

Siam Wellness Group Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2020

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 2020, 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 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

I draw attention to Note 1.2 to the consolidated financial statements regarding the effect of the COVID-19 pandemic on the business operation of the Group in terms of temporary shutdown of spa and hotel business as required by a resolution of the cabinet and the Declaration of Provincial Governors in accordance with The surveillance, screening, and prevention and control measures announced in March 2020. Although spa and hotel business resumed their operation in June 2020, a new wave of the COVID-19 pandemic occurred during the end of 2020. This has slowed down the economic recovery, and adversely affected most businesses and industries.

This situation significantly affects the Group's business activities relating to spa and hotel business and this is significantly impacting the Group's financial position, operating results, and cash flows at present, including compliance with debt covenants, 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, the Group had total current liabilities exceeded its total current assets by Baht 129.8 million (the Company only: Baht 147.6 million) and had operating losses for the year 2020 of Baht 209.1 million (the Company only: Baht 179.8 million). The Group had the measures to maintain its cash flow level for debt settlement and for its business operations by negotiating with the lessors to obtain the rental discount for each spa retail stores, and seeking source of funds. In addition, the Group received waiver letters for not complying with such covenants from the banks. The Group believes that there will be the adequate cash flows for settlement of such loans and lease liabilities which are to be due within one year and for use 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. Therefore, the Group believes that it will be able to continue its operation as a going concern. However, these circumstances may give rise to significant doubts as to the Group's ability to continue its operations as a going concern. This may depend on the outcome of the ability of the Group to achieve its operational plans, and the relief of the COVID-19 pandemic situation in the future.

My opinion is not qualified in respect of this matter.

Emphasis of Matters

As disclosed in Note 3 to the consolidated financial statements, in the fourth quarter of 2020, the Group assessed the financial impacts of the uncertainties of the COVID-19 pandemic on the valuation of receivables, property plant and equipment, right-of-use assets, deferred tax assets and goodwill. As a result, in preparing the consolidated and separate financial statements for the year ended 31 December 2020, the Company has decided to discontinue application of the relief measures relating to determining expected credit losses, in cases where the Group uses a simplified approach, measuring the fair values of land, reversal of deferred tax assets, impairment of assets, and impairment of goodwill, which the Company elected to apply during the first quarter to the third quarter of 2020. However, the Group has elected to continue to apply the temporary relief measure on a lease modification.

Moreover, the Group has adopted TFRS 16 Leases which is effective in the current year.

My opinion is not qualified in respect of these matters.

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 81% of total Group's revenues. Such revenue is derived from provision of services to a large number of individual customers through a variety of sales channels and many spa branches for the spa business. Therefore, I addressed the occurrence and accuracy of the revenue from services as a key audit matter.

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

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

During 2020, the COVID-19 pandemic is 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 85% of total Group's assets. In determining the impairment loss, management had to exercise judgement with respect to determination of the cash-generating unit, financial model, the projections of future operating performance, plans for management of assets of the Group, and determination of an appropriate discount rate and key assumptions. Therefore, I addressed the measurement of allowance for impairment loss of property, plant and equipment and right-of-use assets as a key audit matter.

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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



Sumana Punpongsanon

Certified Public Accountant (Thailand) No. 5872

EY Office Limited

Bangkok: 22 February 2021

Siam Wellness Group Public Company Limited and its subsidiaries

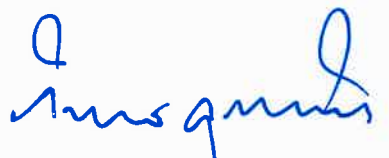
Statement of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	9	114,526,451	52,560,775	91,132,914	44,616,519
Current investments	10	4,005	73,098,036	1,001	15,391,509
Trade and other receivables	7, 11	21,774,888	37,213,048	21,873,875	35,971,864
Lease receivables - current portion	7	-	-	160,014	-
Share return receivables - current portion	12	9,462,337	39,200,000	9,462,337	39,200,000
Inventories	13	40,298,517	39,901,140	36,682,758	37,348,254
Other current assets		13,024,171	14,824,131	10,917,568	11,186,151
		199,090,369	256,797,130	170,230,467	183,714,297
Non-current assets classified as held for sale	17	32,294,702	32,294,702	32,294,702	32,294,702
Total current assets		231,385,071	289,091,832	202,525,169	216,008,999
Non-current assets					
Restricted deposits of financial institution	14	5,158,568	5,105,511	-	-
Lease receivables - net of current portion	7	-	-	26,114,534	-
Share return receivables - net of current portion	12	32,587,252	15,000,000	32,587,252	15,000,000
Investments in subsidiaries	15	-	-	101,705,464	101,705,464
Leasehold rights	16	-	9,264,616	-	9,264,616
Property, plant and equipment	17	1,074,588,204	1,082,796,817	995,606,540	1,004,420,713
Right-of-use assets	23	1,169,555,519	-	1,134,193,664	-
Goodwill	18	24,535,709	24,535,709	20,340,000	20,340,000
Intangible assets	19	9,086,049	9,138,709	8,976,437	8,953,074
Deferred tax assets	29	819,991	722,569	-	-
Deposits		81,107,740	79,466,127	80,564,191	78,922,578
Other non-current assets		3,284,819	1,023,513	3,147,643	932,113
Total non-current assets		2,400,723,851	1,227,053,571	2,403,235,725	1,239,538,558
Total assets		2,632,108,922	1,516,145,403	2,605,760,894	1,455,547,557

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


 บจ. เจริญ
 จ. วัฒนศิริ

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts from financial institution	20	-	31,621	-	-
Short-term loans from and interest payable to related parties	7	-	4,615,343	-	-
Trade and other payables	7, 21	44,661,830	96,717,531	51,162,205	95,028,821
Current portion of long-term loans	22	103,354,149	80,200,000	93,354,149	80,200,000
Current portion of lease liabilities	23	169,178,668	-	166,176,007	-
Current portion of liabilities under finance lease agreements	23	-	120,268	-	120,268
Income tax payable		3,212,754	24,829,017	-	23,929,843
Advance received - current portion	31	38,977,891	28,922,429	38,187,478	27,739,841
Other current liabilities		1,769,897	9,631,473	1,214,955	8,954,550
Total current liabilities		361,155,189	245,067,682	350,094,794	235,973,323
Non-current liabilities					
Long term loans - net of current portion	22	287,812,518	80,166,667	272,812,518	80,166,667
Long-term loans from related parties	7	-	-	30,000,000	-
Lease liabilities - net of current portion	7, 23	1,028,672,407	-	1,020,886,589	-
Liabilities under finance lease agreements - net of current portion	23	-	260,100	-	260,100
Advance received - net of current portion	31	9,758,854	12,161,574	9,758,854	12,161,574
Provision for long-term employee benefits	24	10,124,418	8,555,660	9,043,083	7,682,818
Deferred tax liabilities	29	11,744,592	17,995,399	11,748,672	18,004,641
Other non-current liabilities		17,628,899	19,999,199	16,639,937	19,054,214
Total non-current liabilities		1,365,741,688	139,138,599	1,370,889,653	137,330,014
Total liabilities		1,726,896,877	384,206,281	1,720,984,447	373,303,337

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

[Signature]

ประเมธ อัครนกุล



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

Siam Wellness Group Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital	26				
Registered					
855,000,000 ordinary shares of Baht 0.25 each					
(2019: 570,000,000 ordinary shares of Baht 0.25 each)		213,750,000	142,500,000	213,750,000	142,500,000
Issued and paid-up					
854,999,928 ordinary shares of Baht 0.25 each					
(2019: 570,000,000 ordinary shares of Baht 0.25 each)		213,749,982	142,500,000	213,749,982	142,500,000
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	25	17,398,695	16,380,580	14,250,000	14,250,000
Unappropriated		350,811,968	649,804,725	287,303,176	556,020,931
Other components of shareholders' equity		90,567,435	90,567,435	90,567,435	90,567,435
Equity attributable to shareholders' of the Company		905,207,455	1,131,932,115	884,776,447	1,082,244,220
Non-controlling interests of the subsidiaries		4,590	7,007	-	-
Total shareholders' equity		905,212,045	1,131,939,122	884,776,447	1,082,244,220
Total liabilities and shareholders' equity		2,632,108,922	1,516,145,403	2,605,760,894	1,455,547,557

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

Directors



นายแพทย์ ชัยวัฒน์



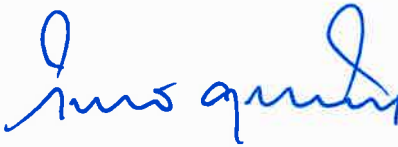
บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Siam Wellness Group Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Continuing operations					
Revenues					
Revenue from sales	31	68,604,224	90,319,905	21,427,048	61,047,896
Revenue from services	31	358,307,945	1,293,366,625	348,577,728	1,261,464,231
Dividend income		-	-	23,698,006	1,597,672
Other income		6,382,322	18,719,624	10,229,033	26,169,965
Total revenues		433,294,491	1,402,406,154	403,931,815	1,350,279,764
Expenses					
Cost of sales		34,596,940	46,333,502	15,119,776	35,818,265
Cost of services		472,043,884	896,230,697	457,604,349	899,956,658
Selling and distribution expenses		34,200,600	52,452,754	26,913,424	47,549,982
Administrative expenses		84,457,030	110,112,312	72,906,444	98,061,312
Total expenses		625,298,454	1,105,129,265	572,543,993	1,081,386,217
Profit (loss) before finance cost and tax income (expenses)					
from continuing operations		(192,003,963)	297,276,889	(168,612,178)	268,893,547
Finance income		2,330,201	735,081	4,150,010	631,018
Finance cost	27	(21,495,787)	(10,485,168)	(21,486,537)	(10,150,452)
Profit (loss) before tax income (expenses) from					
continuing operations		(211,169,549)	287,526,802	(185,948,705)	259,374,113
Tax income (expenses)	29	2,084,184	(45,193,539)	6,120,650	(41,863,017)
Profit (loss) for the year from continuing operations					
		(209,085,365)	242,333,263	(179,828,055)	217,511,096
Discontinued operation					
Profit from discontinued operation, net of income tax expenses	12	-	3,644,257	-	-
Profit (loss) for the year					
		(209,085,365)	245,977,520	(179,828,055)	217,511,096
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial gain - net of income tax	24	-	8,508,382	-	6,345,039
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	8,508,382	-	6,345,039
Total other comprehensive income for the year					
		-	8,508,382	-	6,345,039
Total comprehensive income for the year					
		(209,085,365)	254,485,902	(179,828,055)	223,856,135

