	175	175	175	175
B.U. Enterprise Co., Ltd.	2	5	-	-
Directors of the Company	16	7	1	-
Total	2,249	322	177	175

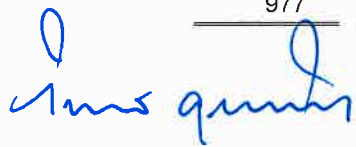
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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)
<u>Other receivables - subsidiaries (Note 6)</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	19	21
Siam Wellness Group (Hong Kong) Co., Ltd.	-	-	255	245
Shanghai Jia Tai Health Management Co., Ltd	-	-	230	230
Total	-	-	504	496
<u>Other receivables - related parties (Note 6)</u>				
B.U. Enterprise Co., Ltd	123	-	-	-
Asian Fortune Property Co., Ltd.	124	-	124	-
Sawangasuk Co., Ltd.	1,385	-	-	-
Total	1,632	-	124	-
<u>Lease receivables - Subsidiaries</u>				
Current	-	-	138	-
Non-current	-	-	26,227	-
Total	-	-	26,365	-
<u>Short-term loans from and interest payable to related parties</u>				
Director of the Company	1,155	1,143	-	-
Director of subsidiaries	3,510	3,472	-	-
Total	4,665	4,615	-	-
<u>Trade payables - subsidiaries (Note 16)</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	144	114
Siam Wellness Lab Co., Ltd.	-	-	1,600	3,248
Siam Wellness Education Co., Ltd.	-	-	1,306	2,025
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	452	484
Total	-	-	3,502	5,871
<u>Trade payables - related parties (Note 16)</u>				
Blooming Co., Ltd.	259	1,540	232	1,411
Blooming Intergift Co., Ltd.	-	9	-	9
B.U. Enterprise Co., Ltd.	66	105	66	70
Cyberprint Group Co., Ltd.	634	406	384	387
Asian Fortune Property Co., Ltd.	-	201	-	201
Klom Kliao Pattana Co., Ltd.	18	-	-	-
G.G.P. Property Co., Ltd.	-	160	-	160
Total	977	2,421	682	2,238


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

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)
<u>Payables for purchase of fixed assets - a subsidiary (Note 16)</u>				
Cyberprint Group Co., Ltd.	-	75	-	75
Total	-	75	-	75
<u>Other payables - related parties (Note 16)</u>				
Directors of the Company	297	148	297	123
Total	297	148	297	123
<u>Accrued rental expenses - a subsidiary (Note 16)</u>				
B.U. Enterprise Co., Ltd.	121	-	-	-
Total	121	-	-	-
<u>Accrued expenses - a subsidiary (Note 16)</u>				
Siam Wellness Education Co., Ltd.	-	-	-	25
Total	-	-	-	25

Short-term loans from and interest payable to related parties

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at			Balance as at
	31 December	During the period		31 March
Borrower	2019	Increase	Decrease	2020
Directors of the Company	1,143	12	-	1,155
Director of subsidiaries	3,472	38	-	3,310
Total	4,615	50	-	4,665

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

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

Directors and management's benefits

During the three-month periods ended 31 March 2020 and 2019, employee benefit expenses payable to their directors and management of the Company and its subsidiaries are as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Short-term employee benefits	0.8	4.8	0.8	4.8
Post-employment benefits	0.2	0.3	0.2	0.3
Total	1.0	5.1	1.0	5.1

4. Current investments

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	(Audited)		(Audited)	
Investment measured at fair value through profit or loss				
Unit trusts	130,285	73,098	103,039	15,391

Outstanding balance of investments in unit trusts as at 31 March 2020 and 31 December 2019 are unit trusts of General Fixed Income Fund which a fund management company announced the termination of fund on 27 March 2020 and is currently under liquidation, as disclosed in Note 1.4 to the financial statements. However, as at 31 March 2020, the Group received from the fund according to the announcement from the fund management company totaling Baht 12.9 million (the Company only: Baht 10.2 million).