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


 บอกรัตน์ จิตธรรมนิก



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

Siam Wellness Group Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
Note	2020	2019	2020	2019
Profit attributable to:				
Equity holders of the Company			<u>(179,828,055)</u>	<u>217,511,096</u>
Continuing operations	(209,084,942)	242,329,438		
Discontinued operation	-	3,139,729		
Profit (loss) for the year attributable to the Company	<u>(209,084,942)</u>	<u>245,469,167</u>		
Non-controlling interests of the subsidiaries				
Continuing operations	(423)	3,825		
Discontinued operation	-	504,528		
Profit (loss) for the year attributable to non-controlling interests of the subsidiaries	<u>(423)</u>	<u>508,353</u>		
	<u>(209,085,365)</u>	<u>245,977,520</u>		
Total comprehensive income attributable to:				
Equity holders of the Company			<u>(179,828,055)</u>	<u>217,511,096</u>
Continuing operations	(209,084,942)	250,837,755		
Discontinued operation	-	3,139,729		
Total comprehensive income attributable to the Company	<u>(209,084,942)</u>	<u>253,977,484</u>		
Non-controlling interests of the subsidiaries				
Continuing operations	(423)	3,890		
Discontinued operation	-	504,528		
Total comprehensive income attributable to non-controlling interest of the subsidiaries	<u>(423)</u>	<u>508,418</u>		
	<u>(209,085,365)</u>	<u>254,485,902</u>		
Earnings per share	30	(Restated)	(Unit: Baht per share)	
Basic earnings per share				(Restated)
Profit (loss) attributable to equity holder of the Company			<u>(0.210)</u>	<u>0.254</u>
Profit (loss) from continuing operations	(0.245)	0.283		
Profit from discontinued operation	-	0.004		
	<u>(0.245)</u>	<u>0.287</u>		

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


 บอ:เม้ง จักรวรรดิ



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

Siam Wellness Group Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to shareholders of the Company									
	Other components of shareholders' equity									
	Other comprehensive									
	Issued and fully paid-up share capital	Share premium	Discount on business combination under common control	Retained earnings	Income	Surplus on revaluation of assets	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2019	142,500,000	278,905,854	(46,226,479)	16,380,580	90,567,435	90,567,435	90,567,435	963,454,631	3,373	963,458,004
Profit for the year	-	-	-	-	-	-	-	245,469,167	508,353	245,977,520
Other comprehensive income	-	-	-	-	-	-	-	8,508,317	65	8,508,382
Total comprehensive income for the year	-	-	-	-	-	-	-	253,977,484	508,418	254,485,902
Dividend paid (Note 26)	-	-	-	-	-	-	-	(85,500,000)	-	(85,500,000)
Subsidiary paid dividend to non-controlling interests	-	-	-	-	-	-	-	-	(504,528)	(504,528)
Subsidiary paid equity to non-controlling interests	-	-	-	-	-	-	-	-	(256)	(256)
Balance as at 31 December 2019	142,500,000	278,905,854	(46,226,479)	16,380,580	90,567,435	90,567,435	90,567,435	1,131,932,115	7,007	1,131,939,122
Balance as at 1 January 2020	142,500,000	278,905,854	(46,226,479)	16,380,580	90,567,435	90,567,435	90,567,435	1,131,932,115	7,007	1,131,939,122
- as previously reported	-	-	-	-	-	-	-	(539,699)	-	(539,699)
Cumulative effect of change in accounting policies (Note 4)	-	-	-	-	-	-	-	1,131,392,416	7,007	1,131,399,423
Balance as at 1 January 2020 as restated	142,500,000	278,905,854	(46,226,479)	16,380,580	90,567,435	90,567,435	90,567,435	(209,084,942)	(423)	(209,085,365)
Loss for the year	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	(209,084,942)	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	(209,084,942)	(423)	(209,085,365)
Increase share capital (Note 26)	71,249,982	-	-	-	-	-	-	71,249,982	-	71,249,982
Appropriated of retained earning	-	-	-	1,018,115	-	-	-	-	-	-
Dividend paid (Note 26)	-	-	-	-	-	-	-	(88,350,001)	-	(88,350,001)
Subsidiary paid dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	213,749,982	278,905,854	(46,226,479)	17,398,695	90,567,435	90,567,435	90,567,435	905,207,455	4,590	905,212,045

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Name: จักรกฤษณ์



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 2020

(Unit: Baht)

Separate financial statements									
	Other components of shareholders' equity								
	Other comprehensive income								
	Issued and fully paid-up share capital	Share premium	Appropriated - statutory reserve	Retained earnings	Surplus on revaluation of assets	Other components of shareholders' equity	Total	shareholders' equity	Total
Balance as at 1 January 2019	142,500,000	278,905,854	14,250,000	417,664,796	90,567,435	90,567,435	90,567,435	943,888,085	
Profit for the year	-	-	-	217,511,096	-	-	-	217,511,096	
Other comprehensive income	-	-	-	6,345,039	-	-	-	6,345,039	
Total comprehensive income for the year	-	-	-	223,856,135	-	-	-	223,856,135	
Dividend paid (Note 26)	-	-	-	(85,500,000)	-	-	-	(85,500,000)	
Balance as at 31 December 2019	142,500,000	278,905,854	14,250,000	556,020,931	90,567,435	90,567,435	90,567,435	1,082,244,220	
Balance as at 1 January 2020	142,500,000	278,905,854	14,250,000	556,020,931	90,567,435	90,567,435	90,567,435	1,082,244,220	
- as previously reported									
Cumulative effect of change in accounting policies (Note 4)	-	-	-	(539,699)	-	-	-	(539,699)	
Balance as at 1 January 2020 as restated	142,500,000	278,905,854	14,250,000	555,481,232	90,567,435	90,567,435	90,567,435	1,081,704,521	
Profit for the year	-	-	-	(179,828,055)	-	-	-	(179,828,055)	
Other comprehensive income	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	(179,828,055)	-	-	-	(179,828,055)	
Increase share capital (Note 26)	71,249,982	-	-	-	-	-	-	71,249,982	
Dividend paid (Note 26)	-	-	-	(88,350,001)	-	-	-	(88,350,001)	
Balance as at 31 December 2020	213,749,982	278,905,854	14,250,000	287,303,176	90,567,435	90,567,435	90,567,435	884,776,447	

นางสาวกัญญา ชื่นชูเกียรติ
กรรมการผู้จัดการใหญ่
บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS

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 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) before income tax from continuing operations	(211,169,549)	287,526,802	(185,948,705)	259,374,113
Profit before income tax from discontinued operation	-	4,216,789	-	-
Profit (loss) before income tax	(211,169,549)	291,743,591	(185,948,705)	259,374,113
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	206,382,164	117,627,778	194,129,351	108,031,005
Unrealised gain (loss) on the change in fair value of trading securities	199,703	(44,704)	47,651	(47,624)
Unrealised loss on the change in fair value of share return receivables	2,433,509	-	2,433,509	-
Bad debts and allowance for doubtful accounts (reversal)	(98,620)	679,060	(262,290)	553,057
Reduction of inventories to net realisable value (reversal)	3,698,831	(313,519)	3,573,914	(17,044)
Gain on disposal of property, plant and equipment	(490,977)	(42,737)	(365,815)	(32,046)
Gain on disposal of intangible assets	(929)	-	-	-
Loss on write-off of property, plant and equipment	5,556,334	452,311	5,521,047	452,309
Loss on write-off of right-of-use assets	342	-	342	-
Loss on lease agreements cancellation	37,846	-	37,846	-
Loss on write-off of intangible assets	8,025	-	8,025	-
Loss on impairment of property, plant and equipment	358,609	-	358,609	-
Loss on impairment of right-of-use assets	201,391	-	201,391	-
Long-term employee benefit expenses	1,568,758	4,710,122	1,360,265	3,929,367
Dividend income	-	-	(23,698,006)	(1,597,672)
Interest income	(2,328,126)	(427,060)	(4,147,935)	(622,068)
Interest expenses	21,495,787	10,485,168	21,486,537	10,150,452
Profit from operating activities before changes in operating assets and liabilities	27,853,098	424,870,010	14,735,736	380,173,849
Decrease (increase) in operating assets				
Current investments	72,894,328	(41,021,554)	15,342,857	(15,310,645)
Trade and other receivables	15,377,086	(14,379,877)	14,200,585	(15,955,394)
Inventories	(4,096,208)	(8,549,082)	(2,908,418)	(6,678,087)
Other current assets	2,822,619	(6,264,374)	1,295,466	(3,002,393)
Deposit	(4,743,075)	(1,721,227)	(4,743,075)	(1,897,177)
Other non-current assets	(998,950)	(703,362)	(953,174)	(616,964)
Increase (decrease) in operating liabilities				
Trade and other payables	(25,855,168)	8,820,036	(18,347,679)	8,458,535
Advance received	7,652,742	7,489,061	8,044,917	8,062,927
Other current liabilities	(7,861,576)	1,016,709	(7,739,595)	1,247,252
Other non-current liabilities	(2,919,111)	4,810,227	(2,954,611)	4,751,168
Cash flows from operating activities	80,125,785	374,366,567	15,973,009	359,233,071
Cash paid for interest expenses	(21,632,130)	(9,691,807)	(21,020,238)	(9,564,690)
Cash paid for income tax	(25,744,988)	(39,231,372)	(23,929,843)	(34,155,926)
Net cash flows from operating activities	32,748,667	325,443,388	(28,977,072)	315,512,455

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

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

Siam Wellness Group Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in restricted deposits at financial institution	(53,057)	(52,526)	-	-
Cash paid for acquisition of leasehold rights on land	-	(2,100,000)	-	(2,100,000)
Cash paid for acquisition of property, plant and equipment	(141,133,891)	(157,901,712)	(129,658,013)	(156,193,269)
Cash paid for acquisition of intangible assets	(1,787,567)	(1,820,467)	(1,787,567)	(1,772,968)
Cash received from repayment of long-term loan to subsidiary	-	-	-	8,000,000
Cash received from lease receivables	-	-	123,756	-
Proceed from disposal of property, plant and equipment	1,839,186	603,241	1,120,692	587,831
Proceed from disposal of intangible assets	32,000	-	-	-
Cash paid for investment in subsidiary	-	(93,750,000)	-	(93,750,000)
Cash received from disposal investment in subsidiary	9,200,000	39,550,000	9,200,000	39,550,000
Cash received from dividend from investment in subsidiary	-	-	23,698,006	1,597,672
Cash received from interest income	321,480	427,061	2,141,289	786,519
Net cash flows used in investing activities	(131,581,849)	(215,044,403)	(95,161,837)	(203,294,215)
Cash flows from financing activities				
Decrease in bank overdrafts from financial institution	(31,621)	(1,310,030)	-	-
Repayment in liabilities under financial lease agreements	(48,867,508)	(103,827)	(48,044,677)	(103,827)
Cash received from long-term loans from financial institution	245,000,000	170,000,000	220,000,000	170,000,000
Cash paid for repayment of long-term loan from financial institution	(14,200,000)	(219,863,333)	(14,200,000)	(219,863,333)
Cash paid for repayment of short-term loan from related parties	(4,000,000)	-	-	-
Cash received from long-term loans from subsidiaries	-	-	30,000,000	-
Dividend paid to non-controlling interests of a subsidiary	(1,994)	(504,528)	-	-
Cash paid for equity to non-controlling interests of a subsidiary	-	(256)	-	-
Cash paid for dividend	(17,100,019)	(85,500,000)	(17,100,019)	(85,500,000)
Net cash flows from (used in) financing activities	160,798,858	(137,281,974)	170,655,304	(135,467,160)
Net increase (decrease) in cash and cash equivalents	61,965,676	(26,882,989)	46,516,395	(23,248,920)
Cash and cash equivalents at beginning of year	52,560,775	79,443,764	44,616,519	67,865,439
Cash and cash equivalents at end of year	114,526,451	52,560,775	91,132,914	44,616,519

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

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บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)



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

Siam Wellness Group Public Company Limited and its subsidiaries
Statement of cash flows (continued)
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Supplemental cash flows information				
Non-cash transactions				
Share return receivables	-	54,200,000	-	54,200,000
Increase in non-current assets classified as held for sale	-	32,294,702	-	32,294,702
Increase in liabilities from acquisition of equipment under financial lease agreement	-	132,413	-	132,413
Increase (decrease) in liabilities from acquisition of property, plant and equipment	(13,876,637)	4,511,653	(13,312,888)	4,256,388
Increase in provision for dismantling, removing and restoring of leasehold improvements	548,810	684,293	540,333	676,695
Actuarial gain	-	10,600,175	-	7,931,299
Stock dividend payment	71,249,982	-	71,249,982	-
Decrease in right-of-use assets from the effect of changes from agreements	9,924,909	-	9,924,909	-
Decrease in right-of-use assets from the effect of changes from lease agreements cancellation	3,846,206	-	3,846,206	-
Decrease in lease liabilities from the effect of changes from lease agreements	9,924,909	-	9,924,909	-
Decrease in lease liabilities from the effect of changes from lease agreements cancellation	3,808,018	-	3,808,018	-
Increase in lease liabilities from new agreements	173,148,194	-	173,148,194	-

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


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Siam Wellness Group Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2020

1. General information

1.1 General information of the Company

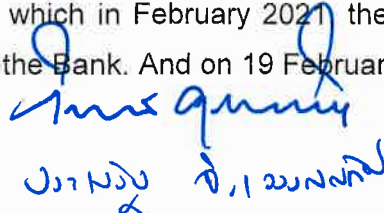
Siam Wellness Group Public Company Limited ("the Company") was incorporated as limited company under the laws of Thailand on 28 November 2001. The Company operates in Thailand and principally engages in spa services business. Its registered head office is at No. 483, Soi Suthiporn, Pracha-Songkroh Road, Dindang, Dindang, Bangkok. As at 31 December 2020, the Company has a total of 65 branches in Bangkok and upcountry (2019: 58 branches) and 5 foreign branches according to the franchise agreement (2019: 5 foreign branch).

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 temporary shutdown of spa and hotel business as required by a resolution of the cabinet and the Declaration of Provincial Governors in accordance with The surveillance of screening, and prevention and control measures announced in March 2020. Although spa and hotel business resumed their operations in June 2020, a new wave of the COVID-19 pandemic occurred during the end of 2020. This has slowed down the economic recovery and adversely affected most businesses and industries. This situation significantly affects the Group's business activities relating to spa and hotel business and this is significantly impacting the Group's financial position, operating results, and cash flows at present, including compliance with debt covenants, 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, the Group had total current liabilities exceeded its total current assets by Baht 129.8 million (the Company only: Baht 147.6 million) and had operating losses for the year 2020 of Baht 209.1 million (the Company only: Baht 179.8 million). The Group had the measures to maintain its cash flow level for debt settlement and for its business operations by negotiation with the lessors to obtain the rental discount for each spa retail stores, and seeking source of funds for which in February 2021 the Group submitted the request for soft loan credit facilities from the Bank. And on 19 February 2021, the Group got


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the approval of such credit facilities from the Bank. In addition, the Group received waiver letters for not complying with such covenants from the banks as discussed in Note 22 to the consolidated financial statements. The Group believes that there will be the adequate cash flows for settlement of such loans and lease liabilities which to be due within one year and for using in its operations. Furthermore, the Group is in the process of implementing a business plan to improve its operations and turn a profit in the future. 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 2020 based on the assumption that the Group will continue its operations as a going concern.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u> (Percent)	<u>2019</u> (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

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Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020 (Percent)	2019 (Percent)
Siam Wellness Education Co., Ltd.	A school for Thai massage	Thailand	99.97	99.97
Siam Wellness Group (Hong Kong) Co., Ltd.	Investment for overseas expansion of the spa business	Hong Kong	100.00	100.00
Siam Wellness Group (Cambodia) Co., Ltd.	Spa business and sale of spa products	Cambodia	100.00	100.00
<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

- 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.

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3. New financial reporting standards

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

During the year, the Group has adopted the revised (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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statement. However, the new standard involves changes to key principles, which are summarised below:

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.



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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 4 to the consolidated 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.

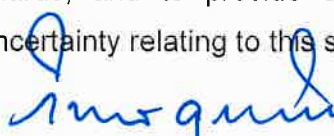
Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

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 4 to the consolidated 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.


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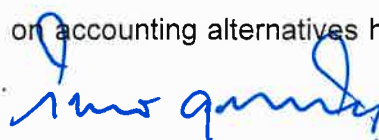

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to:

- 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.
- Not to use information relating to the COVID-19 situation that may affect financial forecasts used in measuring the fair values of land.
- 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 use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- 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.

In the fourth quarter of 2020, the Group assessed the financial impacts of the uncertainties of the COVID-19 pandemic on the valuation of receivables, property plant and equipment, right-of-use assets, deferred tax assets, and goodwill. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of the temporary relief measures on accounting alternatives relating to determining expected credit losses, in cases where the Group uses a simplified approach, measuring the fair values of land, reversal of deferred tax assets, impairment of assets, and impairment of goodwill, which the Company elected to apply during the first quarter to the third quarter of 2020.

Such discontinuance application on accounting alternatives has no significant impact on the Group's financial statements.


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However, the Group has elected to continue to apply the temporary relief measures on a lease modification.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

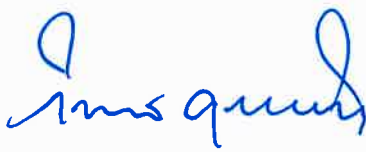
The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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

As described in Note 3 to the consolidated financial statements, during the current year, 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 changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:


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

(Unit: Thousand Baht)

Consolidated financial statements

The impacts of

Financial
reporting
standards
related to

31 December
2019

financial
instruments

TFRS 16

1 January
2020

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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649,805 (540)

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บริษัท คยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SAM WELLNESS GROUP PUBLIC COMPANY LIMITED

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
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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 SIAM WELLNESS GROUP PUBLIC COMPANY (LIMITED)

4.1 Financial instruments

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

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

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

		Consolidated financial statements				(Unit: Thousand Baht)
Carrying amounts		Classification and measurement in accordance with TFRS 9				
under the former basis						
		Fair value through		Fair value through		Total
		profit or loss		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
Share return receivables - current portion	39,200	-	-	-	39,200	39,200
Restricted deposits of financial institution	5,105	-	-	-	5,105	5,105
Share return receivables - net of current portion	15,000	-	-	-	14,483	14,483
Deposits	79,466	-	-	-	75,368	75,368
Total financial assets	301,643	73,098	-	-	223,770	296,868

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(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
Share return receivables - current portion	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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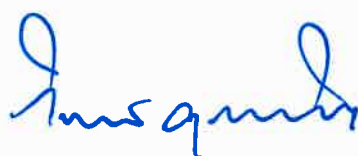
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 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

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

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Operating lease commitments as at 31 December 2019	655,488	651,527
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	(64,067)	(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
Weighted average incremental borrowing rate (percent per annum)	2.05 - 3.38	2.05 - 3.38
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



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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 statement	Separate financial statement
Land and land improvement	96,166	72,584
Office building and leasehold improvement	1,083,570	1,068,061
Furniture, fixtures and office equipment	12,553	11,756
Total right-of-use assets	1,192,289	1,152,401

5. Significant accounting policies

5.1 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.

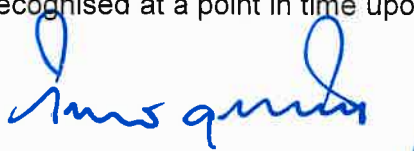
Detail of revenue recognition of the Group are as follows:

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.


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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.

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.



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5.2 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.

5.3 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.

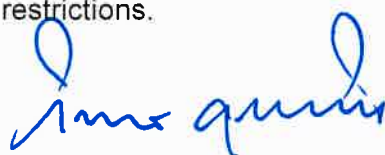
Contract liabilities

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.

5.4 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.



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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

5.5 Inventories

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

5.6 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.

5.7 Investments in subsidiaries

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

5.8 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.

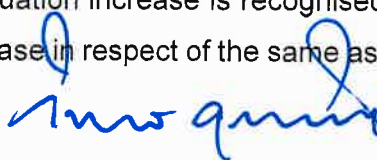
5.9 Property, plant and equipment/Depreciation

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.


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- 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.

5.10 Intangible assets

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

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

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

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


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5.11 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.

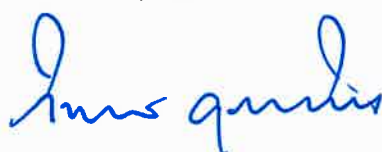
5.12 Leases

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

Accounting policies adopted since 1 January 2020

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.



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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, and lease payments made at or before the commencement date of the lease 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.

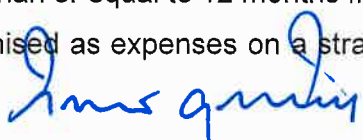
Lease liabilities

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 discounted 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.


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Accounting policies adopted before 1 January 2020

The Group as a lessee

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

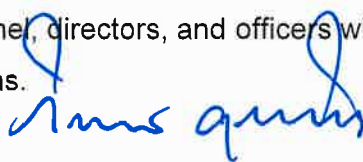
A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease 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.

5.13 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.



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5.14 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.

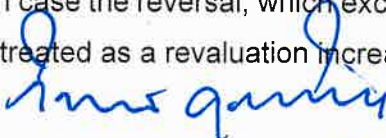
Gains and losses on exchange are included in determining income.

5.15 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.


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5.16 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.

5.17 Provisions

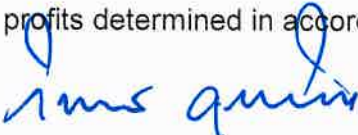
Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.18 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.