In addition, on 10 April 2020, 24 April 2020 and 8 May 2020, the Group additionally received from the fund in accordance with the announcement from the fund management company totaling Baht 24.4 million (the Company only: 19.3 million). The remaining amounts are waiting for receiving the return from liquidation.

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บริษัท สยามเวลเนส กรุ๊ป จำกัด (มหาชน)
 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

5. Share return receivables

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

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

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



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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and Separate
financial statements

	31 March 2020	31 December 2019 (Audited)
Share return receivables as at 31 December 2019	54,200	54,200
Cumulative effect from the financial reporting standards related to financial instruments	(517)	-
Interest income recognised during the period	96	-
Received during the period	(4,200)	-
	49,579	54,200
Less: Portion due within one year	(35,000)	(39,200)
Share return receivables - net of current portion	14,579	15,000

6. Trade and other receivables

(Unit: Thousand Baht)

Consolidated financial statements		Separate financial statements	
31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)

Trade receivables - related parties (Note 3)

Aged on the basis of due dates

Not yet due	50	314	269	1,232
Past due				
Up to 3 months	2,199	7	217	239
3 - 6 months	-	1	-	-
6 - 12 months	-	-	-	37
Over 12 months	-	-	36	-
Total trade receivables - related parties, net	2,249	322	522	1,508

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	2,019	3,463	737	2,125
Past due				
Up to 3 months	5,772	26,740	4,845	25,521
3 - 6 months	6,455	1,409	6,412	1,231
6 - 12 months	3,361	2,724	3,243	2,680
Over 12 months	743	2,566	588	2,411
Total	18,350	36,902	15,825	33,968
Less: Allowance for doubtful debts/				
Allowance for expected credit losses	(1,196)	(1,093)	(982)	(947)
Total trade receivables - unrelated parties, net	17,154	35,809	14,843	33,021
Total trade receivable - net	19,403	36,131	15,365	34,529
<u>Other receivables</u>				
Other receivables - related parties				
(Note 3)	1,632	-	628	496
Other receivables - unrelated				
parties	1,150	1,318	984	1,183
Less: Allowance for doubtful debts/				
Allowance for expected credit losses	(236)	(236)	(236)	(236)
Total other receivables, net	2,546	1,082	1,376	1,443
Total trade and other receivable - net	21,949	37,213	16,741	35,972

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 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

7. Inventories

Movements in the allowance for diminution in value of inventories account during the three-month period ended 31 March 2020, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	1,681	494
Add: Allowance for diminution in value of inventories made during the period	74	-
Less: Reversal of allowance for diminution in value of inventories made during the period	(53)	(36)
Balance as 31 March 2020	1,702	458

8. Restricted deposits at financial institution

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

9. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Country of incorporation	Called-up share capital		Shareholding percentage		Cost		Dividend income	
		31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 March
		2020	2019	2020	2019	2020	2019	2020	2019
			(Audited)	(%)	(%)		(Audited)		
					(Audited)				
Siam Wellness Lab Co., Ltd.	Thailand	1,000	1,000	99.99	99.99	2,000	2,000	8,099	-
Siam Wellness Education Co., Ltd.	Thailand	1,000	1,000	99.97	99.97	1,000	1,000	6,000	-
Siam Wellness Resort Co., Ltd.	Thailand	60,000	60,000	99.99	99.99	98,705	98,705	9,599	-
Siam Wellness Group (Hong Kong) Co., Ltd.	Hong Kong	1 (Hong Kong Dollar)	1 (Hong Kong Dollar)	100.00	100.00	-	-	-	-
Siam Wellness Group (Cambodia) Co., Ltd.	Cambodia	-	-	100.00	100.00	-	-	-	-
Total						101,705	101,705	23,698	-

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 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

10. Leasehold rights

A reconciliation of net book value of leasehold rights for the three-month period ended 31 March 2020 is presented below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2020	9,265
Transferred to right-of-use assets (Note 12)	(9,265)
Net book value as at 31 March 2020	-