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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.

5.19 Financial instruments

Accounting policies adopted since 1 January 2020

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.

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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 derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

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.

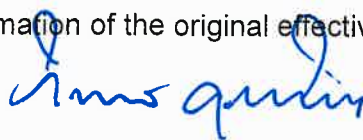
Derecognition of financial instruments

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.



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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. It is 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.

5.20 Investments

Accounting policies adopted before 1 January 2020

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.



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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

5.21 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.

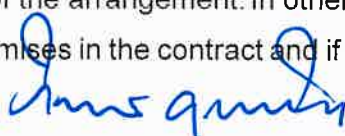
6. Significant accounting judgements and estimates

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:

6.1 Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.



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Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation.

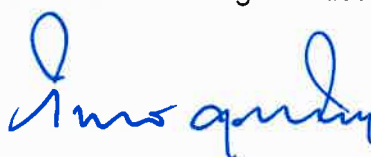
6.2 Leases

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.



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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

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.

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.

6.3 Fair value of financial instruments

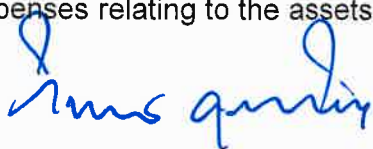
In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these 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.

6.4 Property plant and equipment/Depreciation

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

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

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


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6.5 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.

6.6 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.

6.7 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 Note 17 to the consolidated financial statements.

6.8 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.

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7. 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
Chaba Elegance Co., Ltd.	Nail polish, hand and foots spa and eyelash extension business	A subsidiary (cancellation of related party since October 2019)
Siam Wellness Group (Hong Kong) Co., Ltd.	Investment for overseas expansion of the spa business	A subsidiary
Siam Wellness Group (Cambodia) Co., Ltd.	Spa business and sale of spa products	A subsidiary
Tiger Eyes Trading (Thailand) Co., Ltd.	Import and sale of spa products	A subsidiary (held by a subsidiary)
Shanghai Jia Tai Health Management Co., Ltd.	Nutritional health and beauty consulting and management service	A subsidiary (held by a subsidiary)
Blooming Intergift Co., Ltd.	Property rental	Common shareholders
Blooming Co., Ltd.	Sale of gift, a blessed card and a notebook	Common shareholders
B.U. Enterprise Co., Ltd.	Property rental	Common shareholders
Cyberprint Group Co., Ltd.	Printing business	Common shareholders
Asian Fortune Property Co., Ltd.	Real estate development	Common shareholders
Klom Kliao Pattana Co., Ltd.	Property rental	Common directors
G.G.P. Property Co., Ltd.	Property rental	Common directors
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.

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

	Consolidated		Separate		(Unit: Million Baht)
	financial statements		financial statements		Transfer pricing
	2020	2019	2020	2019	Policy
Transactions with subsidiaries					
(Being eliminated from the consolidated financial statements)					
Revenue from sales	-	-	1.2	0.9	Contract price
Revenue from services	-	-	0.1	0.1	Contract price
Revenue from rental and utilities	-	-	1.5	7.0	Contract price
Other income	-	-	4.0	2.4	Contract price
Interest income	-	-	-	0.3	Contract rate
Dividend income	-	-	23.7	1.6	Declared rate
Purchase of goods	-	-	20.8	36.0	Contract price
Service expenses	-	-	3.8	21.8	Contract price
Commission expenses	-	-	0.2	1.0	Contract price
Advertising expenses	-	-	0.2	0.2	Contract price
Interest expenses	-	-	0.2	0.2	Contract price
Transactions with related parties					
Revenue from sales and services	5.1	0.5	0.6	0.3	Contract price
Other income	0.7	-	-	-	Actual price
Purchase of goods	5.7	17.9	3.2	15.9	Contract price
Service expenses	4.8	4.3	1.6	2.2	Contract price
Rental and utilities expenses	12.9	28.2	10.0	24.8	Contract price
Interest expenses	0.2	0.2	-	-	Contract rate

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

	Consolidated		Separate		(Unit: Thousand Baht)
	financial statements		financial statements		
	2020	2019	2020	2019	
Trade receivables - subsidiaries (Note 11)					
(Being eliminated from the consolidated financial statements)					
Siam Wellness Resort Co., Ltd.	-	-	389	589	
Siam Wellness Lab Co., Ltd.	-	-	2,459	61	
Siam Wellness Education Co., Ltd.	-	-	-	4	
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	1,963	679	
Total	-	-	4,811	1,333	

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Trade receivables - related parties (Note 11)</u>				
Blooming Co., Ltd.	2,397	135	-	-
Cyberprint Group Co., Ltd.	251	175	251	175
B.U. Enterprise Co., Ltd.	5	5	5	-
Sawangasuk Co., Ltd.	1,082	-	39	-
Director of subsidiaries	22	7	-	-
Total	3,757	322	295	175
<u>Other receivables - subsidiaries (Note 11)</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	10	21
Siam Wellness Group (Hong Kong) Co., Ltd.	-	-	255	245
Siam Wellness Group (Cambodia) Co., Ltd.	-	-	230	230
Total	-	-	495	496
<u>Other receivables - related parties (Note 11)</u>				
Klom Kliao Pattana Co., Ltd.	300	-	300	-
Directors of the Company	84	-	-	-
Total	384	-	300	-
<u>Lease receivables - subsidiaries</u>				
(Being eliminated from the consolidated financial statements)				
Current	-	-	160	-
Non-current	-	-	26,115	-
Total	-	-	26,275	-
<u>Short-term loans from and interest payable to related parties</u>				
Director of the Company		1,143		-
Director of subsidiaries		3,472		-
Total		4,615		-
<u>Long-term loans from subsidiaries</u>				
Siam Wellness Resort Co., Ltd.	-	-	15,000	-
Siam Wellness Lab Co., Ltd.	-	-	10,000	-
Siam Wellness Education Co., Ltd.	-	-	5,000	-
Total	-	-	30,000	-

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Trade payables - subsidiaries (Note 21)</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Resort Co., Ltd.	-	-	886	114
Siam Wellness Lab Co., Ltd.	-	-	6,831	3,248
Siam Wellness Education Co., Ltd.	-	-	2,227	2,025
Tiger Eyes Trading (Thailand) Co., Ltd.	-	-	438	484
Total	-	-	10,382	5,871
<u>Trade payables - related parties (Note 21)</u>				
Blooming Co., Ltd.	277	1,540	82	1,411
Blooming Intergift Co., Ltd.	502	9	502	9
B.U. Enterprise Co., Ltd.	47	105	47	70
Cyberprint Group Co., Ltd.	182	406	147	387
Asian Fortune Property Co., Ltd.	21	201	20	201
G.G.P. Property Co., Ltd.	-	160	-	160
Klom Kliao Pattana Co., Ltd.	18	-	-	-
Total	1,047	2,421	798	2,238
<u>Payables for purchase of fixed assets - related party (Note 21)</u>				
Cyberprint Group Co., Ltd.	6	75	6	75
Total	6	75	6	75
<u>Other payables - a subsidiary (Note 21)</u>				
(Being eliminated from the consolidated financial statement)				
Siam Wellness Resort Co., Ltd.	-	-	195	-
Total	-	-	195	-
<u>Other payables - related parties (Note 21)</u>				
Directors of the Company	397	148	372	123
Total	397	148	372	123
<u>Accrued expenses - a subsidiary (Note 21)</u>				
(Being eliminated from the consolidated financial statement)				
Siam Wellness Education Co., Ltd.	-	-	-	25
Total	-	-	-	25
<u>Lease liabilities - a subsidiary</u>				
(Being eliminated from the consolidated financial statements)				
Siam Wellness Education Co., Ltd.	-	-	2,223	-
Total	-	-	2,223	-

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Lease liabilities - related parties</u>				
Blooming Intergift Co., Ltd.	3,269	-	3,269	-
B.U. Enterprise Co., Ltd.	18,675	-	6,591	-
Asian Fortune Property Co., Ltd.	50,994	-	50,994	-
Klom Kliao Pattana Co., Ltd.	67,247	-	66,320	-
G.G.P. Property Co., Ltd.	3,651	-	3,651	-
Related directors of the Company	10,964	-	10,964	-
Total	154,800	-	141,789	-

Short-term loans from and interest payable to related parties

As at 31 December 2020 and 2019, the balance of long-term loan from and interest payable between the subsidiary and those related parties and the movement is as follows:

(Unit: Thousand Baht)

Lender	Consolidated financial statements		
	Balance as at	During the year	
	31 December	Increase	Decrease
	2019		
Directors of the Company	1,143	44	(1,187)
Director of subsidiaries	3,472	132	(3,604)
Total	4,615	176	(4,791)

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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Long-term loans from related parties

As at 31 December 2020 and 2019, the balance of long-term loan from subsidiaries and those related parties and the movement is as follows:

(Unit: Thousand Baht)

Lender	Interest rate (% p.a)	Separate financial statements			
		Balance as at 31 December 2019	During the year		Balance as at 31 December 2020
			Increase	Decrease	
Siam Wellness Resort Co., Ltd.	2.25	-	15,000	-	15,000
Siam Wellness Lab Co., Ltd.	1.52	-	10,000	-	10,000
Siam Wellness Education Co., Ltd.	2.25	-	5,000	-	5,000
Total		-	30,000	-	30,000

The outstanding balance as at 31 December 2020 and 2019 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.

Directors and management's benefits

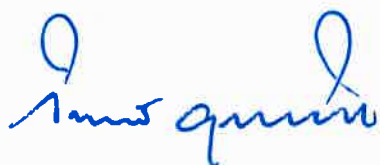
During the years 2020 and 2019, employee benefit expense payable to their directors and management of the Company and its subsidiaries are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	7.4	19.4	7.4	19.4
Post-employment benefits	0.6	1.4	0.6	1.4
Total	8.0	20.8	8.0	20.8

Guarantee obligations with related parties

The Company has guarantee obligations to subsidiaries as disclosed in Note 22 to the consolidated financial statements.


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9. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash	2,129	5,820	1,975	5,397
Bank deposits	112,397	46,741	89,158	39,220
Total	114,526	52,561	91,133	44,617

As at 31 December 2020, bank deposits in saving accounts carried interests between 0.05 and 0.70 percent per annum (2019: between 0.50 and 0.70 percent per annum).

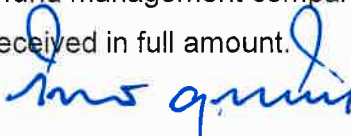
10. Current investments

	Consolidated		(Unit: Thousand Baht)	
			2020	
	financial statement		financial statement	
Investment measured at fair value through profit or loss				
Unit trusts		4		1
	Consolidated		(Unit: Thousand Baht)	
			2019	
	financial statement		financial statement	
Trading securities				
Unit trusts		72,898		15,344
Add: Unrealised gain on the change in fair value of investments		200		48
Unit trusts - net		73,098		15,392
Total current investments		73,098		15,392

Investment in unit trusts were measured at fair value using by level 2.