11. Property, plant and equipment

A reconciliation of net book value of property, plant and equipment for the three-month periods ended 31 March 2020 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	1,082,797	1,004,421
Transferred to right-of-use assets (Note 12)	(1,599)	(1,550)
Acquisition during period	10,846	10,039
Disposals/write-off during period (net book value as at disposals/write-off date)	(1,523)	(766)
Depreciation for period	(31,304)	(28,922)
Net book value as at 31 March 2020	1,059,217	983,222

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

On 29 October 2019, the Meeting of Executive Committee has the resolution to approve the Company to sell its condominium unit. On 31 December 2019, the Company entered into the sales and purchase agreement of condominium unit with a non-related person with the amount of Baht 36.5 million. During the year 2019, the Company received the deposit amounted Baht 0.2 million. According to the agreement, the buyer shall pay for the remaining amount of Baht 34.5 million within 31 December 2020. As at 31 March 2020, the Company classified such condominium unit with its net book value of Baht 32.3 million as "Non-current assets classified as held for sale" under current assets in the consolidated and separate statement of financial position of the Company.

12. Right-of-use assets

Movements of right-of-use assets account during the three-month period ended 31 March 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2019	-	-
Adjustment to right-of-use assets due to		
TFRS 16 adoption	1,193,750	1,180,190
Adjustment of straight-line method	(12,325)	(12,206)
Adjustment of sublease agreements	-	(26,398)
Transfer from leasehold rights (Note 10)	9,265	9,265
Transfer from property, plant and equipment (Note 11)	1,599	1,550
Net book value as at 1 January 2020	1,192,289	1,152,401
Additions	44	44
Depreciation for the period	(37,661)	(36,535)
Lease discounts	(6,901)	(6,901)
Net book value as at 31 March 2020	1,147,771	1,109,009

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

13. Intangible assets

A reconciliation of net book value of intangible assets for the three-month periods ended 31 March 2020 is presented below

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2019	9,139	8,953
Acquisition during the period	38	39
Disposal during the period	(31)	-
Amortisation for period	(420)	(406)
Net book value as at 31 March 2020	8,726	8,586

14. Deposits

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	79,466	78,922
Adjustment due to TFRSs financial instruments adoption	(4,098)	(4,098)
Additions	12,980	12,980
Interest income	479	479
Present value discount	(205)	(205)
Net book value as at 31 March 2020	88,622	88,078

15. Bank overdrafts from financial institution

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

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16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)
Trade accounts payable - unrelated parties	26,191	21,755	23,586	17,517
Trade accounts payable - related parties (Note 3)	977	2,421	4,184	8,109
Payables for purchase of fixed assets - unrelated parties	105	1,176	105	954
Payables for purchase of fixed assets - related parties (Note 3)	-	75	-	75
Payables for construction and retention	10,993	20,144	10,940	19,548
Other payables - unrelated parties	1,817	7,593	1,774	7,457
Other payables - related parties (Note 3)	297	148	297	123
Accrued payroll and bonus expenses	1,456	22,367	1,370	21,698
Accrued rental expenses - unrelated parties	-	12,362	-	12,219
Accrued rental expenses - related parties (Note 3)	121	-	-	-
Other accrued expenses - unrelated parties	6,930	8,677	6,164	7,304
Other accrued expenses - related parties (Note 3)	-	-	-	25
Total trade and other payables	48,887	96,718	48,420	95,029

17. Long-term loans

Loan	Facility amount (Million Baht)	Repayment	Maturity	Interest rate (% p.a.)	(Unit: Thousand Baht)	
					Consolidated and Separate	
					financial statements	
					31 March 2020	31 December 2019 (Audited)
1	240 ⁽¹⁾	Monthly basis with 60 periods	March 2022	MLR-3 and MLR-2.2	56,900	65,900
2	80 ⁽²⁾	Monthly basis with 60 periods	February 2024	MLR-3 and MLR-2.2	47,600	50,300
3	160	Monthly basis with 60 periods	May 2024	MLR-3.75	151,667	44,167
Total					256,167	160,367
Less: Current portion					(21,870)	(80,200)
Long-term loans, net of current portion					234,297	80,167