Outstanding balance of investments in unit trusts as at 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 the liquidation period on July 2020. Therefore, a fund management company has received approval for a 90 days extension of the liquidation period until October 2020.

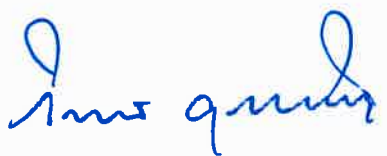
On 13 November 2020, the fund management company announced the last refund to its unit trusts holders that already received in full amount.



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 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

11. Trade and other receivables

	Consolidated financial statements		(Unit: Thousand Baht)	
			Separate financial statements	
	2020	2019	2020	2019
<u>Trade receivables - related parties</u> (Note 7)				
Aged on the basis of due dates				
Not yet due	348	314	3,747	1,232
Past due				
Up to 3 months	1,021	7	1,320	239
3 - 6 months	2,388	1	2	-
6 - 12 months	-	-	37	37
Total trade receivables - related parties, net	3,757	322	5,106	1,508
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	4,891	3,463	4,325	2,125
Past due				
Up to 3 months	5,276	26,740	4,869	25,521
3 - 6 months	705	1,409	486	1,231
6 - 12 months	1,693	2,724	1,678	2,680
Over 12 months	4,525	2,566	4,225	2,411
Total	17,090	36,902	15,583	33,968
Less: Allowance for expected credit loss				
(2019: Allowance for doubtful debts)	(1,154)	(1,093)	(844)	(947)
Total trade receivables - unrelated parties, net	15,936	35,809	14,739	33,021
Total trade receivable - net	19,693	36,131	19,845	34,529
<u>Other receivables</u>				
Other receivables - related parties (Note 7)	384	-	795	496
Other receivables - unrelated parties	1,934	1,318	1,469	1,183
Less: Allowance for expected credit loss				
(2019: Allowance for doubtful debts)	(236)	(236)	(236)	(236)
Total other receivables, net	2,082	1,082	2,028	1,443
Total trade and other receivables - net	21,775	37,213	21,873	35,972


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 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

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

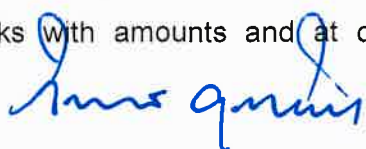
	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
As at 1 January 2020	1,489	1,343
Provision for expected credit losses	1,477	565
Amount recovered	(1,576)	(828)
As at 31 December 2020	1,390	1,080

12. Share return receivables / Discontinued operation

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 checks with amounts and at due dates specified in the separation agreement.



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 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

As at 31 December 2020, the Company cannot draw the money from the cheque which was due on 30 June 2020, 30 September 2020, and 31 December 2020. The management of the Company has followed up and filed a lawsuit against the former shareholders for these two cheques that cannot be drawn on August 2020, October 2020, and January 2021, respectively. The former shareholders informed that they are in the process of arranging their assets and following procedures in order to pay for such amounts due to the Company. The management of the Company considers that the former shareholders have an ability to pay for such share returns to the Company in full amount. The Company expected to be received within one year amounting to Baht 9.5 million.

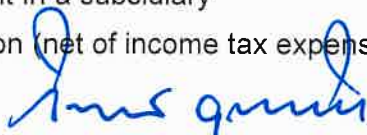
The movement of share return receivables from the former shareholders for the year ended 31 December 2020 are as detailed below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Share return receivables as at 1 January 2020	54,200
Cumulative effect from the financial reporting standards related to financial instruments	(517)
Net book value as at 1 January 2020 - as restated	53,683
Decrease from fair value change during the period	(2,434)
Received during the year	(9,200)
Share return receivables as at 31 December 2020	42,049
Less: Current portion	(9,462)
Share return receivables - net of current portion	32,587

Details of discontinued operation as presented in the statement of comprehensive income for the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statement
Discontinued operation	
Revenues	46,500
Expenses	(41,791)
Profit before income tax expenses	4,709
Income tax expenses	(573)
	4,136
Loss from disposal of investment in a subsidiary	(492)
Profit from discontinued operation (net of income tax expenses)	3,644

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

(Unit: Thousand Baht)

Cash flows from (used in) discontinued operation

Net cash flows from operating activities

Net cash flows used in investing activities

Consolidated
financial statement

7,900

(8,090)

(190)

13. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	21,507	16,412	(2,994)	(1,146)	18,513	15,266
Service materials and supplies	23,062	23,246	(2,199)	(382)	20,863	22,864
Food and beverage	414	562	(3)	(4)	411	558
Products during packaging and packages	696	1,362	(185)	(149)	511	1,213
Total	45,679	41,582	(5,381)	(1,681)	40,298	39,901

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	15,875	12,447	(1,888)	(113)	13,987	12,334
Service materials and supplies	24,863	24,851	(2,178)	(377)	22,685	24,474
Food and beverage	11	14	(3)	(4)	8	10
Products during packaging and packages	3	530	-	-	3	530
Total	40,752	37,842	(4,069)	(494)	36,683	37,348

During the current year, the Group reduced cost of inventories by Baht 4.3 million (2019: Baht 0.5 million) (The Company only: Baht 3.9 million (2019: Baht 0.3 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 0.6 million (2019: Baht 0.8 million) (The Company only: Baht 0.3 million (2019: Baht 0.3 million)), and reduced the amount of inventories recognised as expenses during the year.

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 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

14. 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 20 to the consolidated financial statements.

15. Investments in subsidiaries

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

Company's name	Country of incorporation	Called-up share capital		Shareholding percentage		Cost		Dividend received during the year	
		2020	2019	2020	2019	2020	2019	2020	2019
				(%)	(%)				
Siam Wellness Lab Co., Ltd.	Thailand	1,000	1,000	99.99	99.99	2,000	2,000	8,100	-
Siam Wellness Education Co., Ltd.	Thailand	1,000	1,000	99.97	99.97	1,000	1,000	6,000	-
Siam Wellness Resort Co., Ltd.	Thailand	60,000	60,000	99.99	99.99	98,705	98,705	9,600	-
Siam Wellness Group (Hong Kong) Co., Ltd.	Hong Kong	1	1	100.00	100.00	-	-	-	-
		(Hong Kong Dollar)	(Hong Kong Dollar)						
Siam Wellness Group (Cambodia) Co., Ltd.	Cambodia	-	-	100.00	100.00	-	-	-	-
Total						101,705	101,705	23,700	-

16. Leasehold rights

The reconciliation of leasehold rights for the year ended 31 December 2019 is presented below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2020	9,265
Effect from the adoption of TFRS 16	(9,265)
Net book value as at 1 January 2020 - restated	-

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17. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Revaluation	Cost basis					Total
	basis	Land	Land improvements	Buildings and building improvements	Furniture, fixtures and equipment	Motor vehicles	Assets under installation and under construction
Cost/Revalued amount:							
1 January 2019	278,766	2,684	1,019,306	156,716	19,174	23,075	1,499,721
Additions	-	-	382	30,990	849	130,707	162,928
Disposals/Write-off	-	-	(898)	(1,967)	(42)	-	(2,907)
Transfer to non-current assets classified as held for sale	-	-	(38,782)	-	-	-	(38,782)
Transfer in (out)	-	-	132,716	-	-	(132,716)	-
31 December 2019	278,766	2,684	1,112,724	185,739	19,981	21,066	1,620,960
Effect from the adoption of TFRS 16	-	-	(2,380)	(582)	-	-	(2,962)
Additions	-	-	14,331	19,978	459	92,489	127,257
Disposals/Write-off	-	-	(36,246)	(4,245)	-	-	(40,491)
Transfer in (out)	-	-	102,969	1,260	-	(104,229)	-
31 December 2020	278,766	2,684	1,191,398	202,150	20,440	9,326	1,704,764
Accumulated depreciation:							
1 January 2019	-	2,684	324,229	94,414	11,303	-	432,630
Depreciation for the year	-	-	89,356	22,056	2,502	-	113,914
Depreciation on disposals/write-off	-	-	(500)	(1,352)	(42)	-	(1,894)
Depreciation for transferring to non-current assets classified as held for sale	-	-	(6,487)	-	-	-	(6,487)
31 December 2019	-	2,684	406,598	115,118	13,763	-	538,163
Effect from the adoption of TFRS 16	-	-	(1,148)	(215)	-	-	(1,363)
Depreciation for the year	-	-	99,627	24,460	2,517	-	126,604
Depreciation on disposals/write-off	-	-	(30,701)	(2,886)	-	-	(33,587)
31 December 2020	-	2,684	474,376	136,477	16,280	-	629,817
Allowance for impairment loss							
1 January 2019	-	-	-	-	-	-	-
31 December 2019	-	-	-	-	-	-	-
Increase during the year	-	-	346	9	4	-	359
31 December 2020	-	-	346	9	4	-	359

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(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			
Net book value:								
31 December 2019	278,766	-	706,126	70,621	6,218	21,066		1,082,797
31 December 2020	278,766	-	716,676	65,664	4,156	9,326		1,074,588
Depreciation for the year								
2019 (Baht 107.2 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)								113,914
2020 (Baht 120.1 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)								126,604

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis	Cost basis				
	Land	Buildings and building improvements	Furniture, fixtures and equipment	Motor vehicles	Assets under installation and under construction	Total
Cost/Revalued amount:						
1 January 2019	278,766	871,550	132,497	16,964	23,075	1,322,852
Additions	-	381	30,193	849	129,540	160,963
Disposals/Write-off	-	(790)	(1,640)	(42)	-	(2,472)
Transfer to non-current assets classified as held for sale	-	(38,782)	-	-	-	(38,782)
Transfer in (out)	-	131,549	-	-	(131,549)	-
31 December 2019	278,766	963,908	161,050	17,771	21,066	1,442,561
Effect from the adoption of TFRS 16	-	(2,317)	(582)	-	-	(2,899)
Additions	-	8,575	16,749	459	90,562	116,345
Disposals/write-off	-	(32,212)	(2,688)	-	-	(34,900)
Transfer in (out)	-	101,042	1,260	-	(102,302)	-
31 December 2020	278,766	1,038,996	175,789	18,230	9,326	1,521,107

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 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Separate financial statements

	Separate financial statements					
	Revaluation basis	Cost basis				
		Buildings and building improvements	Furniture, fixtures and equipment	Motor vehicles	Assets under installation and under construction	Total
	Land					
Accumulated depreciation:						
1 January 2019	-	256,225	75,106	10,391	-	341,722
Depreciation for the year	-	81,999	20,209	2,161	-	104,369
Depreciation on disposals/write-off	-	(394)	(1,028)	(42)	-	(1,464)
Depreciation for transferring to non-current assets classified as held for sale						
Depreciation on disposals/write-off	-	(6,487)	-	-	-	(6,487)
31 December 2019	-	331,343	94,287	12,510	-	438,140
Effect from the adoption of TFRS 16	-	(1,133)	(215)	-	-	(1,348)
Depreciation for the year	-	92,108	22,691	2,175	-	116,974
Depreciation on disposals/write-off	-	(26,702)	(1,922)	-	-	(28,624)
31 December 2020	-	395,616	114,841	14,685	-	525,142
Allowance for impairment loss						
1 January 2019	-	-	-	-	-	-
31 December 2019	-	-	-	-	-	-
Increase during the year	-	346	9	4	-	359
31 December 2020	-	346	9	4	-	359
Net book value:						
31 December 2019	278,766	632,565	66,763	5,261	21,066	1,004,421
31 December 2020	278,766	643,034	60,939	3,541	9,326	995,606
Depreciation for the year						
2019 (Baht 97.9 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)						104,369
2020 (Baht 110.6 million included in cost of sales and cost of services, and the balance in selling and administrative expenses)						116,974

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 ended 31 December 2020 and 2019, the Company received the deposit amounted Baht 1.8 million and Baht 0.2 million, respectively. According to the agreement, the buyer shall pay for the remaining amount of Baht 34.5 million within 31 December 2020. However, on 16 January 2021, the Company entered into the memorandum of the agreement with the buyer to postpone the settlement for the remaining amount to be within 1 July 2021 due to the COVID-19 pandemic situation. As at 31 December 2020 and 2019, 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.

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

Had the lands carried in the financial statements on a historical cost basis, their net book value as of 31 December 2020 and 2019 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2020	2019
Land	165,557	165,557

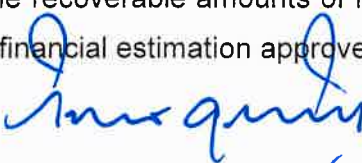
A breakdown of the land carried on a revaluation basis is as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2020	2019
Original costs	165,557	165,557
Surplus from revaluations	113,209	113,209
Revalued amount	278,766	278,766

As at 31 December 2019, 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 206 million (2018: Baht 178 million) (The Company only: Baht 142 million (2018: Baht 112 million)).

As at 31 December 2020, the Company has pledged its land and structures thereon amounting to Baht 264 million (2018: Baht 243 million) as collateral against its bank overdrafts facilities and long-term loans facilities as disclosed in Note 20 and Note 22 to the consolidated financial statements, respectively.

During the year 2020, the Company recognises an impairment loss for property, plant and equipment amounting to Baht 0.4 million (2019: Nil) to reduce the carrying amount of the assets to their recoverable amounts. This is because the COVID-19 pandemic situation that significantly impact the business operations that led to the recognition 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.


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Key assumption used in value in use calculation is discount rate for which 2020 using at the rate of 8.0% (2019: 7.7%). The sensitivity analysis of impairment losses of property, plant and equipment and right-of-use assets for 2020 increased of Baht 1.6 million for the increasing of 0.1% of discount rate.

18. Goodwill

A reconciliation of net book value of goodwill for the years ended 31 December 2020 and 2019 is presented below.

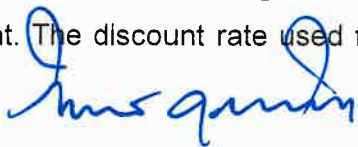
	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	24,536	20,340
Net book value as at 31 December 2019	24,536	20,340
Net book value as at 31 December 2020	24,536	20,340

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	
	2020	2019	2020	2019	2020	2019
Goodwill	20,340	20,340	4,196	4,196	24,536	24,536

	(Unit: Thousand Baht)	
	Separate financial statements	
	Spa services business under "Baan Suan Massage" brand	
	2020	2019
Goodwill	20,340	20,340

The Company estimates the recoverable amount of group of cash-generating units from value in use. In determining value in use, the estimated future cash flows are referred from financial estimation with significant assumptions using in relating to revenue growth rate and discount rate approved by the management. The discount rate used for this year was 8.0% (2019: 7.7%).


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19. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Computer				Computer			
	Licenses	software	Trademark	Total	Licenses	software	Trademark	Total
As at 31 December 2019:								
Cost	8,122	1,985	4,697	14,804	8,020	1,178	4,697	13,895
Less: Accumulated amortisation	(2,548)	(1,051)	(2,066)	(5,665)	(2,528)	(348)	(2,066)	(4,942)
Net book value	5,574	934	2,631	9,139	5,492	830	2,631	8,953

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	9,139	8,963	8,953	8,772
Acquisition during the year	1,788	1,820	1,788	1,773
Write-off during the year	(40)	-	(9)	-
Amortisation	(1,801)	(1,644)	(1,756)	(1,592)
Net book value at end of year	9,086	9,139	8,976	8,953

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

20. Bank overdrafts from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Bank overdrafts from financial institution	-	32

Bank overdrafts of a subsidiary has interest at the MOR per annum and MLR plus 1.5% per annum (2019: MLR plus 1.5% per annum) which are secured by fixed deposit of another subsidiary as disclosed in Note 14 to the consolidated financial statements and by the lands and structures thereon of the Company as the collateral as disclosed in Note 17 to the consolidated financial statements.

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts payable - unrelated parties	21,625	21,755	19,300	17,517
Trade accounts payable - related parties (Note 7)	1,047	2,421	11,180	8,109
Payables for purchase of fixed assets - unrelated parties	188	1,176	188	954
Payables for purchase of fixed assets - related parties (Note 7)	6	75	6	75
Payables for construction and retention	8,044	25,606	7,791	25,010
Other payables - unrelated parties	2,013	2,131	1,878	1,995
Other payables - related parties (Note 7)	397	148	567	123
Accrued payroll and bonus expenses	3,432	22,367	3,348	21,698
Accrued rental expenses	-	12,362	-	12,219
Other accrued expenses - unrelated parties	7,910	8,677	6,904	7,304
Other accrued expenses - related parties (Note 7)	-	-	-	25
Total trade and other payables	44,662	96,718	51,162	95,029

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

22. Long-term loans

Loan no.	Facility amount (Million Baht)	Loan agreement date	Interest rate (% per annum)	Amendment of loan agreement		Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
				Date	Repayment	2020	2019	2020	2019
1	240	27 April 2016	1st-2nd year: MLR - 3 and 3rd year onwards: MLR - 2.2	27 March 2020	Pay the interest every month since the first drawdown and repayment of principle and interests within 60 periods after January 2017. The last repayment of principle and interests will be in December 2021.	56,900	65,900	56,900	65,900
					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.				
2	80	31 August 2017	1st-2nd year: MLR - 3 and 3rd year onwards: MLR - 2.2	27 March 2020	Repayment of principle and interests within 65 periods since the first drawdown, which the first principle repayment is since the last business day of 6 th month. The last repayment of principle and interests will be in January 2023.	47,600	50,300	47,600	50,300
					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.				

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SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Loan no.	Facility amount (Million Baht)	Loan agreement date	Interest rate (% per annum)	Amendment of loan agreement			Consolidated financial statements		(Unit: Thousand Baht)	
				Repayment	Date	Repayment	2020	2019	Separate financial statements	2019

3	160	22 May 2019	1st-2nd year: MLR - 3.75 and 3rd year onwards: MLR - 3	Pay the interest every month since the first drawdown and repayment of principle and interests within 60 periods after each drawdown. The last repayment of principle and interests will be in March 2025.	26 October 2020	Revised its principle repayment condition since April 2020 onwards, with the first repayment will be proceeded in October 2020. The last	151,667	44,167	151,667	44,167
						repayment of principle and interests will be in November 2025.				

4	20	9 April 2020	1st-2nd year: 2 and 3rd year onwards: MLR	Pay the interest every month since the first drawdown and repayment of principle and interests within 36 periods since April 2022. The last repayment of principle and interests will be in March 2025.	-		20,000	-	20,000	-

5	10	9 April 2020	1st-2nd year: 2 and 3rd year onwards: MLR	Pay the interest every month since the first drawdown and repayment of principle and interests within 36 periods since April 2022. The last repayment of principle and interests will be in March 2025.	-		10,000	-	-	-

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(Unit: Thousand Baht)

Loan no.	Facility amount (Million Baht)	Loan agreement date	Interest rate (% per annum)	Repayment	Amendment of loan agreement		Consolidated financial statements		Separate financial statements	
					Date	Repayment	2020	2019	2020	2019
6	5	11 April 2020	1st-2nd year: 2 and 3rd year onwards: MLR	Pay the interest every month since the first drawdown and repayment of principle and interests within 36 periods since April 2022. The last repayment of principle and interests will be in March 2025.	-	-	5,000	-	-	-
7	10	11 April 2020	1st-2nd year: 2 and 3rd year onwards: MLR	Pay the interest every month since the first drawdown and repayment of principle and interests within 36 periods since April 2022. The last repayment of principle and interests will be in March 2025.	-	-	10,000	-	-	-
8	23	18 November 2020	1st-2nd year: 2 and 3rd year onwards: MLR-2	Pay the interest every month since the first drawdown and repayment of principle and interests monthly basis within 48 periods since November 2021. The last repayment of principle and interests will be in October 2025.	-	-	23,000	-	-	-
9	89	20 November 2020	MLR -2	Pay the interest every month since the first drawdown and repayment of principle and interests within 48 periods since December 2021. The last repayment of principle and interests will be in November 2025, if fully drawdown.	-	-	67,000	-	-	-
Total							391,167	160,367	386,167	160,367
Less: Current portion							(103,354)	(80,200)	(93,354)	(80,200)
Long-term loans, net of current portion							287,813	80,167	272,813	80,167



Mr. Jiraporn



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

As at 31 December 2020, the Company and two 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. 9 which in December 2020, the Company and one subsidiary have received waiver letters for not complying with such covenants from the Bank. As a result, the outstanding balances as at 31 December 2020 of loan facility No. 1 to No. 5 and No.8 to No.9 are classified as current liabilities according to the conditions specified in the loan agreements.

However, another subsidiary has received waiver letter for not complying with such covenants for loan facility No. 7 from the bank on 22 February 2021. As a result, the total outstanding balances of such loan facility as at 31 December 2020 amounting to Baht 10 million has fully presented as current liabilities in the consolidated statement of financial position for the purpose of reporting under Thai Financial Reporting Standards.

The loan facility No. 1 to No. 3 and No. 8 to No. 9 are secured by the mortgage of land and structures thereon of the Company as disclosed in the Note 17 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.

As at 31 December 2020, long-term credit facilities of a Company which have not yet been drawn down amounted to Baht 31 million (2019: Baht 110 million).