25



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

- (1) On 27 March 2020, the Company has entered into the amendment of loan agreement with a financial institution in order to revise its principle repayment condition since March 2020 onwards, with the first repayment will be proceeded in March 2021. The last repayment of principle and interests will be in March 2022.
- (2) On 27 March 2020, the Company has entered into the amendment of loan agreement with a financial institution in order to revise its principle repayment condition since March 2020 onwards, with the first repayment will be proceeded in March 2021. The last repayment of principle and interests will be in February 2024.

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

The loan is secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 11 to financial statements.

As at 31 March 2019, this long-term credit facilities of a Company which have not yet been drawn down amounted to Baht 12 million.

Movements in the long-term loans from financial institution during the three-month periods ended 31 March 2019 is summarised below:

	(Unit: Thousand Baht) Consolidated and Separate financial statements
Balance as at 1 January 2020	160,367
Add: Increase during the period	110,000
Less: Repayment	(14,200)
Balance as at 31 March 2020	256,167

18. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 March 2020 which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht) Consolidated financial statements	Separate financial statements
Provision for long-term employee benefits as at 1 January 2020	8,556	7,683
Current service cost	354	310
Interest cost	34	30
Provision for long-term employee benefits as at 31 March 2020	8,944	8,023

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19. Income tax

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

Income tax expenses for the three-month period ended 31 March 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	768	11,578	-	10,177
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,125)	(625)	(1,072)	(597)
Tax expenses (income) reported in profit or loss	(357)	10,953	(1,072)	9,580

20. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the distribution of the stock dividend in accordance with the resolutions of the Annual General Meeting of the Company's shareholders held on 30 April 2020, as disclosed in Note 25 to financial statements. Since these changes in share capital incurred after the end of the reporting period but before the financial statements were authorised for issue, the number of ordinary shares of the prior period used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the number of shares, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.


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

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

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
		(Restated)		(Restated)
Profit for the period (Thousand Baht)	4,350	59,073	26,051	50,773
Weighted average number of ordinary shares (Thousand shares)	855,000	855,000	855,000	855,000
Profit per share (Baht/share)	0.005	0.069	0.030	0.09

21. Segment information

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

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2020 and 2019.

(Unit: Million Baht)

	For the three-month periods ended 31 March									
	Spa services		Sales of spa products and healthy products		Hotel and restaurant		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers	213	307	17	17	8	17	-	-	238	341
Internal - segment revenues	2	3	6	8	-	-	(8)	(11)	-	-
Total revenues	215	310	23	25	8	17	(8)	(11)	238	341
Segment profit	27	91	11	11	-	8	-	-	38	110
Revenues and expenses which have not been allocated :										
Interest income									1	-
Other income									5	4
Selling and distribution expenses									(12)	(12)
Administrative expenses									(19)	(30)
Finance costs									(9)	(2)
Profit before income tax expenses									4	70
Income tax expenses									-	(11)
Profit for the period									4	59
Other significant non-cash item:										
Write-off of property, plant and equipment	(1)	(1)	-	-	-	-	-	-	(1)	(1)
Depreciation and amortisation	(67)	(29)	-	-	(2)	(2)	-	-	(69)	(31)

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Geographic information

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

Major Customer

During the three-month periods ended 31 March 2020 and 2019, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

22. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2018	Annual General Meeting of the Company's shareholders on 29 March 2019	85.50	0.15
Total dividend for 2019		85.50	0.15

23. Commitments and contingent liabilities

23.1.1 As at 31 March 2020 and 31 December 2019, the Company has the outstanding commitments for construction, which the contracts have already been signed. These are summarised as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	31 March 2020	31 December 2019
		(Audited)
Construction costs	2	12

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

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

(Unaudited but reviewed)

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

(Unit: Million Baht)

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

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

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

As at 31 March 2020, the Group has future minimum payments under short-term lease agreements, low-value assets lease agreement and service agreements other than recorded as lease liabilities in the statements of financial position as follows:

(Unit: Million Baht)

	31 March 2020
	Consolidated and
	Separate
	financial statements
Payable:	
In up to 1 year	22
In over 1 and up to 5 years	36
In over 5 years	14

23.1.3 The Company had made operating agreements with certain lessors that the rental and service fees are to be calculated taking into account the proportion of service income that the Company received from the customers relating to its spa services. During the three-month period ended 31 March 2020, the Company recognised rental and service expenses amounting to Baht 6 million (2019: Baht 6 million).