Movements in the long-term loans from financial institution during the year ended 31 December 2020 is summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Balance as at 1 January 2020	160,367	160,367
Add: Increase during the year	245,000	220,000
Less: Repayment	(14,200)	(14,200)
Balance as at 31 December 2020	391,167	366,167


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23. Leases

23.1 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 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statement			
	Land	Buildings	Machinery and equipment	Total
1 January 2020	96,166	1,083,570	12,553	1,192,289
Additions	-	173,387	-	173,387
Effect of modification of lease agreements	-	(9,925)	-	(9,925)
Effect from cancellation of lease agreement	-	(3,846)	-	(3,846)
Depreciation for the year	(7,708)	(172,034)	(2,406)	(182,148)
Impairment loss	(201)	-	-	(201)
31 December 2020	88,257	1,071,152	10,147	1,169,556

(Unit: Thousand Baht)

	Consolidated financial statement			
	Land	Buildings	Machinery and equipment	Total
1 January 2020	72,584	1,068,061	11,756	1,152,401
Additions	-	173,387	-	173,387
Effect of modification of lease agreements	-	(9,925)	-	(9,925)
Effect from cancellation of lease agreement	-	(3,846)	-	(3,846)
Depreciation for the year	(6,303)	(168,957)	(2,362)	(177,622)
Impairment loss	(201)	-	-	(201)
31 December 2020	66,080	1,058,720	9,394	1,134,194

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b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Lease payments	1,338,526	407	1,327,241	407
Less: Deferred interest expenses	(140,675)	(27)	(140,178)	(27)
Total	1,197,851	380	1,187,063	380
Less: Portion due within one year	(169,179)	(120)	(166,176)	(120)
Lease liabilities - net of current portion	1,028,672	260	1,020,887	260

A maturity analysis of lease payments is disclosed in Note 35 to the consolidated financial statements under the liquidity risk.

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

	(Unit: Thousand Baht)	
	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statement	financial statement
Depreciation expenses of right-of-use assets	75,961*	73,384*
Interest expenses on lease liabilities	12,817*	13,244*
Expenses relating to short-term leases	292	292
Expenses relating to variable lease payments	10,711	10,711

* Net of rental discount during the year.

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

d) Others

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

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23.2 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 2020, the Company had income from such sub-lease agreements with its subsidiaries amounting to Baht 2 million (2019: Baht 5 million). In case the Company and its subsidiaries made sub-leasing continuously throughout the lease period of which the Company made lease agreements with related parties (the lease period was between 12 years to 30 years), the future minimum received under such sub-leasing as at 31 December 2020 were as follows:

	(Unit: Million Baht)
Within 1 year	3
Over 1 and up to 5 years	13
Over 5 years	52
Total	68


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24. Provision for long-term employee benefits

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

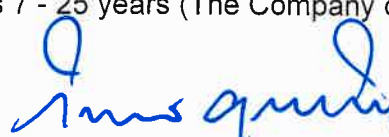
	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of year	8,556	14,446	7,683	11,685
Included in profit or loss:				
Current service cost	1,431	3,780	1,239	3,228
Interest cost	137	670	121	545
Past service cost	-	260	-	157
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Financial assumptions changes	-	(12,386)	-	(10,205)
Experience adjustments	-	1,786	-	2,273
Provision for long-term employee benefits at end of year	10,124	8,556	9,043	7,683

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Cost of sales	13	201	-	-
Cost of services	450	1,520	359	1,366
Selling and administrative expenses	1,105	2,989	1,001	2,564
Total expenses recognised in profit or loss	1,568	4,710	1,360	3,930

The Company and its subsidiaries expect not to pay long-term employee benefits during the next year (2019: Baht 0.9 million (The Company only: Baht 0.8 million)).

As at 31 December 2020 and 2019, the weighted average duration of the liabilities for long-term employee benefit is 7 - 25 years (The Company only: 7 - 25 years).



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Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Discount rate	1.36 - 2.15	1.36 - 2.15	1.36	1.36
Salary increase rate	6.00	6.00	6.00	6.00
Turnover rate	13.00 - 57.00	13.00 - 57.00	13.00 - 57.00	13.00 - 57.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

	(Unit: million Baht)			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
	2020	2019	2020	2019
Discount rate	(0.2)	(0.2)	0.2	0.2
Salary increase rate	0.2	0.2	(0.2)	(0.2)
Turnover rate	(0.3)	(0.3)	0.3	0.2

25. Statutory reserve

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

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


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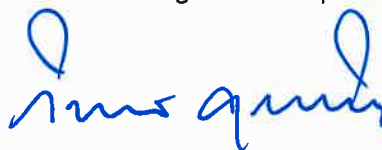
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26. Dividends/Share capital

Dividends	Approved by	Cash dividends (Million Baht)	Cash dividend per share (Baht per share)	Share dividends (Million share)	Share dividends pay out rate (Existing share per share dividend)	Total amount share dividends (Million Baht)
Final dividends for 2018	Annual General Meeting of the Company's shareholders on 29 March 2019	85.50	0.15	-	-	-
Total dividend for 2019		85.50	0.15	-	-	-
Final dividends for 2019	Annual General Meeting of the Company's shareholders on 30 April 2020	17.10	0.03	285	2:1	71.25
Total dividend for 2020		17.10	0.03	285	2:1	71.25

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

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


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Reconciliation of share capital

	Number of ordinary shares (Shares)	Amount (Baht)
<u>Registered share capital</u>		
As of 1 January 2019	570,000,000	142,500,000
As of 31 December 2019	570,000,000	142,500,000
Increase in registered ordinary shares	285,000,000	71,250,000
As of 31 December 2020	855,000,000	213,750,000
<u>Issued and paid-up share capital</u>		
As of 1 January 2019	570,000,000	142,500,000
As of 31 December 2019	570,000,000	142,500,000
Share dividend paid	284,999,928	71,249,982
As of 31 December 2020	854,999,928	213,749,982

27. Finance cost

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest expenses on borrowings	8,364	10,471	7,927	10,136
Interest expenses on lease liabilities	13,132	15	13,560	15
Total	21,496	10,486	21,487	10,151

28. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Changes in inventories	(4,097)	(8,548)	(2,910)	(6,678)
Purchases of inventories	52,242	101,342	36,476	108,655
Depreciation of property, plant and equipment	126,604	113,914	116,974	104,369
Amortisation of intangible assets	1,801	1,644	1,756	1,592
Amortisation of leasehold rights	2,160	2,069	2,160	2,069
Loss on impairment of assets	560	-	560	-
Employee expenses	214,089	490,817	199,468	482,139
Directors' remuneration	1,866	2,168	1,866	2,168
Expenses related to lease and service agreements - net of discount	116,730	210,373	112,821	207,765
Public utilities	20,707	35,227	19,840	34,062
Maintenance and decorate locations expenses	17,389	32,525	17,114	31,835
Advertising and promotion expenses	19,756	29,553	14,991	27,913
Laundry expenses	10,244	37,173	10,244	37,062
Consulting fees	6,823	7,402	3,618	3,647

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29. Income tax

29.1 Income tax expenses

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	4,129	46,477	-	43,301
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,213)	(1,283)	(6,121)	(1,438)
Tax income (expenses) from continuing operations reported in profit or loss	(2,084)	45,194	(6,121)	41,863
Current income tax from discontinued operation (Note 12)	-	573	-	-
Total current tax income (expenses)	(2,084)	45,767	(6,121)	41,863

29.2 Income tax relating to each component of other comprehensive income and shareholders' equity

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

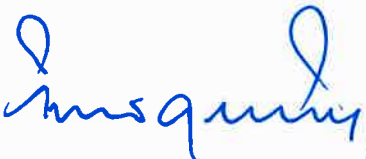
	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax relating to				
- Actuarial gain	-	2,091	-	1,586
Total	-	2,091	-	1,586

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29.3 Reconciliation between accounting profit (loss) and tax income (expenses)

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Accounting profit (loss) before tax	(211,170)	287,527	(185,949)	259,374
Applicable tax rate	0%, 15%, 20%	0%, 15%, 20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(35,129)	56,705	(37,190)	51,875
Effects of:				
Tax loss carry forward for the last period which utilised in the current year	-	(523)	-	-
Exempt dividend income	(4,740)	-	(4,740)	-
Non-deductible expenses	140	490	134	136
Additional expenses deductions allowed	(10,826)	(11,478)	(10,011)	(10,148)
Total	(15,426)	(11,511)	(14,617)	(10,012)
Unused tax losses that may not be sufficient to allow utilisation	48,471	-	45,866	-
Tax income (expenses) reported in profit or loss	(2,084)	45,194	(6,121)	41,863
Current income tax from discontinued operation (Note 12)	-	573	-	-
Total current tax income (expenses)	(2,084)	45,767	(6,121)	41,863


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29.4 Deferred tax assets / liabilities

The components of deferred tax assets and deferred tax liabilities as at 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	278	266	216	237
Allowance for diminution in value of inventories	1,413	691	814	99
Provision for long-term employee benefits	1,975	1,680	1,809	1,536
Lease agreements	6,909	2,442	6,914	2,449
Interest and depreciation from decommissioning estimation	544	450	544	450
Allowance for impairment loss on property, plant and equipment	72	-	72	-
Allowance for impairment loss on right-of-use assets	40	-	40	-
Allowance for expected credit losses - Share return receivables	487	-	487	-
Total	11,718	5,529	10,896	4,771
Deferred tax liabilities				
Surplus on revaluation of land	22,642	22,642	22,642	22,642
Rental revenue on the straight-line method	-	-	2	4
Unrealised gain from revaluation of trading investments	-	40	-	10
Deferred sales and marketing revenues	-	120	-	120
Total	22,642	22,802	22,644	22,776
Deferred tax assets - net	820	722	-	-
Deferred tax liabilities - net	11,744	17,995	11,748	18,005


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

The unused tax losses amounting to Baht 49 million (the Company only: Baht 46 million) will expire in 2025.

30. Earnings per share

Basic earnings per share is calculated by dividing profit (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, 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 26 to the consolidated financial statements. The number of ordinary shares of the prior year used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the number of shares, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

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

	Consolidated financial statements					
	Continuing operations		Discontinued operation		Total	
	2020	2019	2020	2019	2020	2019
		(Restated)		(Restated)		(Restated)
Profit (loss) for the year						
(Thousand Baht)	(209,085)	242,329	-	3,140	(209,085)	245,469
Weighted average number of						
ordinary share (Thousand shares)	855,000	855,000	-	855,000	855,000	855,000
Profit (loss) per share (Baht/share)	(0.245)	0.283	-	0.004	(0.245)	0.287

(Unit: Thousand Baht)

	Separate financial statements	
	2020	2019
		(Restated)
Profit (loss) for the year (Thousand Baht)	(179,828)	217,511
Weighted average number of ordinary share (Thousand shares)	855,000	855,000
Profit (loss) per share (Baht/share)	(0.210)	0.254

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31. Segment information

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

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

- 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.