23.2 Letters of guarantees

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

24. Fair value

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

Fair value hierarchy

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

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

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

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

As of 31 March 2019 and 31 December 2018, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

31 March 2020				
Consolidated financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trusts	-	130	-	130
Lands	-	279	-	279
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(Unit: Million Baht)

	31 December 2019			
	Consolidated financial statements			
	(Audited)			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trusts	-	73	-	73
Lands	-	279	-	279

(Unit: Million Baht)

	31 March 2020			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trusts	-	130	-	130
Lands	-	279	-	279

(Unit: Million Baht)

	31 December 2019			
	Separate financial statements			
	(Audited)			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trusts	-	15	-	15
Lands	-	279	-	279

Valuation techniques and inputs to Level 2 valuation

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

The fair value of investment in unit trusts as at 31 March 2020 has been determined by using the net asset value at the fund closing date deducting with the amount received from the fund according to the announcement from the fund management company, as disclosed in Note 4 to the financial statements.

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

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

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

- a) For financial assets and liabilities which have short-term maturity, including cash and deposit at financial institutions, trade and other receivables, bank overdrafts from financial institution, and trade and other payables, their carrying amounts in the statements of financial position approximate their fair values.
- b) For share return receivables, their carrying amounts in the statements of financial position approximates their fair values.
- c) For long-term loan carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximates their fair values.

25. Events after the reporting period

On 30 April 2020, the Annual General Meeting of the Company's shareholders passed the following significant resolutions.

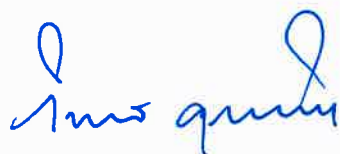
- (1) To approve the payment of a dividend from the Company's operating results for the year 2019 to the Company's shareholders, comprising a cash dividend and stock dividend totaling Baht 0.155 per share, as detailed below:

(1.1) A cash dividend of Baht 0.03 per share, or a total of Baht 17.10 million.

(1.2) A stock dividend distributed at a rate of 1 dividend share for every 2 existing shares, with a total value of up to 285 million ordinary shares with a par value of Baht 0.25 per share, or a total of Baht 71.25 million. The dividend shall be converted as dividend payment at Baht 0.125 per share. If there is a fraction of share remaining due to insufficient number of shares to be converted into shares, a cash dividend at Baht 0.125 per share will be paid instead

The payment of dividend shall be made on 25 May 2020.

- (2) To approve an increase in the Company's registered share capital from Baht 142.50 million to Baht 213.75 million by issuing Baht 71.25 of additional ordinary shares (285 million shares of Baht 0.25 each) to support the distribution of the stock dividend. The Company already proceeded of registration the increase in its registered capital with the Ministry of Commerce on 12 May 2020.


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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

26. Reclassification

Except the reclassification as a result from the adoption of new accounting standards as disclosed in Note 2 to the financial statements, the Group has reclassified certain accounts in the financial statements for the three-months period ended 31 March 2019 to conform to the current period's classification, as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	As reclassified	As previously reported
Statement of comprehensive income		
<u>Revenues</u>		
Interest income	141	-
Other income	4,345	4,486

	(Unit: Thousand Baht)	
	Separate financial statements	
	As reclassified	As previously reported
Statement of comprehensive income		
<u>Revenues</u>		
Interest income	83	-
Other income	5,993	6,076

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

27. Approval of interim financial statements

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



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