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The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2020 and 2019, respectively.

(Unit: Million Baht)

	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	349	1,263	61	70	17	51	-	-	427	1,384
Internal - segment revenues	3	21	23	37	-	1	(26)	(59)	-	-
Total revenues	352	1,284	84	107	17	52	(26)	(59)	427	1,384
Segment profit (loss)	(113)	381	36	42	(3)	18	-	-	(80)	441
Revenues and expenses which have not been allocated:										
Interest income									2	-
Other income									6	19
Selling and distribution expenses									(34)	(52)
Administrative expenses									(84)	(110)
Finance cost									(21)	(11)
Profit (loss) before tax income (expenses)									(211)	287
Tax income (expenses)									2	(45)
Profit (loss) for the year of continuing operations									(209)	242
Profit for the year of discontinued operation									-	4
Total profit (loss) for the year									(209)	246

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Contract assets / Contract liabilities

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2020	2019	2020	2019
Contract assets				
Trade receivables - net	19,693	36,131	19,845	34,529
Total contract assets - net	19,693	36,131	19,845	34,529
Contract liabilities				
Advance received - current portion	38,978	28,922	38,187	27,740
Advance received - net of current portion	9,759	12,162	9,759	12,162
Total contract liabilities	48,737	41,084	47,946	39,902

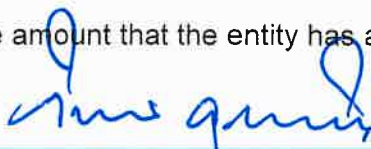
Disaggregated revenue from contracts with customers

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2020	2019	2020	2019
Timing of revenue recognition:				
Revenue recognised at a point in time				
Sale	68,604	90,320	21,427	61,048
Services				
Spa Service	341,865	1,251,955	341,905	1,250,952
Hotel and restaurant	9,770	30,900	-	-
Revenue recognised over time				
Franchise income	6,673	10,512	6,673	10,512
Management Fee	842	-	3,987	2,373
Total revenue from contracts with customers	427,754	1,383,687	373,992	1,264,885

Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue totaling Baht 10 million (2019: Baht 12 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.


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The segment assets of the Group as at 31 December 2020 and 2019 are as follows:

(Unit: Million Baht)

	Spa services and sales of spa products and healthy products*		Hotel and restaurant		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Property, plant and equipment	1,003	1,015	71	68	-	-	1,074	1,083
Right-of-use assets	1,149	-	23	-	(2)	-	1,170	-
Lease receivables	26	-	-	-	(26)	-	-	-
Other assets	422	409	25	39	(59)	(15)	388	433
Total assets	2,600	1,424	119	107	(87)	(15)	2,632	1,516
Other material non-cash item:								
Write-off of property, plant and equipment	(6)	(1)	-	-	-	-	(6)	(1)
Depreciation of property, plant and equipment and right-of- use assets	(197)	(111)	(7)	(7)	-	-	(204)	(118)
Loss on impairment	(1)	-	-	-	-	-	(1)	-

* 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 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

32. 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 2020 and 2019, the contributions to the fund which were recognised as expenses are as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2020	2019
Contributions to provident fund	1.3	1.6

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2020 and 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	
	2020	2019
Construction costs	4	12

33.2 Operating lease commitments

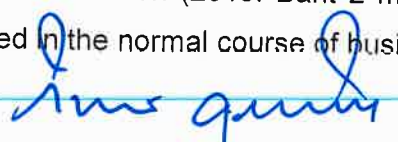
As at 31 December 2020, the Group has future minimum payments under service agreement, short-term lease agreements and low-value assets lease agreement other than recorded as lease liabilities in the statements of financial position as follows:

(Unit: Million Baht)

	31 December 2020	
	Consolidated and Separate financial statements	
Payable:		
In up to 1 year		27
In over 1 and up to 5 years		47
In over 5 years		22

33.3 Letters of guarantees

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


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34. Fair value hierarchy

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

(Unit: Million Baht)

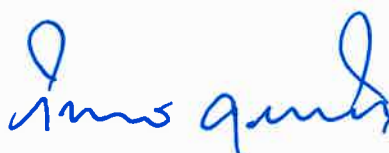
31 December 2020				
Consolidated financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Lands	-	279	-	279
Liabilities disclosed fair value				
Loans from financial institution				
- fixed interest rates	-	64	-	64

(Unit: Million Baht)

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

(Unit: Million Baht)

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


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

(Unit: Million Baht)

31 December 2019

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Trading securities				
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 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 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.

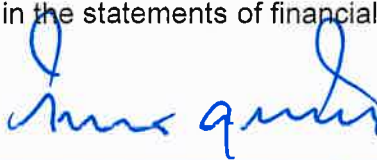
35. Financial instruments

35.1 Financial risk management

The Group's financial instruments, principally comprise cash and cash equivalents, current investments, trade and other receivables, share return receivables, long-term loan to related party, restricted deposits of financial institution, bank overdrafts from financial institution, short-term loans from related parties, trade and other payables, liabilities under finance lease agreements, and long-term 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, share return receivables, and long-term loan to related party. 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, share return receivables and long-term loan to a related party as stated in the statements of financial position.


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Trade receivables

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

Cash deposits

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

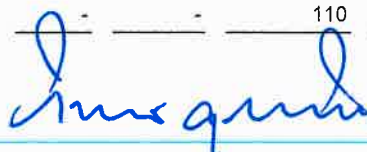
Interest rate risk

The Group's exposure to interest rate risk relates primarily to their deposit at financial institutions, restricted deposits of financial institution, long-term loan to related party, bank overdrafts from financial institution, short-term loans from related parties, long-term 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 2020 and 2019, 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 2020							
Fixed interest rates							
At call	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate
							(% per annum)
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	110	4	114	0.05-0.70
Trade and other receivables	-	-	-	-	22	22	-
Share return receivables	-	-	-	-	42	42	-
Restricted deposits of financial institution	-	5	-	-	-	5	1.05
	-	5	-	110	68	183	


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

(Unit: Million Baht)

Consolidated financial statement

31 December 2020

Fixed interest rates

	At call	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
<u>Financial liabilities</u>								
Trade and other payables	-	-	-	-	-	45	45	-
Lease liabilities	-	169	682	347	-	-	1,198	2.60-3.38
Long-term loans	10	-	58	-	323	-	391	Note 22
	10	169	740	347	323	45	1,634	

(Unit: Million Baht)

Separate financial statement

31 December 2020

Fixed interest rates

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



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

(Unit: Million Baht)

Consolidated financial statement

31 December 2019

Fixed interest rates

	At call	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
Financial assets								
Cash and cash equivalent	-	-	-	-	46	7	53	0.05 - 0.70
Current investments	-	-	-	-	-	73	73	-
Trade and other receivables	-	-	-	-	-	37	37	-
Share return receivables	-	-	-	-	-	54	54	-
Restricted deposits of financial institution	-	5	-	-	-	-	5	1.05
	-	5	-	-	46	171	222	

Financial liabilities

Short-term loans from and interest payable to related parties	5	-	-	-	-	-	5	Note 7
Trade and other payables	-	-	-	-	-	97	97	-
Long-term loans	-	-	-	-	160	-	160	Note 22
	5	-	-	-	160	97	262	

(Unit: Million Baht)

Separate financial statement

31 December 2019

Fixed interest rates

	At call	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
Financial assets								
Cash and cash equivalent	-	-	-	-	39	6	45	0.05 - 0.70
Current investments	-	-	-	-	-	15	15	-
Trade and other receivables	-	-	-	-	-	36	36	-
Share return receivables	-	-	-	-	-	54	54	-
	-	-	-	-	39	111	150	
Financial liabilities								
Trade and other payables	-	-	-	-	-	95	95	-
Long-term loans	-	-	-	-	160	-	160	Note 22
	-	-	-	-	160	95	255	

Signature
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 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 2020 with all other variables held constant.

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

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

Foreign currency risk

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

As at 31 December 2020 and 2019, 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	
	2020	2019	2020	2019	2020	2019
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	7	1	-	-	30.04	30.15
Hong Kong Dollar	706	675	-	-	3.88	3.87
Euro	-	-	3	19	36.88	33.73
Pound sterling	-	-	4	-	40.64	39.52

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 SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED

Foreign currencies	Separate financial statements			
	Financial assets		Average exchange rate	
	2020	2019	2020	2019
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	-	1	-	30.15
Hong Kong Dollar	706	675	706	3.87

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. Approximately 19 % of the Group's debt will mature in less than one year at 31 December 2020 (2019: 69%) (the Company only: 19%, 2019: 69%) 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 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

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

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(Unit: Million Baht)

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

35.2 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, bank overdrafts from financial institution, 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 2020 and 2019, 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	
	2020	2019	2020	2019	2020	2019	2020	2019
Long-term loans from financial institutions - fixed interest rate	68	-	64	-	43	-	40	-

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

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

36. 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 2020, the Group's debt-to-equity ratio was 1.91:1 (2019: 0.34:1) and the Company's was 1.94:1 (2019: 0.34:1).

37. Reclassification

Except the reclassification as a result from the adoption of new accounting standards as disclosed in Note 4 to the consolidated financial statements, the Group has reclassified certain accounts in the financial statements for year ended 31 December 2019 to conform to the current year's classification, as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statement	
	As previously	
	As reclassified	Reported
Statement of comprehensive income		
<u>Revenues</u>		
Interest income	735	-
Other income	18,720	19,455

	(Unit: Thousand Baht)	
	Separate financial statement	
	As previously	
	As reclassified	reported
Statement of comprehensive income		
<u>Revenues</u>		
Interest income	631	-
Other income	26,170	26,801

The reclassifications had no effect to previously reported profit for the year or shareholders' equity.

38. Event after the reporting period

On 19 February 2021, the Company and its subsidiary have been approved for long term loan facilities of Baht 80 million and 10 million, respectively from a financial institution in order to support the business operations of the Company and its subsidiary.

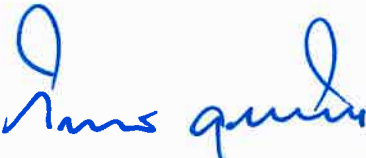
The loan agreements contain several covenants which, among other things, require the Company and its subsidiary to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

Such above loan facilities will be secured by the mortgage of land and structures thereon and a condominium unit of the Company.

On 22 February 2021, the Board of Directors meeting No. 1/2021 passed the resolution to approve the entering of such loan agreements and the mortgage of such properties.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2021.


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อ. อรุณรัตน์
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SIAM
WELLNESS
GROUP CO., LTD.
บริษัท สยามเวลเนสกรุ๊ป จำกัด (มหาชน)
SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED