

THE KLINIQUE

IIUU 56-1 ONE REPORT 2023



THE KLINIQUE MEDICAL CLINIC
PUBLIC COMPANY LIMITED

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Form 56-1 ONE REPORT

2023

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Message from the Chairman and Chief Executive Officer

Dear Shareholders of The Klinique Medical Clinic Public Company Limited,

In 2023, Thailand's economy showed gradual improvement, slowly recovering from the impact of the COVID-19 pandemic. Despite this positive trend, key sectors such as exports and tourism, vital engines of our economic growth, have not yet returned to full capacity. This is due to several factors including technological shifts, notably the adoption of electric vehicles over those powered by fossil fuels, geopolitical conflicts in various regions, and a general slowdown in the global economy. These challenges have contributed to the slow pace of growth in the Thai economy.

The health and beauty industry remains fiercely competitive, unaffected by the broader economic climate. Price competition to attract consumers is a constant feature of this sector. However, beyond pricing, the quality of service, consumer confidence in our products (medications) and procedures (treatments) are equally critical to our clientele. In response, our company has focused on strategies aimed at reinforcing consumer confidence, ensuring that we offer services provided by thoroughly vetted and well-trained physicians, utilize medications approved by the Food and Drug Administration (FDA), and maintain pricing that aligns with the value we deliver. These efforts have enabled us to sustain growth in a highly competitive environment.

Moreover, our commitment extends beyond the quality and reliability of our medications and medical equipment. We are dedicated to continuously enhancing the effectiveness of our treatments to ensure that every client's experience is positive and memorable. This commitment is supported by our collaboration with pharmaceutical and medical equipment firms that adhere to international standards. As a result, we have developed a rigorous training program designed to augment the skills and knowledge of our medical team and staff, ensuring the highest level of expertise. Additionally, we have fostered partnerships with leading medical universities in the country, including the Faculty of Medicine at Chulalongkorn University and Siriraj Hospital's Faculty of Medicine at Mahidol University. These collaborations aim to further enhance our team's ability to address increasingly diverse and complex challenges.

Following the successful receipt of funds from its Initial Public Offering (IPO) toward the end of 2022, the company strategically allocated these resources to business expansion efforts, notably in the acquisition of state-of-the-art medical equipment. Our executive team undertakes comprehensive reviews of medical information and conducts rigorous performance evaluations on medical devices of interest, ensuring they

meet our high standards for customer satisfaction. A key aspect of our expansion strategy includes the thoughtful selection of branch locations, emphasizing convenience for our consumers, thereby enhancing their accessibility to our services. By the conclusion of 2023, the company has judiciously invested 695 million baht of the IPO funds.

The year 2023 was pivotal for the L.A.B. brand, as one of the company's primary objectives was to captivate new consumer segments and bolster L.A.B.'s trustworthiness among our clientele. Through relentless marketing efforts and the expansion of over 10 new branches, coupled with the establishment of brand ambassadors, we've seen a phenomenal response. This is demonstrated by a significant revenue surge of 677% compared to the preceding year. Another focal point for the company has been the Plastic Surgery Department, operating under THE KLINIQUE SURGERY CENTER. Targeted marketing efforts this year have prominently positioned our breast and nose plastic surgery services within the consumer market, highlighting our surgeons' expertise and the exceptional level of care we provide. The company exclusively employs board-certified plastic surgeons for all procedures, ensuring that our consumers receive unparalleled results. This approach has been vindicated by a remarkable revenue increase of over 362%.

The company has seen significant growth over the previous year in both revenue and profit. Our revenue reached 2,285 million baht, marking an increase of 39.4% from the previous year, while our net profit soared to 289 million baht, a growth of 40.5% compared to the prior period. This success can be attributed to our diverse range of services, investments in cutting-edge medical equipment, and strategic branch expansion to enhance customer accessibility. Additionally, our customer base expansion strategies, implemented by L.A.B. and THE KLINIQUE SURGERY CENTER, have played a crucial role in our achievements.

We extend our deepest gratitude to our customers, employees, shareholders, and all stakeholders for their ongoing support and collaboration in the company's development. The Board and management team remain committed to steering the company toward sustainable growth, prioritizing transparency, adherence to good governance principles, effective corporate governance, and social responsibility.

Best regards,

Asst. Prof. Bavornrat Vanadurongwan
(Chairman)

Dr. Apiruj Thongwattana
(Chief Executive Officer)

Audit Committee Report

To the Shareholders of The Klinique Medical Clinic Public Company Limited,

The Audit Committee is comprised of three independent Directors, experts across various fields, ensuring the committee is well rounded and fully equipped. All members meet the qualifications outlined in the Audit Committee Charter, aligning with the standards and requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission.

In 2023, the Audit Committee convened four times to deliberate on a range of matters. The details of the meetings and attendance are as follows:

Name	Position	Sessions Attended / Number of Sessions
Mr. Wiboon Pojanalai	Chairman of the Audit Committee	4/4
Asst. Prof. Bavornrat Vanadurongwan	Member of the Audit Committee	2/2
Mr. Chatchai Thanarudee	Member of the Audit Committee	3/3

Note

- On February 28, 2023, Mr. Chatchai Thanarudee was appointed by the Company's Board of Directors as an Audit Committee member, succeeding Mr. Kornarit Thongsomkaew, who resigned from his positions as a Company Director and an Audit Committee member before his term ended.
- On May 16, 2023, Asst. Prof. Bavornrat Vanadurongwan was appointed by the Board of Directors as an Audit Committee member, and Mr. Wiboon Pojanalai was appointed as the Chairman of the Audit Committee, replacing Mr. Praphan Pichaiwatkomol, who resigned from his role as a Company Director and the Audit Committee Chairman before completing his term.
- Ms. Natthakarn Phankha acts as the secretary of the Audit Committee.

The Audit Committee has executed its responsibilities independently, adhering to the duties outlined in the Audit Committee Charter. The summary of their principal activities is as follows:

1. Financial Report Review

The Audit Committee has reviewed the Company's financial statements, which have been audited and reviewed by the company's auditor, including both quarterly and annual financial statements for the year 2023. This also encompasses disclosures in the notes accompanying the financial statements.

The Audit Committee engaged in discussions with both the auditor and management on significant matters to ensure the financial reporting and disclosures in the financial statement notes were in accordance with financial reporting standards, reliable, and timely. The committee ensured that the disclosures were adequate and the information provided would benefit shareholders and investors. The Audit Committee believes that the financial reports accurately reflect all material aspects in accordance with financial reporting standards, with complete, sufficient, and timely disclosures in the financial statements and the accompanying notes, benefiting both shareholders and financial statement users. Furthermore, the Audit Committee convened with the auditor without management's presence to independently discuss the auditor's independence in the audit and review processes, recommendations on the internal control system, the financial statement preparation process, and other observation points. The auditor reported no observations for the operations in 2023.

2. Transactions with Related Parties or Potential Conflicts of Interest

The Audit Committee reviewed and provided opinions on transactions with related parties or transactions that could potentially lead to conflicts of interest, following the guidelines of relevant regulatory bodies before submitting them to the Company's Board of Directors and/or shareholders. This process ensures that all transactions are conducted transparently and with due diligence.

3. Oversight of Internal Auditing Activities

The Audit Committee assessed the independence of the internal auditing firm, approved the internal control system audit plan, and determined the remuneration for internal auditors. I.A.P. Internal Audit Co., Ltd. ("IAP") was appointed as the company's internal auditor for the year 2023. The Committee was informed of the internal audit results and engaged in discussions, offering recommendations for corrective actions on significant issues to ensure effective corporate governance.

4. Risk Management Review

The Audit Committee evaluated the adequacy and effectiveness of the company's risk management policies and strategies. Regular meetings with executives responsible for risk management were held to understand external and internal risk factors, evaluate risk assessment outcomes, and review the company's risk management practices to ensure risks are maintained at an acceptable level. The Committee also provided suggestions for improvement and stressed the importance of identifying new risks that may emerge due to rapid changes.

5. Appointment of Auditors and Determination of Annual Audit Fees

The Audit Committee is responsible for evaluating, selecting, and recommending the appointment of auditors and determining their annual audit fees. These recommendations are then presented to the

Board of Directors for approval and subsequently to the shareholders at the annual meeting. DIA International Co., Ltd. was appointed as the company's auditor for the year.

The Members of the Audit Committee have fulfilled their obligations and responsibilities as outlined in the Audit Committee Charter, which was ratified by the Board of Directors. They have applied their knowledge, skills, and due diligence, demonstrating prudence and adequate independence. They have also offered opinions and recommendations for the benefit of all stakeholders equitably. The Audit Committee believes that the Company has established suitable risk management measures. It maintains an internal control and audit system that is appropriate, sufficient, and effective. The Company's financial statements are materially accurate, trustworthy, and in alignment with universally recognized accounting standards. Information disclosure is adequate, and the Company complies with legal and regulatory requirements pertinent to its operations. Furthermore, the Audit Committee views that the comprehensive efforts of the Company's senior executives and all employees, under a robust corporate governance framework, have fostered the Company's satisfactory and sustainable growth. This approach ensures all stakeholders can anticipate receiving enduring and favorable returns.

On behalf of the Audit Committee,

(Mr. Wiboon Pojanalai)

Chairman of the Audit Committee

February 28, 2024

Board of Directors



Asst. Prof. Bavornrat

- Chairman of the Board
- Independent Director
- Member of the Audit Committee
- Chairman of the Nomination and Remuneration Committee



Mr. Wiboon Pojanalai

- Director
- Independent Director
- Chairman of the Audit Committee
- Member of the Nomination and Remuneration Committee



Mr. Chatchai Thanarudee

- Director
- Independent Director
- Member of the Audit Committee
- Member of the Nomination and Remuneration Committee



Mr. Apiruj Thongwattana

- Director
- Chairman of the Executive Committee
- Chairman of the Risk Management Committee
- Chief Executive Officer



Mr. Suthipong Tangsajjapoj

- Director



Mr. Rathaphon Kittichairakul

- Director
- Member of Executive Committee
- Member of Risk Management Committee
- Managing Director

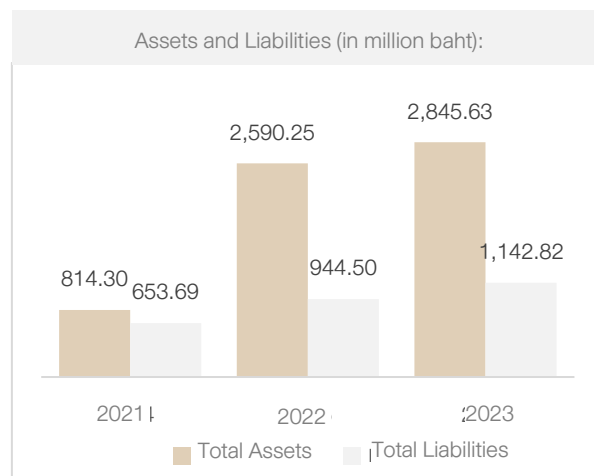
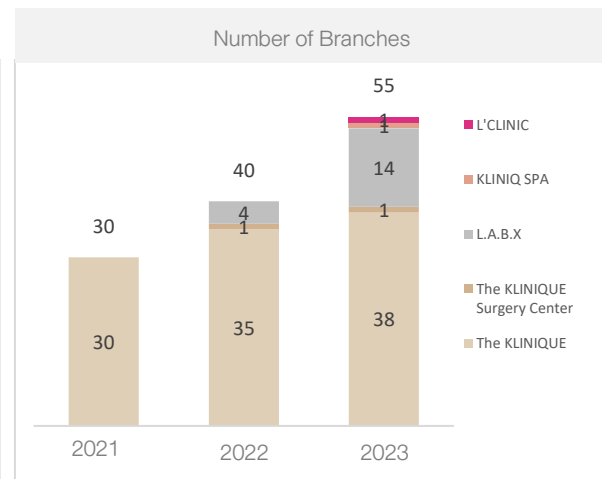
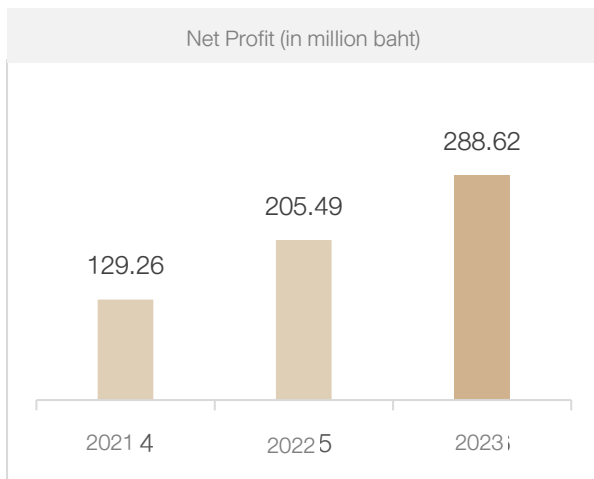
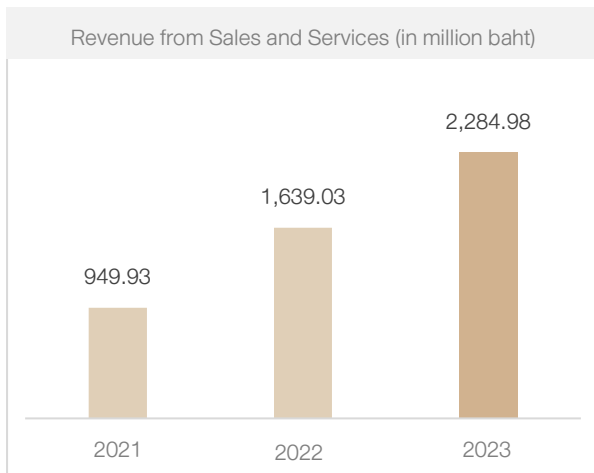


Mr. Weerasak Sinsapphaiboon

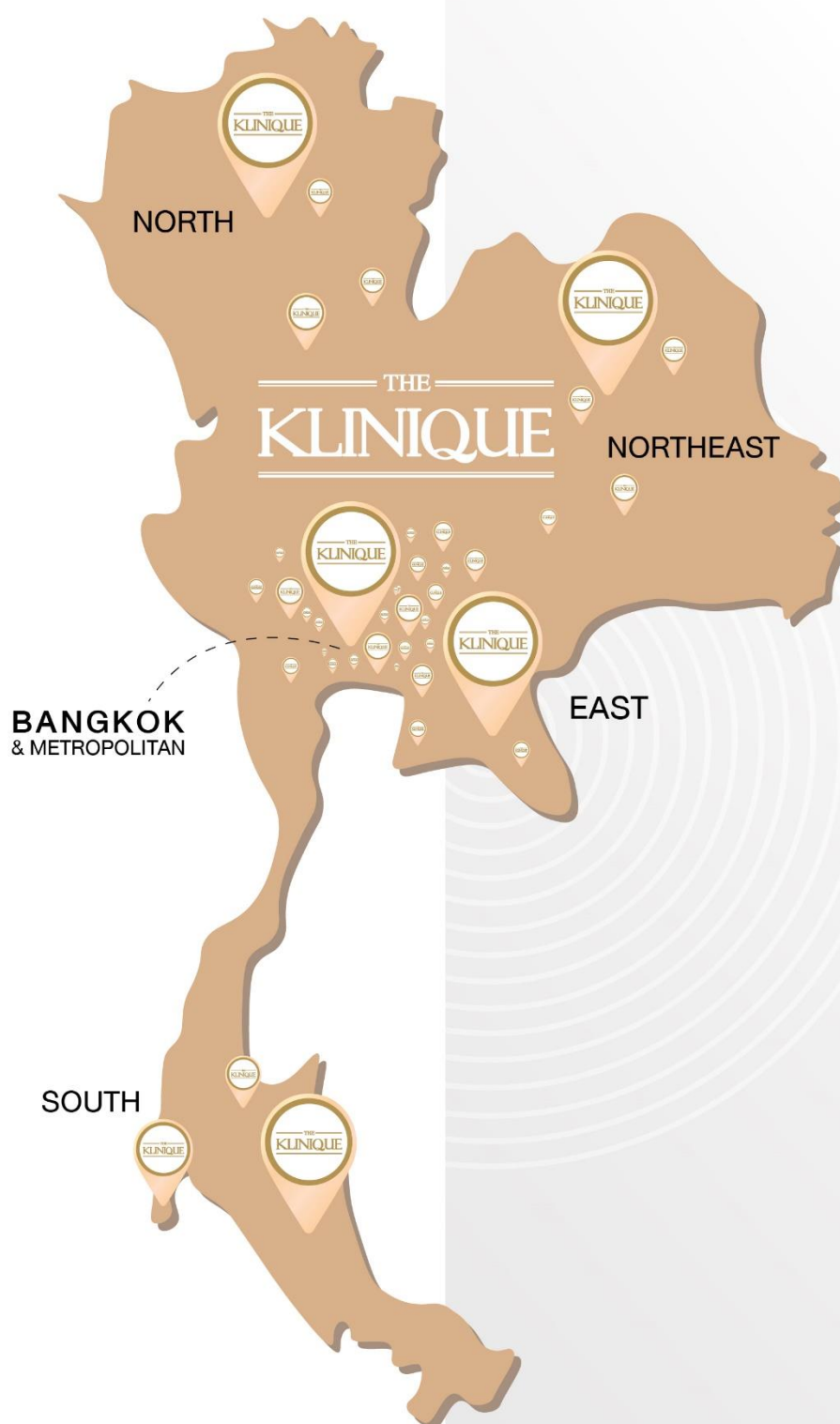
- Director
- Member of Executive Committee
- Member of Risk Management Committee
- Managing Director

Key Financial Information

Financial Information	2021	2022	2023
Income Statement (in million baht)			
Revenue from Sales and Services	949.93	1,639.03	2,284.98
Total Revenue	952.14	1,647.20	2,318.38
Gross Profit	558.77	922.97	1,235.03
Profit Before Financial Expenses and Income Tax Expenses	153.3	256.86	365.32
Net Profit	129.26	205.49	288.62
Statement of Financial Position (in million)			
Assets	814.3	2,590.25	2,845.63
Liabilities	653.79	944.5	1,142.82
Shareholders' Equity	160.5	1,645.75	1,702.81
Paid-up Registered Capital	80	110	110
Net Cash Flow from Operations	238.56	407.96	385.92
Financial Ratios			
Gross Profit Margin (%)	58.82%	56.31%	54.05%
Net Profit Margin (%)	13.58%	12.48%	12.63%
Return on Equity (%)	95.13%	22.75%	17.24%
Return on Total Assets (%)	16.30%	12.07%	10.62%
Debt-to-Equity Ratio (times)	4.07	0.57	0.67
Liquidity Ratio (times)	0.41	2.38	1.93
Per Share Information			
Net Profit per Share (baht)	0.81	1.21	1.31
Dividend per Share (baht)	0.36	1.30	1.30
Dividend Payout Ratio (%)	44%	108%	99%



As of December 31, 2023, the company operates 55 branches across 17 provinces nationwide.



Awards of Excellence



Awards Received by the Company in 2023

The company has been honored with awards from various Partners and magazines as follows:

- **The Winner of the Golden Records Award:** Recognized as the **ASIA PACIFIC's Highest Achievement for Ulthera**, this award celebrates the company as the number one provider of comprehensive face lifting and shaping services using the Ulthera program in the Asia Pacific, awarded by Merz Aesthetics.
- **The Thailand Number One Legendary for Ultherapy Nationwide Coverage:** This accolade is awarded to the clinic that offers the most comprehensive coverage of the Ulthera SPT+ program.
- **The Infinite Award for Merz Swiss Filler:** This award acknowledges the clinic that offers the highest level of service for facial shaping and enhancement using fillers from Merz Aesthetics.
- **Global Health AESTHETICS AWARDS 2023: The Medical Aesthetic and Surgical Centre of the Year in Asia-Pacific**, recognizing it as the premier beauty clinic and surgery center in the region.
- **Top 5 Galderma Aesthetic Collection Chain Clinic 2023:** This award honors the clinic for providing the highest volume of facial contouring and enhancement services using Galderma's US FDA-approved fillers and botulinum products.
- **Top 3 Kysse Chain Clinic:** Awarded by Galderma, this recognizes the clinic for delivering the highest volume of lip enhancement and dimensional filler treatments, in accordance with US FDA standards.
- **Top 3 Restylane Chain Clinic:** This accolade is given to the clinic for the highest number of facial reshaping and wrinkle filling treatments using Restylane fillers, as per Galderma's distinction.
- **Top 3 Dysport Chain Clinic:** This award recognizes the clinic that delivers the highest number of Dysport treatments for wrinkle reduction and facial lifting, utilizing Botulinum Toxin, awarded by Galderma.
- **PLATINUM AWARDS: Dermal Filler:** Awarded to the clinic with the highest number of patients receiving facial reshaping and rejuvenation treatments with fillers, presented by Allergan Aesthetics.
- **PLATINUM AWARDS: Body Contouring:** This award goes to the clinic with the highest number of patients undergoing the CoolSculpting slimming program, presented by Allergan Aesthetics.
- **Top Value Customer DermaAesthetics:** Awarded to the clinic offering the highest level of skincare restoration programs with a vast array of internationally recognized quality medications.
- **HELLO! Platinum Beauty Awards 2023: The Best Ulthera Facelift Clinic:** Awarded to the clinic providing the best Ulthera treatment program of the year, as voted by Celebrities' Choices from Hello! magazine.
- **The Best Thermage Facelift Technique: Praew Iconic Beauty Award:** Awarded to the clinic offering the best Thermage FLX PRO program, using authentic US FDA-approved devices and exhibiting superior treatment techniques.
- **Iconic Lip Filler Injection Technique: Praew Iconic Beauty Award:** Recognizes the ultimate technique in lip enhancement using authentic, US FDA-approved fillers.

General Information

Company Name	: บริษัท เดอะคลินิค คลินิกเวชกรรม จำกัด (มหาชน) THE KLINIQUE Medical Clinic Public Company Limited
Company Registration Number	: 0107560000079
Business Type	: Dermatology, beauty, cosmetic surgery, and health restoration preventive care clinic
Registered Capital	: 110,000,000 THB (One Hundred and Ten Million Thai Baht)
Paid-Up Registered Capital	: 110,000,000 THB (One Hundred and Ten Million Thai Baht) Comprising 220,000,000 common shares with a par value of 0.50 THB
Head Office Location	: 2922/296-299 Charn Issara Tower 2, 27 th Floor, New Petchaburi Road, Bang Kapi, Huai Khwang, Bangkok 10310, Thailand
Telephone	: 02-308-2034
Website	: www.theclinique.com
Subsidiary	: THE KLINIQUE Hospital Company Limited
Registered Capital	: 100,000 baht
Shareholding Proportion	: 99.6%
Business Type	: Not operational yet
Company Secretary	
Telephone	: 02-308-2034
E-mail	: secretary@theclinique.com
Investor Relations	
Telephone	: 097-374-9999
E-mail	: investor@theclinique.com
Auditor	: DIA International Company Limited Ms. Suwimon Krittayakian Certified Public Accountant, No. 2982, or Mr. Wiroj Satjathamnukul Certified Public Accountant, No. 5128, or Mr. Nopparuk Phitsanuwong Certified Public Accountant, No. 7764
Telephone	: 02-259-5300
E-mail	: dia@diaaudit.com

Business overview



Company Structure and Operations

Policy and Business Overview

THE KLINIQUE Medical Clinic Public Company Limited (“the Company” or “KLINIQ”) specializes in dermatological, cosmetic surgery, beauty services, and comprehensive healthcare that aligns with modern medical standards. This includes dermatological treatments, beauty enhancements, weight loss programs, body contouring, wellness surgeries, and health restoration services. Our team consists of experts in aesthetics and cosmetic surgery, certified by prestigious institutions in Thailand, the United States, and the United Kingdom, and has extensive experience in providing dermatological and surgical treatments with the latest medical advancements. As of December 31, 2023, the company operates 55 branches across Thailand, including 53 medical clinics under the brands “THE KLINIQUE” (38 branches), “L.A.B. X” (14 branches), “L’CLINIC” (1 branch), a surgical center “THE KLINIQUE SURGERY CENTER” (1 branch), and a physiotherapy clinic “KLINIQ SPA” (1 branch). The services offered by the Company are detailed as follows:

1. **Aesthetic Skin Department:** Provides treatments using state-of-the-art laser technology to ensure safe and effective outcomes. Services include general dermatological treatments, skin nourishment treatments, acne solutions, pigmentation treatments, facial lifting, and body shaping.
2. **Wellness and Regenerative Department:** Offers services aimed at health restoration and maintenance, and body rejuvenation. Services include vaccination, cancer immunity tests, NK Treatment, and Women Wellness programs.
3. **Plastic Surgery and Reconstruction Department** offers specialized services, including various surgical procedures and the use of special equipment for aesthetic enhancements. Services offered encompass eye surgery, rhinoplasty, breast augmentation, liposuction, labiaplasty, facelifts, and more.
4. **The Body and Weight Management Department** focuses on programs designed for body tightening, figure shaping, fat reduction, and muscle strengthening, utilizing specific innovative treatments.

The company has consistently grown through service development and marketing efforts to solidify the “THE KLINIQUE” brand’s strong recognition. A leader in employing laser technology for skin tightening and anti-aging innovations, the company meets the evolving and diverse needs of consumers. It focuses on enhancing and developing skincare services according to the company’s principles, ensuring visible treatment outcomes to better satisfy consumer demands. Since 2015, the company has earned the trust of over 200,000 clients. In 2022, it expanded by launching additional laser centers under the “L.A.B. X” brand, targeting primarily teenagers to young adults. Furthermore, in 2023, the company initiated new marketing strategies under the “L’CLINIC” brand to distinctly differentiate customer segments across its brands.

Vision and Objectives

Vision, Mission, and Objectives

Vision To be internationally recognized as a leader in dermatology, cosmetic surgery, and comprehensive healthcare, including preventive and restorative health services. We aim to offer the most advanced and comprehensive beauty treatments in Southeast Asia through the application of medications and innovative medical technologies.

Mission

1. To establish ourselves as the premier clinic for dermatology, cosmetic surgery, and holistic healthcare in the nation, offering a complete range of services. We strive to be the hub for innovative tools for skin care, body shaping, health restoration, and cutting-edge surgeries that meet international standards.
2. To deliver comprehensive skin care, body shaping, health restoration, and surgical services to our clients with dedication and sincerity. Our expert physicians focus on treatment efficacy to achieve outstanding results, ensuring safety and satisfaction for all our clients.
3. To continuously develop our personnel across all departments, maintaining high-quality services and staff effectiveness, thus fostering the organization's perpetual growth.

Objectives To provide dermatology, cosmetic surgery, and comprehensive healthcare services, fulfilling the needs of our clients and achieving their utmost satisfaction.

Competitive Advantage

- The company is dedicated to offering satisfying treatment experiences for our clients, prioritizing safety and satisfaction above all. In addition to utilizing innovative and modern medical devices, the equipment employed by the company must pass the rigorous approval and inspection processes of the United States Food and Drug Administration (US FDA) and the Thai FDA. Furthermore, these innovations and medical devices undergo additional testing by our team of expert physicians to ensure their efficacy, safety, suitability for Thais, and minimal side effects.
- The company prioritizes the skills and expertise of our medical professionals to ensure all clients receive safe and satisfactory treatment outcomes. Thus, we collaborate with leading medical equipment and pharmaceutical companies worldwide to offer all our doctors the opportunity to attend the Anatomy Master Class annually at the Faculty of Medicine, Chulalongkorn University. This initiative underscores our commitment to safety and fosters a culture of continuous learning among our key medical staff. Furthermore, each month, our global business partners arrange

specialized training sessions for our doctors to facilitate the exchange of knowledge on medical tools, equipment, and pharmaceuticals.

- In terms of customer service, the company employs a diverse team to offer initial consultation and support to clients across our branches. This includes receptionists, sales staff, and consultants who guide our clients through our various service courses, ensuring a positive initial impression. Given our extensive service range that caters to the needs of clients across all age groups, our customer service staff are trained to understand the details of our offerings and analyze clients' problems or needs comprehensively. This enables them to recommend products or services that align with our medical professionals' treatment advice, maximizing client benefit.
- Currently, the company operates 55 branches within premium department stores nationwide, enhancing accessibility for our clients. This accessibility, coupled with our commitment to excellence, has earned us widespread acclaim and trust from a broad spectrum of clients, including celebrities, models, influencers, and beauty Key Opinion Leaders (KOLs), as well as our general clientele, encompassing both men and women.

Business Strategy

- **Developing Services with Modern Medications and Medical Innovations**

Over 14 years of operation, the company prioritizes customer safety above all. We are dedicated to offering the safest and most efficacious services through the adoption of contemporary medical technologies and innovations. The company stays updated on medical breakthroughs and consistently seeks out the latest tools to enhance our customer service. We meticulously select equipment and products approved and scrutinized by US FDA and the Thai FDA. These have been rigorously tested to ensure their safety for Thai and Asian skin types, guaranteeing consistently satisfactory service for our clients.

- **Enhancing Service Quality Through Skilled Personnel and Expert Medical Team**

The company prioritizes service quality improvement. Hence, it mandates ongoing training for our doctors, both in Thailand and abroad, ensuring they can apply newly acquired knowledge and techniques to provide appropriate and optimally effective treatments to our customers. Moreover, for our branch reception staff, the company stresses the importance of maintaining clean, polite, and trustworthy appearances. All branch employees undergo regular training based on the Service Wheel principles, ensuring they are well versed in our service offerings. This training enables them to accurately and comprehensively respond to customer inquiries. Additionally, the company employs a post-treatment satisfaction follow-up system to serve as a foundation for continuous service enhancement and to foster a service-oriented mindset among all staff levels. Continuous training is provided for customer service employees, with medical assistant officers required to undergo specific curriculum training and work standard testing

before beginning their actual duties. When conducting medical procedures, it is the physician who either administers treatment or supervises the use of medical equipment directly, ensuring customer safety. Services provided by nurses under physician supervision adhere to The Nursing and Midwifery Profession Act, B.E. 2528 (1985) (“Nursing Act”), and the Nursing and Midwifery Council Regulations on Limitations and Conditions for the Practice of Nursing and Midwifery, B.E. 2564 (2021) (“Nursing Regulations”), such as administering vitamins via IV Drip. The company’s adherence to these standards affirms our compliance with the Hospital Act.

- **Building a Recognizable and Memorable Brand**

Given the high level of competition within the beauty and cosmetic surgery sector, which continues to gain popularity, establishing a well-recognized and memorable brand is crucial. Thus, the company invests in reaching its target audience through a variety of engaging and appealing communication channels, both offline and online. Furthermore, we place a significant emphasis on managing the end-to-end customer experience. This involves a systematic approach to integrating marketing communication, sales, and customer service departments to ensure a seamless and satisfying experience for every client.

- **Marketing Communication to Enhance Brand Awareness and Recognition**

The company emphasizes digital marketing strategies encompassing Search Engine Optimization (SEO), Search Engine Marketing (SEM), Google Adwords, and social media engagement across various platforms including Facebook, Instagram, Twitter, TikTok, and Line Official Account. Our diverse and appealing content, developed in collaboration with celebrities, models, influencers, and beauty bloggers with substantial followings, aims to broaden awareness and generate interest in our services. Additionally, we employ offline communication methods, such as digital billboards in shopping centers, to further enhance consumer awareness near our service locations. The company is dedicated to systematically measuring and assessing the effectiveness of each communication method and channel, striving to maximize the return on investment for our business.

- **Service Scope Expansion**

The company values service diversity to meet our customers’ varied needs, offering a comprehensive range of beauty services. This includes modern laser treatments, various beauty treatments, pharmaceutical and cosmetic services, body care, cosmetic surgery, and holistic healthcare based on medical principles. We continuously explore and adopt advancements in restorative medicine, dermatology, anti-aging, and surgical innovations to meet the evolving needs of our clients. This approach distinguishes us from traditional beauty clinics and has contributed to our popularity over the past 13 years. Additionally, on May 25, 2022, we launched a new sub-brand, L.A.B. X, aimed at expanding our market presence by targeting products specifically designed for teenagers and young professionals. The first L.A.B. X branch was

inaugurated at Siam Square One, and by the end of 2023, we had established a total of 14 branches, alongside launching L'CLINIC at Siam Square One to further our market research.

- **Nationwide Branch Coverage**

The company employs a geographic strategy, spreading numerous service branches across various provinces throughout Thailand to enhance accessibility for our customer groups and to expand our customer base. Strategic location choices are made to ensure branches are situated in convenient, community-centric areas that align with our customer base. Marketing strategies are tailored to match the behaviors of customers in these locations to effectively cover the service radius for each branch's catchment area. As of December 31, 2023, the company operates 55 branches across 17 provinces, predominantly choosing locations within leading shopping malls to reflect a premium image and convenience for our customers. This strategy not only reinforces our consumer presence but also acts as a barrier to market entry for competitors due to the limited number of medical services allowed in each mall. Additionally, the company is dedicated to creating a clean, modern atmosphere within our branches to attract service use and ensure lasting positive impressions for our customers.

- **Promotional Strategies in Pricing**

The marketing team is responsible for developing price promotion strategies, aiming to offer competitive prices that resonate with our customers' preferences across various seasons. By gathering and analyzing diverse data, we're able to set or adjust service prices, considering key factors such as competition, product costs, and comparative analysis of similar medical treatments. The objective behind our price promotion strategy is to attract customers to purchase treatment courses that align with the anticipated duration for visible treatment results. The set prices are designed to be accessible to a broad range of customers, catering to the diverse needs of our target demographic across all age groups. Furthermore, these prices are determined to offer great value for the investment, contributing to personal care and boosting self-confidence for our clients.

Additionally, the company implements strategic pricing within the context of the market to retain its existing customer base and captivate new clientele. Coordination with various banks, such as Kasikorn Bank, Siam Commercial Bank, Bank of Ayudhya, Bangkok Bank, TMBThanachart Bank, Krungthai Bank, UOB, and Citibank, allows customers to enjoy a variety of special privileges when making payments for our products and services through these financial institutions. These include exclusive promotional offers for the company's customers using their credit cards, zero percent interest installment plans, department store spending cash coupons, and special rewards for customers achieving specified spending thresholds within a spending cycle (Top Spender), among others.

- **Public Relations**

The company leverages marketing communications to disseminate information through a network of well-known individuals such as celebrities, models, influencers, and beauty bloggers across various age groups. Given these personalities have extensive followings both online and offline, they serve as beauty ambassadors for the company across different life stages, presenting a favorable image. Emphasis is placed on the tangible results experienced by these personalities after availing themselves of our services, resulting in genuine satisfaction and a desire to share their positive experiences with the wider community. This strategy enables the company's brand to efficiently foster awareness and credibility on a broad scale.

Moreover, the company showcases testimonials from past service users, employing word-of-mouth or referral strategies to introduce new customers to the service and avail them of special benefits. This approach has positioned the company as a reputable beauty clinic known for its effective treatments and trustworthy services.

Additionally, the company targets the digital-native customer segment, which values online platforms significantly, including Facebook, YouTube, Instagram, Twitter, TikTok, Line, or Pantip, making smartphones and tablets their primary communication channels. This demographic considers digital connectivity an essential part of their daily lives. Consequently, the company leverages existing communication channels to effectively reach and engage with this audience. Moreover, the company prioritizes the exploration and development of video review content on YouTube and other online platforms, tailoring it to the preferences and needs of this customer segment by producing content that is innovative, entertaining, engaging, and timely, reflecting current societal trends to spark customer interest and facilitate widespread content sharing. Additionally, the company implements a strategy to make beauty services appealing to viewers of these videos, encouraging both new customer interest and re-engagement from existing customers interested in beauty services. Given the significant role of online platforms for this customer base, who communicate and share opinions predominantly online, the company actively engages with well-known personalities and influencers to disseminate information across various social media channels, thereby amplifying online presence and influence.

Furthermore, digital natives typically research products online before purchasing and show a high engagement level with interactive and social elements, such as games and activities among friends ("Gamify with friends"). The company capitalizes on this behavior by integrating games and social interactions, particularly effective when played with friends online, offering rewards through various online channels, like chances to win free skin consultations, among other

incentives. This strategy aims to foster customer involvement and loyalty toward the brand, enhancing positive perceptions and lasting impressions associated with the brand's offerings.

Additionally, the company prioritizes keeping its products and services visible to customers constantly. Utilizing SEM as a pivotal marketing tool ensures the company's offerings are accessible everywhere its customer base frequents. Key initiatives include prioritizing online advertising through Google Adwords and implementing SEO as part of its comprehensive SEM strategy. Given the rapidly changing digital landscape, the company recognizes that customer behaviors can shift quickly, particularly among those who have grown up alongside digital advancements. Thus, the company remains closely attuned to these behavioral changes, adapting its marketing strategies to align with current customer trends and preferences.

The company also leverages the influence of celebrities and nationally recognized models to bolster brand awareness and trust on a broad scale. This approach aims to diversify and expand its customer base, especially targeting individuals under the age of 25. Selected representatives, known across all demographics, symbolize the beauty and youthfulness that align with the company's image. The endorsement by Ms. Aum Patcharapa Chaichue as a brand ambassador significantly enhanced the company's recognition and acceptance, aiding in extending its reach to younger demographics successfully. In 2023, Ms. Yipsee Keerati Mahaphruekphong was brought on as the face of the L.A.B. X brand, to make L.A.B. X known and accepted among those under 30, similarly to THE KLINIQUE brand's marketing efforts. Moreover, the inclusion of other celebrities to promote health restoration and maintenance services has allowed the company to expand into the health sector successfully, attracting new clientele who had not previously engaged with the company's services and maintaining the loyalty of existing customers by broadening the scope of services to include health-related offerings.

The company adheres to advertising regulations, consistently participating in training related to advertising laws. Furthermore, for the company's various advertisements, the Chief Marketing Officer oversees and inspects them before their public release, ensuring compliance with the Hospital Act, B.E. 2541 (1998) (and its amendments), the Department of Health Service Support's announcement regarding criteria, methods, conditions, and costs associated with hospital advertising, B.E. 2562 (2019) (and its amendments), and the operational manual for the approval of hospital advertising ("Advertising Laws"). The company has successfully applied for and obtained advertising approval in accordance with these Advertising Laws.

Significant Changes and Developments

- The Klinique Medical Clinic Public Company, also known as “KLINIQ,” originally named “The Klinique Medical Clinic Co., Ltd.,” was established on October 26, 2009, with a registered capital of 3 million baht. Its primary goal is to operate a business of beauty clinics and skincare managed by a team of specialist doctors, earning the trust and acceptance of its customers continuously.
- The company’s inception was led by Dr. Apiruj Thongwattana, “Dr. Apiruj,” a Bachelor of Medicine graduate from Chulalongkorn University, with a particular interest in dermatology and dermatological surgery. After completing his education in Thailand, he pursued further studies in Dermatology at Cardiff University, UK, and a Fellowship in Dermatology at Harvard Medical School, USA. Subsequently, Dr. Apiruj, together with investors, started the business of a beauty clinic and skincare service.
- Initially, the company operated a medical clinic specializing in beauty and skin care services, with its inaugural branch located at Siam Square in the heart of Bangkok. Due to its high-quality services, the company quickly became popular among customers, particularly with celebrities and actors who regularly sought out its services. As a result, the company has consistently expanded its investments in beauty clinics and skin and body care to meet the evolving needs of customers and to ensure they consistently receive satisfactory services.
- Over more than 14 years of operating beauty clinics and skin care services, guided by a “Customer-Centric” philosophy, the company prioritizes treatment effectiveness, honesty, and ethics. It focuses on diagnosing and treating skin conditions and surgeries, blending the art of treatment with the latest medical innovations and the highest quality of tools and equipment recognized globally. These are inspected and approved by US FDA and Thai FDA. The company is committed to providing friendly and close care to its customers, led by a team of expert doctors, earning national and international awards.

Significant Changes and Developments

- | | |
|-------------|---|
| 2021 | In November 2021, Ekachai Medical Public Company Limited acquired 16,000,000 ordinary shares from the company’s previous shareholders, equivalent to 10.00% of the company’s total issued and paid-up shares. This transaction introduced new shareholders to the company. |
| 2022 | <p>In 2022, the company expanded by inaugurating the Laser Aesthetic Bangkok X clinic under the brand “L.A.B. X” on May 25, 2022, aimed directly at teenage and early working-age customers, with its first branch located at the Siam Square One shopping center.</p> <p>The company was approved for an IPO, allocating up to 60,000,000 shares, each with a par value of 0.50 baht, and commenced its first trading day on the MAI Stock Exchange on November 7, 2022.</p> |

As of December 31, 2022, the company operated 40 branches across Thailand, comprising 35 THE KLINIQUE branches, 1 THE KLINIQUE SURGERY CENTER branch, and 4 L.A.B. X branches.

2023

In 2023, on May 24, the company established a subsidiary, The Clinic Hospital Company Limited, in anticipation of opening a surgical hospital (not yet operational).

On June 26, 2023, it further expanded by launching its first physical therapy clinic named “KLINIQA SPA” at Siam Paragon, broadening its wellness services.

By December 31, 2023, the company’s network had grown to 55 branches across 17 provinces nationwide, categorized into 38 THE KLINIQUE branches, one THE KLINIQUE SURGERY CENTER branch, 14 L.A.B. X branches, 1 L’CLINIC branch, and 1 KLINIQA SPA branch.

Awards Received by the Company

2021

The company was honored with awards from various partners and magazines, including:

- The Golden Records Award: ASIA PACIFIC Highest Achievement for Ulthera and Thailand Top Achiever Award for Ulthera, recognizing the company as the number one provider for non-surgical face lifting and shaping using the comprehensive Ulthera program, awarded by Merz Aesthetics.
- Top ThermageFLX Authentic Clinic, for being the top clinic offering Thermage FLX PRO treatments for lifting, tightening, and slimming the face, recognized for using the most authentic machines in Asia, awarded by Bausch & Lomb.
- Top Allergan Aesthetics Clinic, awarded twice, for being the leading clinic utilizing genuine, original medical products from the USA, including Botulinum Toxin and Dermal Fillers, awarded by Allergan Aesthetics.
- Award for Outstanding Facial Design DermoLift Technique, recognizing the clinic as the leader in using US FDA-standard pharmaceuticals for wrinkle reduction and facial designing, awarded by A. Menarini and Galderma.
- SUPER HIFU III award for having the highest service uptake and trustworthiness, awarded by Quantum Healthcare.
- The Most eMatrix User Award, for the clinic providing the highest number of skin rejuvenation and quality improvement treatments with eMatrix, awarded by Candela.
- Thailand Best Performance for Copper Bromide, for being the top clinic in treating freckles and excess pigmentation with the Copper Bromide laser, awarded by Norseld.
- Thailand Best Performance for YAG Laser, recognizing the clinic for offering the highest standard US FDA-approved YAG laser treatments for hair restriction, awarded by LaserOptek.

- Top Allergan Aesthetics Clinic for Body Contouring, for being the premier clinic offering new weight loss techniques with the Coolsculpting NEO program, using the most authentic machines in Asia, awarded by Allergan Aesthetics.
- Top Authentic Body Sculpture Clinic, for leading in new muscle-building techniques with the Emsculpt NEO program, using the most authentic US FDA-approved machines in Asia, awarded by BTL Medical.
- Top Authentic Women Wellness Clinic, the number 1 award for the clinic offering the highest level of specialized health restoration programs for women, awarded by BTL Medical.
- The Best Ulthera Facelift Clinic: Hello! Beauty Awards, for the best Ulthera treatment program of the year, voted by Hello! magazine.
- Iconic Thermage FLX Facelift Technique: Praew Iconic Beauty Award, for providing the best treatment techniques with the ThermageFLX program.

2022

- The Golden Records Award: ASIA PACIFIC Highest Achievement for Ulthera and The Thailand Number One Legendary for Ultherapy, recognizing the top provider of non-surgical face lifting and shaping with the most comprehensive Ulthera program, awarded by Merz Aesthetics.
- Platinum Award for Dermal Filler for the highest number of facial reshaping and youth-enhancing filler treatments, and Diamond Awards for Body Contouring for the highest number of services using the Coolsculpting program, awarded by Allergan Aesthetics.
- Top Galderma Iconic Clinic, for being the top clinic using US FDA-standard pharmaceuticals for facial shaping and wrinkle reduction, awarded by Galderma.
- The Best PICO Laser Clinic in the Asia Pacific for offering the most PICO laser services, awarded by LaserOptex.
- The Best Ulthera Facelift Clinic: Hello! Beauty Awards.
- The best Ulthera treatment program of the year, voted by Celebrities' Choices in Hello! magazine.
- Iconic Thermage FLX Facelift Technique: Praew Iconic Beauty Award, for the best treatment techniques with the ThermageFLX program.
- Top Aesthetics and Wellness Institute of Thailand "The Thailanders Top Business Organization 2022," awarded by The Thailanders magazine as the premier institute in beauty and health.
- GOOD LIFE GOOD CHOICE Awards 2022: Best Beauty Clinic of The Year, from Goodlife.com, part of the Amarin Group.

2023

For the "Awards of Excellence," please refer to page 12.

Use of Funds from Fundraising

Following THE KLINIQUE Medical Clinic Public Company Limited's IPO of 60 million common shares at a price of 24.50 baht per share, totaling 1,470 million baht, and after deducting the expenses related to the securities offering, the net proceeds amounted to 1,420 million baht. The company allocated this capital for use by the end of December 31, 2023, for the following purposes:

<i>Purposes of Fund Usage</i>	Estimated Expenditure (in million baht)	Amount expended as of December 31, 2023 (in million baht)	Remaining amount as of December 31, 2023 (in million baht)	Estimated timeframe for fund utilization:
1. Investment in business expansion.	300	97	203	By 2025
2. Acquisition of equipment.	650	327	323	By 2025
3. Investment in the expansion of the surgery center business.	150	-	150	By 2025
4. Development of IT systems and customer data management.	50	1	49	By 2024
5. Working capital for the company's operations.	270	270	-	By 2023
<i>Total</i>	<i>1,420</i>	<i>695</i>	<i>725</i>	

Business Description

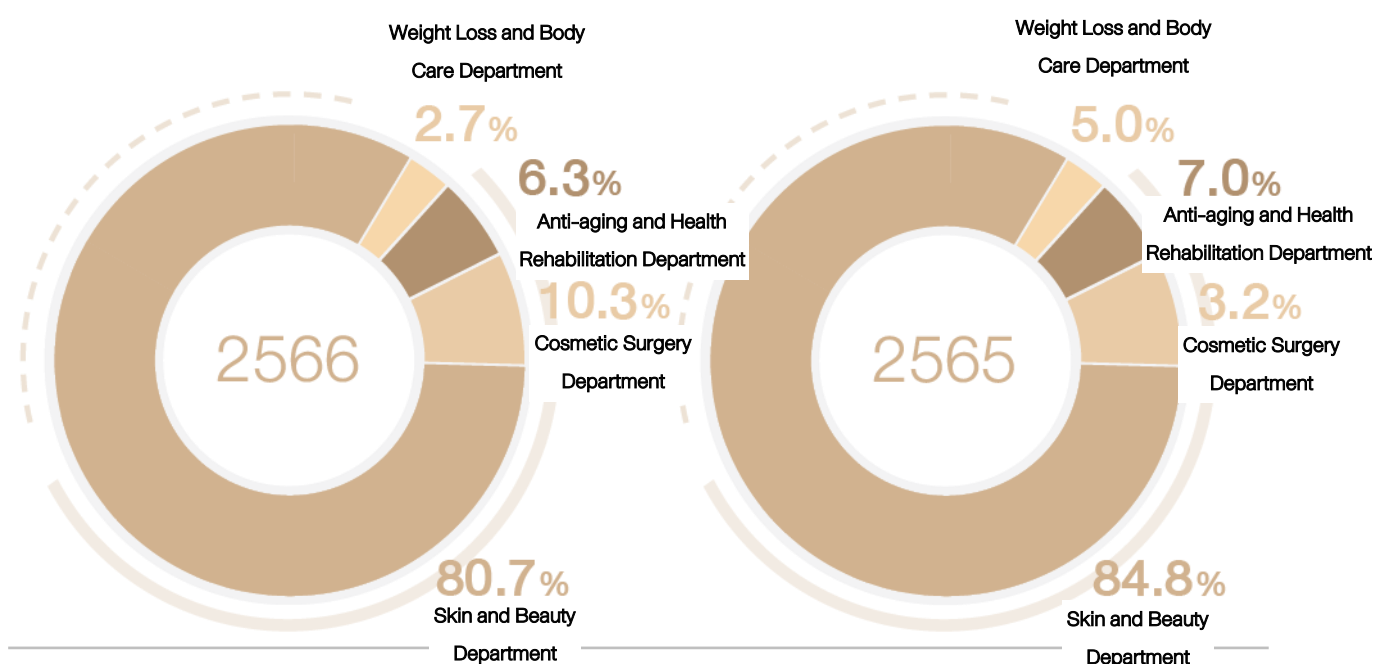
The company operates in providing skin care, cosmetic surgery, and modern holistic healthcare services in accordance with medical principles. It emphasizes service quality under a team of expert doctors, including specialists, and uses medically standardized equipment and instruments. A key focus is on the safety of its patients, leading to a trustworthy brand image and customer satisfaction. This approach has enabled continuous and steady branch expansion. As of December 31, 2023, the company operates 55 branches across 17 provinces nationwide.

Revenue Structure

The revenue reported in the financial statements differs from the company's cash receipts because typically, the company's customers pay in full for products or services before receiving them. Customers can either use the services immediately after payment or opt for deferred service utilization. Revenue is recognized in the financial statements when the company has provided services to or delivered products to customers, combined with estimated revenue based on the rate of customer waivers, calculated through statistical models by actuaries.

Revenue Structure	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Sales and Services	949.93	99.8%	1,639.03	99.5%	2,284.98	98.6%
Other Revenue	2.15	0.2%	7.06	0.4%	13.23	0.6%
Financial Revenue	0.06	0.0%	1.11	0.1%	20.17	0.9%
Total	952.14	100.0%	1,647.20	100.0%	2,318.38	100.0%

The Company's Cash Revenue Structure Categorized by Services



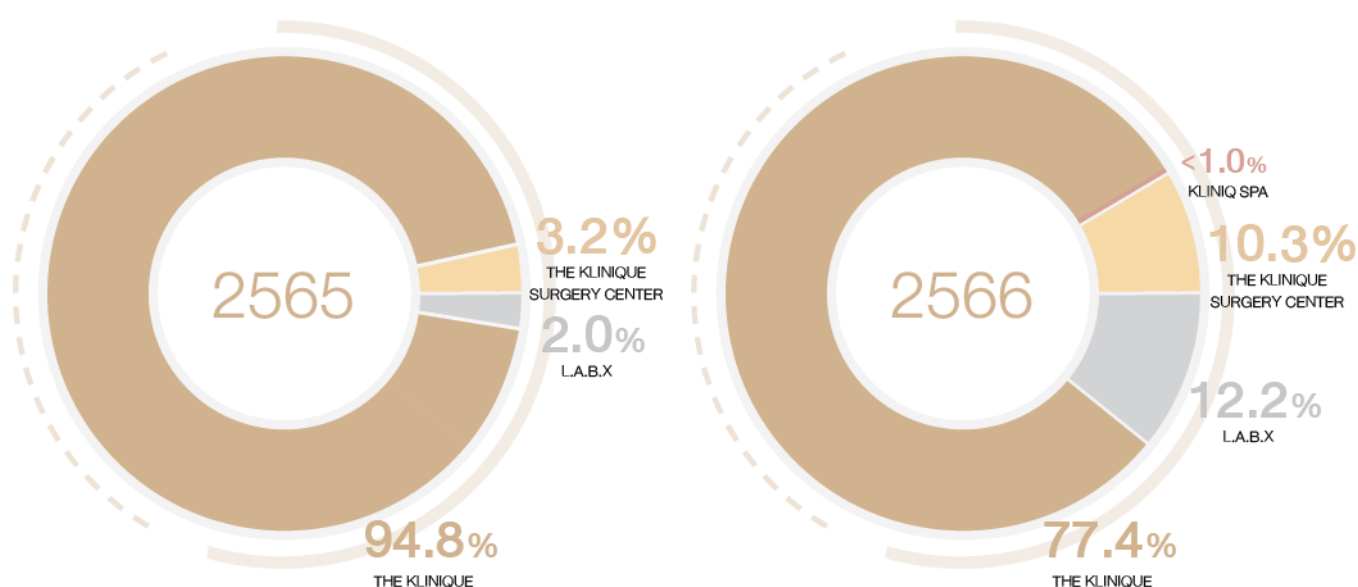
In 2023, the company's cash revenue saw an increase of over 30%, divided among the company's four primary service categories as illustrated above. Notably, the cosmetic surgery department experienced a significant rise in cash revenue, with an increase of more than 362%. The majority of services in the cosmetic surgery department are focused on breast augmentation and rhinoplasty. The company's cosmetic surgery services are delivered by experienced surgeons. Clients who underwent breast augmentation surgery at THE KLINIQUE SURGERY CENTER expressed satisfaction with the surgical outcomes, the quality of the silicone used, and the remarkably small size of the incision, only 1.2 centimeters.

Details of cash revenues from various service departments include:

Cash Revenues	2022	%	2023	%	%YoY
Skin and Beauty Department	1,483.58	85%	1,843.34	81%	24%
Weight Loss and Body Care Department	88.93	5%	61.71	3%	-31%
Anti-aging and Health Rehabilitation Department	127.44	7%	143.19	3%	12%
Cosmetic Surgery Department	51.03	3%	235.65	10%	362%
SOLJ	1,750.99	100%	2,283.89	100%	30%

Note Cash revenues differ from the revenues from sales and medical services shown in the financial statements. Revenue from sales and medical services is recognized once the service is provided to the customer, combined with an estimated rate of customer waiver.

The Company's Cash Revenue Structure Categorized by Brands



In 2023, the company expanded its number of L.A.B. X branches from 4 in 2022 to 14 in 2023, which led to an increase in L.A.B. X's share of cash revenue by over 10%. Additionally, the marketing efforts of THE KLINIQUE

SURGERY CENTER, particularly for breast augmentation and rhinoplasty services, have become widely known, resulting in a cash revenue increase for THE KLINIQUE SURGERY CENTER by more than 7%. Meanwhile, the number of THE KLINIQUE branches grew by only three, with two branches undergoing renovations during the year. Although THE KLINIQUE's overall cash revenue increased, it did so at a rate slower than the other two brands mentioned above, resulting in a decrease in THE KLINIQUE's share of cash revenue within the company.

Product and Service Characteristics

The company offers services in skin care, cosmetic surgery, and modern holistic healthcare, prevention, and restoration, in line with medical principles, using state-of-the-art tools and equipment under the "The Clinic" or "THE KLINIQUE" brand. The diverse range of services provided by the company caters to the varied needs of its customers. The company's products and services are categorized into four main groups, as follows:

1. Skin and Aesthetic Department: This department provides services using standard laser devices for high safety and effective treatment outcomes. Services include general skin disease treatments, skin nourishment treatments, acne treatments, pigmentation problems treatments, facelifts, and body care.
2. Wellness and Regenerative Department: Offers restoration and health nourishment services, along with body rejuvenation. Service examples include vaccination programs, cancer immunity screenings, NK Treatment, and Women Wellness programs.
3. Plastic Surgery and Reconstruction Department: Provides specialized procedures, including surgery using special equipment for aesthetic enhancements. Service examples include eye surgery, rhinoplasty, breast surgery, liposuction, labiaplasty, and facial surgery.
4. Weight Control and Figure Care Department: Focuses on programs for body sculpting, shape adjustment, reducing accumulated fat, and muscle enhancement, using innovative treatments with specific therapeutic properties.

Additionally, the company distributes cosmeceutical products for skincare maintenance to both service users and the general public. The company imports and contracts with domestic and international cosmeceutical producers to manufacture these products for sale across the company's branches.

Product Development

The company prioritizes the development of cutting-edge skin treatment innovations, modern holistic healthcare according to medical principles, and emphasizes leadership in contemporary treatment technologies that yield results to maximally meet customer needs. The company aims to lead in creating new demands that competitors have yet to offer, thus reinforcing its market leadership in beauty. There's a dedicated process for monitoring, selecting, and learning medical technologies, and disseminating this knowledge among the medical team and specialists within the company. Company executives regularly convene to discuss technological advancements and new insights or to evaluate the current equipment for any issues, at least on a quarterly basis, allowing executives to introduce new equipment and products for company use.

The company's physicians are invited to participate in the International Master Course on Aging

Science (IMCAS), a prestigious gathering of world-class dermatologists and anti-aging medicine practitioners. This event hosts academic seminars on dermatology and shares the latest knowledge in anti-aging medicine, including an exchange of technical and innovative treatment knowledge.

Furthermore, each month, world-leading business partners plan training schedules for doctors to facilitate knowledge exchange on medical service tools, equipment, and various pharmaceuticals. The company also collaborates with top global firms to offer all its physicians the opportunity to attend an Anatomy Master Class taught by leading professors at the Faculty of Medicine, Chulalongkorn University, once or twice a year.

Marketing and Competition

Target Customers and Service Channels

- The company targets individuals aged between 20 and 55, with the primary focus on teenagers to late working-age demographics due to its wide range of services capable of catering to all age groups and addressing various concerns. The principal target customers encompass both females and males, with L.A.B. X specifically targeting the younger demographics and primarily offering services in the skin and beauty department.
- As of December 31, 2023, the company generated revenue from sales and medical services through its 55 branches across Thailand. A significant portion of the company's cash revenue originates from customers in Bangkok, with cash revenues from this demographic accounting for 50.05% and 57.32% of the total cash revenue in 2022 and 2023, respectively.

Cash Revenue Breakdown	2022	2023
Branches in Bangkok	50.05%	57.32%
Branches in other provinces and peripheral regions	49.95%	42.68%

- The distribution of cash revenue by province for the company's branches in 2022-2023, as shown above, demonstrates that the share of cash income from branches in Bangkok increased in line with branch expansion. In 2023, the company added 12 branches in Bangkok and only three branches in other provinces and peripheral areas, combined with an increased focus on skincare and aesthetics among consumers, leading to an increase in cash revenue per branch (Same Store Sales).
- Furthermore, the company emphasizes the Customer Relationship Management (CRM) system to retain its existing customer base and expand to new customers. The company maintains a customer database and regularly reaches out with news or promotions. It also sends birthday promotions offering special privileges to create a memorable impression and foster positive relationships with customers, encouraging their return.
- Today's consumers demand from beauty clinics are distinct and rapid outcomes, satisfactory and safe treatments, along with convenience in accessing services. In addition, consumers

nowadays conduct research before seeking services, driving the company to create differentiation through branding to ensure memorability and enhance the credibility of its sales offerings. The company engages in marketing through both offline channels, such as digital billboards in shopping centers, and online platforms, including Facebook, Instagram, Line, and TikTok, maintaining a continuous presence across all channels. Brand-building efforts are bolstered through advertising campaigns. Furthermore, the company increasingly emphasizes marketing the credibility of its medical staff by showcasing its team of doctors and personnel across various media to foster familiarity, trust, and credibility among customers. Equipped with cutting-edge medical technology and a team of expert doctors ready to provide treatments and recommend the best options for clients, the company has successfully built long-lasting trust with its customers for over 14 years.

Competition

The business of skin care, cosmetic surgery, and comprehensive healthcare can be classified into two main types of service providers:

1. Hospital Group: Hospitals are medical facilities that provide patient services and can accommodate patients for overnight stays with more than thirty beds. They offer a range of services including medical, nursing, pharmaceutical, and at least some medical technical services. Additionally, they may specialize in certain surgical procedures or other artistic medical practices. Most private hospitals have a surgical department, including cosmetic surgery services, and some may have dedicated laser centers or dermatology departments to cater specifically to customers.

Private hospital groups specializing in dermatology, cosmetic surgery, and comprehensive healthcare include Asoke Skin Hospital, Yanhee Hospital, W Plastic Surgery Hospital, Kamol Cosmetic Hospital, Masterpiece Plastic Surgery Hospital, SLC Surgery Hospital, and others.

2. Beauty Medical Clinic Group: Beauty medical clinics are regulated under the Ministry of Public Health, classified as a registered and licensed medical practice by the Hospital and Medical Arts Registry. As of September 30, 2023, Bangkok housed 3,877 medical clinics, an increase of 368 from the previous year, while the regions outside Bangkok had 8,529 medical clinics, up by 59 from the previous year. Altogether, Thailand had 12,406 medical clinics, marking an increase of 427 from the previous year.

Beauty medical clinics can be either standalone or part of a chain, with many opting to locate in shopping centers to access a broad customer base. The company's main competitors include the Apex Group, Rom Rawin Clinic, Pongsak Clinic, V Square Clinic, Thanaporn Clinic, KKC Clinic, Pornkasem Clinic, Pornkasem Clinic, Gangnam Clinic, Nitipon Clinic, Ratchathewi Clinic, iSky Center, Pewdee Clinic, Pruksa Clinic, Meko Clinic, Siam Laser Clinic, and Pan Clinic Group, among others.

Despite the beauty clinic and skincare business facing considerable competition due to its significant growth, each company distinguishes itself with unique strengths, strategies, and primary target customer groups. Compared to industry competitors, our company emerges as a leader in the beauty clinic and skincare sector, both in terms of branch numbers and resulting revenue, thanks to our multiple strengths outlined as follows:

1. Our company possesses state-of-the-art, safe, and internationally standardized medical tools and equipment, certified by the US FDA and Thailand's FDA. These tools have been rigorously tested and proven safe for Thai and Asian skin types, ensuring our customers receive the safest and most effective services available.

2. All our physicians undergo continuous training to enhance their treatment skills and are updated with the latest knowledge to excel in their respective fields of treatment. This includes a focus on safety practices. We collaborate with leading global companies, our business partners, to organize medical training schedules, inviting our doctors to participate in training sessions. These sessions facilitate the exchange of knowledge on medical tools, equipment, and various pharmaceuticals. Furthermore, we partner with world-leading companies to offer all our doctors the opportunity to attend anatomy masterclasses led by prominent professors at the Faculty of Medicine, Chulalongkorn University. Additionally, our team includes dermatology specialists certified by renowned institutions both in Thailand and internationally, who bring extensive experience in diagnosing and treating skin conditions.

3. The company operates a wide network of branches, covering 17 provinces across all five regions of Thailand as of December 31, 2023. This includes 38 THE KLINIQUE branches situated in prime locations such as Siam Paragon, The Mall Ngamwongwan, Central Rama 9, and more. There's also one THE KLINIQUE SURGERY CENTER located in Siam Square, 14 L.A.B. X branches in places like Siam Square One, Central Ladprao, The Mall Bang Khae, etc., one L'CLINIC branch in Siam Square One, and one KLINIQ SPA branch in Siam Paragon. The company strategically selects its premises within leading malls or shopping centers that are easily accessible to ensure convenience for our customers.

Industry Overview

The Global Beauty Industry Outlook

In the current era, with a worldwide focus on health and wellness trends, various health-related businesses have seen a steady increase in popularity. Research from multiple institutions¹ has estimated the Compound Annual Growth Rate (CAGR) of the global beauty industry to be between 3.3% and 14.7%. This aligns with the findings from Precedence Research, as illustrated below.

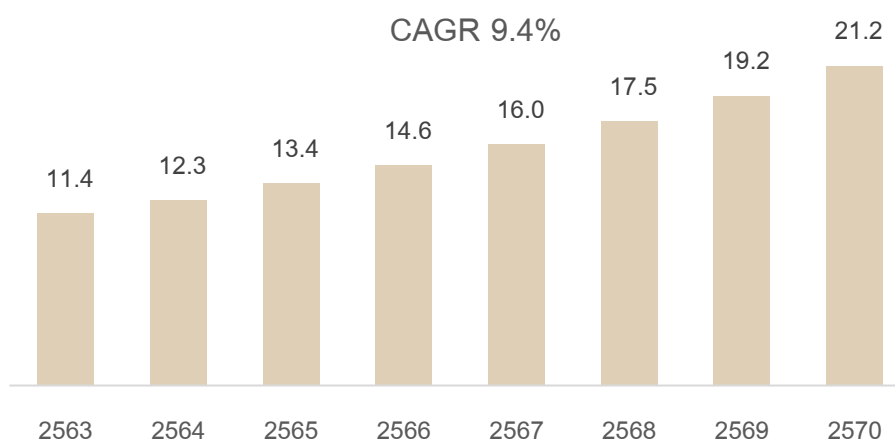
¹ **Grand View Research** projects the growth of the beauty industry market between 2018 and 2030 at 14.7% (<https://www.grandviewresearch.com/press-release/global-aesthetic-medicine-market>)

Market.us forecasts the beauty industry market growth between 2022 and 2032 at 13.3% (<https://market.us/report/medical-aesthetics-market/>)

Markets And Markets predicts the beauty industry market growth from 2023 to 2028 at 11% (<https://www.marketsandmarkets.com/Market-Reports/medical-aesthetics-market-885.html>)

Towards Healthcare estimates the beauty industry market growth between 2022 and 2032 at 3.3% (<https://www.towardshealthcare.com/insights/technological-advancement-in-cosmetic-procedures-boosting-the-medical-aesthetics-market-growth>)

Medical Aesthetics Market Size (USD Billion)



Source: Precedence Research

<https://www.precedenceresearch.com/medical-aesthetics-market>

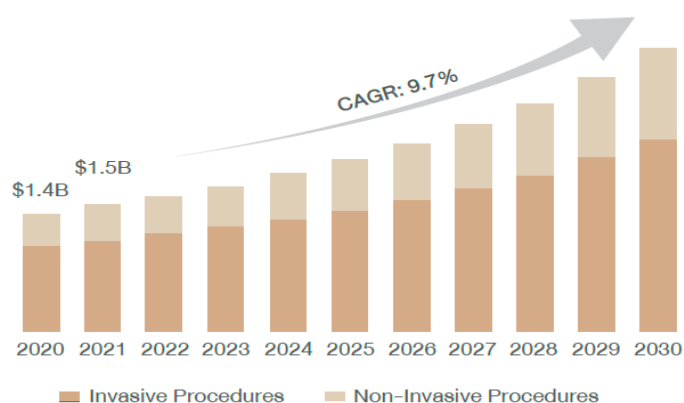
Today, beyond the desire for internal health, consumers also seek to maintain a positive external image. As per a survey by the International Association of Aesthetic Plastic Surgery, in 2020, the global beauty industry was valued at an impressive 15 trillion baht. The most popular cosmetic surgeries of 2020 included body contouring through liposuction, making up 15.10% of all procedures, followed by eyelid surgeries at 12.10%, rhinoplasty at 8.40%, and tummy tucks at 7.60%.

The top five non-surgical beauty enhancements were led by Botox injections, comprising 43.20% of all non-surgical beauty treatments, hyaluronic acid fillers at 28.10%, hair removal at 12.80%, non-surgical fat reduction at 3.90%, and laser skin rejuvenation at 3.60%.

Overview of Thailand's Beauty Industry

The Beauty Industry Market in Thailand

Size, by procedure type, 2020 - 2030 (USD Billion)

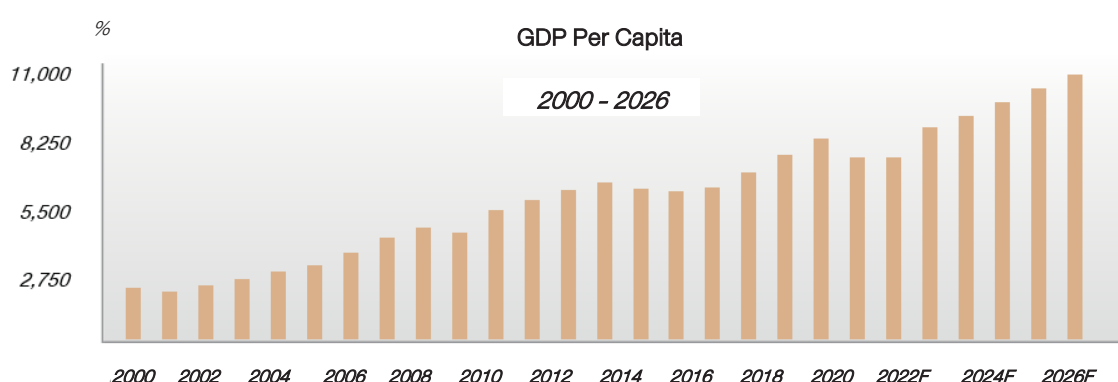


Source: Grand View Research

<https://www.grandviewresearch.com/industry-analysis/thailand-aesthetic-medicine-market-report>

Thailand ranks among the top 15 countries with the highest volume of cosmetic procedures in 2020. The beauty industry in Thailand has shown consistent growth each year. Research conducted by Grand

View Research indicates that the Thai beauty market was valued at \$1.52 billion in 2021, with projections suggesting a CAGR of 9.70% from 2022 to 2030. This growth aligns with the global industry trend, highlighting a particular rise in clinics offering a full range of services from skincare to surgery. This segment's growth outpaces that of clinics focusing solely on skincare, driven by increasing disposable incomes. Notably, Thailand's GDP per capita has shown a marked increase, with an average annual growth rate of 6.26% from 2000 to 2020, according to the World Bank. This rising income has led consumers to seek more comprehensive services beyond basic skincare, reflecting the growing demand for anti-aging and surgical procedures. This shift, especially among the working population, emphasizes a greater focus on health and beauty. Additionally, changing beauty standards have normalized cosmetic surgery, making it more accessible thanks to a greater number of skilled practitioners and advancements in technology.



Source: World Bank

<https://knoema.com/jesoqmb/historical-gdp-per-capita-by-country-statistics-from-the-world-bank-1960-2018?country=Thailand>

According to the ASEAN Association of Facial Plastic Surgery, the market value of the plastic surgery business in Thailand has continued to grow. In 2017, the market was valued at approximately 30 billion baht. By 2018, this had increased to 36 billion baht, and by 2019, it had risen to between 39.6 and 43 billion baht. However, in 2020, the growth rate declined to 10.9%, a trend that continued into 2021 with a decrease to 10%, largely due to the COVID-19 pandemic. Yet, in 2022, the sector is projected to recover, potentially growing by 15% to 20% annually.

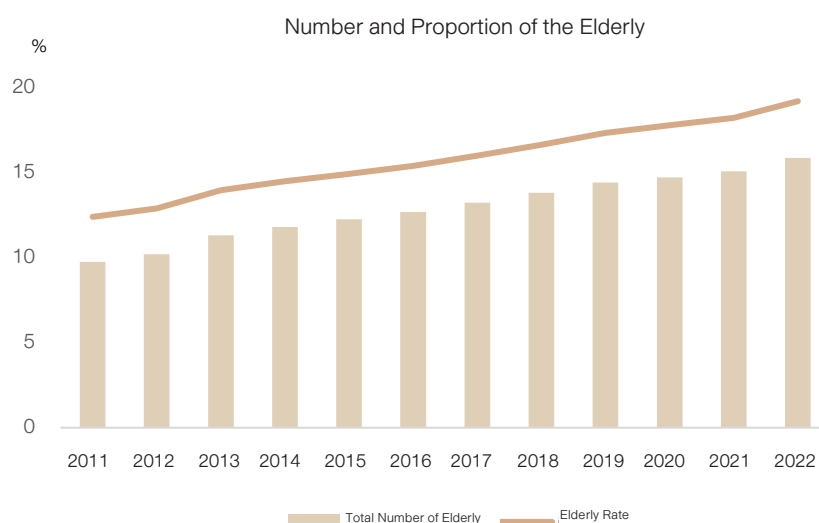
The Tourism Authority of Thailand (TAT) has noted an increase in individuals, both Thai and foreign, seeking cosmetic surgery, positioning Thailand as Asia's third-largest beauty hub. This influx is attributed to Thailand's renowned surgical services that parallel European hospital standards, contributing to the revenue from beauty and surgical tourism. Hospitals, medical clinics, and beauty centers have seen growth, fueled by a global increase in acceptance of cosmetic surgery and beauty enhancements. Recognizing this, the company launched a surgical center at Siam Square to accommodate the rising demand from both domestic and international clientele.

This surge in the beauty industry caters to a diverse clientele, from university students seeking to enhance their appearance with procedures like double eyelid surgeries and rhinoplasties, to older individuals aiming to rejuvenate their look with facelifts for a younger appearance, reflecting the broadening acceptance and demand for cosmetic services across different age groups.

Despite the beauty industry's growth, beauty clinics face heightened competition due to the sector's expansion, attracting more new entrants, especially in skincare and cosmetic surgery. Moreover, there is an expansion of branches and development among existing operators, including beauty clinics, specialized beauty and surgery hospitals, and hospitals now opening more skincare, cosmetic surgery centers, and anti-aging centers. Most offer similar service models and utilize comparable equipment, leading to an increase in the number of beauty service providers.

The beauty industry is bolstered by several supporting factors that ensure its continuous expansion. These include the transition into an aged society, urbanization, the rise of wellness tourism, and an increase in men taking greater care of themselves.

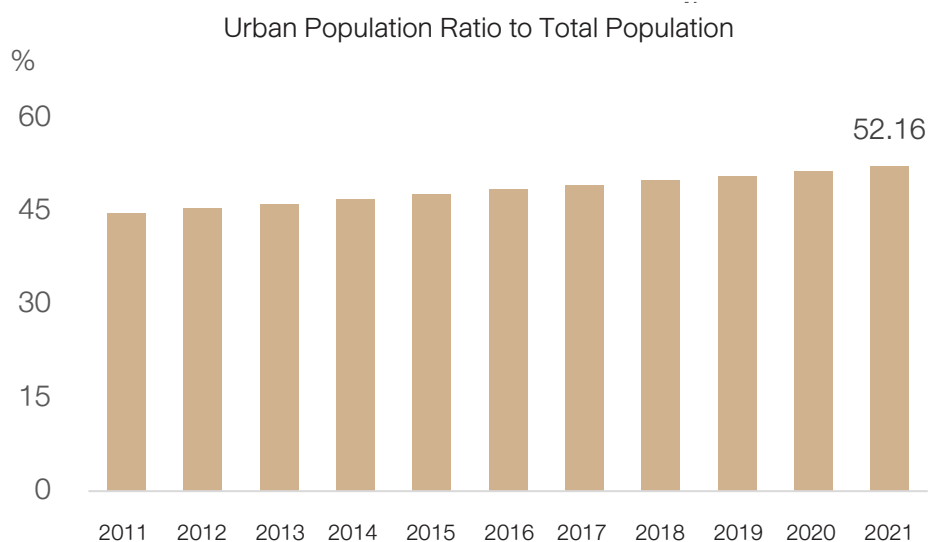
According to the Office of the National Economic and Social Development Council, in 2022, Thailand had 12,698,329 elderly individuals, accounting for 19.2% of the total population. This group is divided into 5,622,059 elderly males (44.3%) and 7,076,270 elderly females (55.7%). The trend of the elderly population in Thailand is rapidly and continuously increasing, jumping from 12.4% in 2011 to 19.2% in 2022. Additionally, the aging index, which measures the demographic aging process, indicates this growing trend among the elderly population.



Source: Office of the National Economic and Social Development Council

https://www.nesdc.go.th/ewt_dl_link.php?nid=3509&filename=PageSocial

Urban expansion has been a significant factor contributing to this growth. World Bank data reveals that over the past two decades, the urban population's proportion of the total population has consistently increased. In 2000, urban residents constituted 31% of the population, a figure that had grown to 51% by 2020. Furthermore, the United Nations predicts Thailand's urbanization rate will rise from 50.4% in 2015 to 60.4% by 2023. This growth, coupled with government initiatives such as investments in infrastructure, the establishment of special economic zones, and the Eastern Economic Corridor (EEC) project, is expected to create more opportunities for businesses to extend their services into these developing areas.



Source Statista

<https://www.statista.com/statistics/455942/urbanization-in-thailand/>

Government policies aimed at establishing Thailand as a global health hub since 2003 align with the “health tourism” trend popular worldwide. McKinsey & Company projects that the health tourism market in Asia is poised for annual growth rates of 5–10 percent from now until 2030. Among the sectors targeted for development to attract international customers is the beauty industry. The TAT plans to position Thailand as the “Medical and Wellness Resort of the World” by 2024, focusing on several key initiatives: (1) Telemedicine for Overseas Thais: Designed to draw Thais living abroad to avail health and beauty services in Thailand, with an expected revenue generation of 80,000 baht per individual. (2) Global Health Insurance Companies: Targeting government employees in Myanmar, Laos, Cambodia, and the Middle East to increasingly seek medical treatments in Thailand. (3) Online Health: Aimed at health and beauty tourists from Myanmar, China, and the Middle East, leveraging online marketplaces for marketing efforts. (4) Hotelistic (Hotel + Holistic): Offering health services like toxin checks and detoxification treatments to tourists staying in hotels, in collaboration with wellness businesses. (5) Agent/Media Outreach: Efforts to establish Thailand as a top-of-mind destination for Medical & Wellness globally. The focus on healthcare has prompted entrepreneurs to pursue aggressive marketing strategies for their full-service health centers. The company has been active in researching and developing new products and expanding its wellness services to meet these evolving customer demands.

Additionally, the Thai government has implemented continuous support measures to accelerate Thailand’s development as an international health center for the period 2017–2026, particularly focusing on services in beauty enhancement, anti-aging medicine, surgery, dentistry, and infertility treatments. Key initiatives include: (1) Extending the Medical Stay: The duration of stay for medical treatments for individuals from CLMV (Cambodia, Laos, Myanmar, Vietnam) and China has been extended to 90 days from the original 30 days for patients and no more than four accompanying persons. Plans are in place to further extend this to patients from Japan, the USA, Sweden, Denmark, and Norway. (2) Long-Stay Visa Extension: The long-stay visa period for foreigners from 14 countries has been extended to 10 years from the previous one year. (3) Visa

on Arrival: A 30-day visa on arrival for health tourism. (4) Dental and Health Check-up Packages: For foreigners, aimed at supporting continuous business growth and maintaining a relatively high profit rate. According to the International Association of Aesthetic Plastic Surgeons, Thailand holds a significant share of the foreign patient market seeking beauty treatments, topping the list with 33.20% of such treatments, followed by Mexico and Turkey at 22.50% and 19.20%, respectively. Research by Grand View Research highlights Thailand as a prime destination for high-quality and accessible healthcare treatments compared to the higher costs in other Asian countries like Singapore and Malaysia, which are up to three and two times higher, respectively. Thus, a majority of foreign patients from the United States, Australia, and Europe, seeking cosmetic treatments, opt for Thailand as their treatment destination.

In today's era, where cosmetic surgery is increasingly prevalent and accepted across all genders and ages, a significant number of men have started to engage with beauty-related products and services more than ever before. According to data from Prachachat Business, the market for men's beauty products in Thailand is valued at approximately 35 billion baht. This surge is attributed to Thai men's growing attention to health and appearance, fueled by the influence of popular celebrities from Korea and Japan, which enjoy immense popularity in Thailand. Consequently, men have started to prioritize their image and physical appearance in society, leading to a noticeable growth in the beauty market for men over the past few years. From 2014 to 2018, beauty and cosmetic surgery clinics have seen an uptick in popularity among Thai men, particularly services related to skin care which are gaining traction across various age groups including teenagers, working adults, and the elderly. This trend is driven by a growing consciousness toward personal appearance in the public eye. Kasikorn Research Center estimates the total market value for cosmetic services in Thailand, encompassing both surgical and non-surgical procedures, to be around 65 billion baht (exclusive of hospitals). This figure includes a significant contribution from the male segment, which is emerging as a key customer base in this sector. Additionally, statistics from the International Society of Aesthetic Plastic Surgery indicate an upward trend in the number of men undergoing cosmetic procedures such as breast surgery, eye surgery, rhinoplasty, and otoplasty, with eye surgery showing a particularly strong growth trend. Recognizing the potential in this evolving demographic, the company has introduced new services aimed at expanding its male customer base further.

Most Popular Surgical Procedures	No.	Most Popular Non-Surgical Treatments
Liposuction	1	Botulinum Toxin
Breast Augmentation	2	Hyaluronic Acid Injections
Eyelid Surgery	3	Hair Removal
Rhinoplasty	4	Skin Tightening
Abdominoplasty	5	Fat Reduction

The latest survey from the International Society of Aesthetic Plastic Surgery (ISAPS) in 2021 reveals a significant worldwide increase in the number of cosmetic surgeries. Liposuction emerged as the most frequent surgical procedure, with over 1.9 million instances, marking a 24.8% rise, surpassing breast augmentation's

growth (+3.8%). The top five surgical procedures remain liposuction, breast augmentation, eyelid surgery, rhinoplasty, and abdominoplasty.

Breast augmentation continues to be the most common procedure among women, with a modest increase of 0.5% over the last four years. On the other hand, surgeries for the removal of implants rose by 22% (a 49.6% increase over four years), and breast lift procedures saw a 31.4% increase last year. Surgeries on the face and head saw a 14.8% increase, with eyelid surgeries being the most common and notably popular among men. Thigh lifts experienced the highest growth rate among all surgeries, with a 53.1% increase. Buttock lifts and augmentations followed, increasing by 45.7% and 40.5% respectively since 2017. Other prevalent surgeries among women continued to be liposuction and eyelid surgeries, followed by breast reduction.

For non-surgical procedures, the top 5 include botulinum toxin injections, hyaluronic acid treatments, hair removal, skin tightening, and fat reduction. There are several types of increasingly popular treatments, such as (1) Botox injections. According to Grand View Research, Botox injections dominated the non-surgical beauty enhancement market in 2020 and are projected to grow significantly as more beauty clinics offer a variety of Botox services, making it easier for consumers to access. Additionally, the immediate visible results after injection and the short recovery period contribute to its popularity. Other non-surgical enhancements, including skin tightening and targeted fat removal, are expected to see a CAGR of 17.00 percent. (2) Surgery, where data from Grand View Research indicates procedures such as eyebrow lifts, breast lifts, neck lifts, lip surgery, and thigh lifts held the largest market share at 33 percent in 2020 due to advancements in medical procedures. Additionally, eye surgery is noted to have a CAGR of 14.00 percent because most of the Thai population lacks defined eyelids and has smaller eyes, making eye surgery increasingly sought-after for more distinct eyes. The company offers a range of services, including Botox injections and surgeries, such as lip surgery, breast surgery, and liposuction, among others.

The ISAPS reported that from 2016 to 2020, the beauty industry has seen continuous growth in various procedures. Eyebrow lift surgeries (brow lift procedures) experienced a CAGR of 12.01 percent, fat grafting to the face (fat grafting-facing) saw a CAGR of 22.19 percent, rhinoplasty (nose surgery) had a CAGR of 14.85 percent, and eyelid surgeries showed a CAGR of 5.08 percent. Additionally, rejuvenation procedures witnessed the highest growth with a CAGR of 58.78 percent, and total injectable procedures grew at a CAGR of 20.70 percent.

The Dermatological Society of Thailand observes that the cosmetic industry has significantly grown due to an open societal attitude, an increase in medical professionals and service providers, and economic recovery post the COVID-19 pandemic. The lifting of lockdown measures has also contributed, with both local and international consumers prioritizing health and beauty, suggesting a potential for substantial business growth. There has been a notable rise in the sale of service courses from energy-based devices (lasers) and injectable groups (fillers, Botox), as well as increased revenue from surgical centers. Consequently, the company is planning ongoing branch expansions to accommodate this trend.

Medical Personnel Recruitment

As medical personnel form the heart of the beauty and skincare business operations, our company engages in multi-channel recruitment, such as the company's website and doctor referral networks. As of December 31, 2023, our medical staff are as follows:

Medical Personnel	December 31, 2023 (Persons)
Physicians	114
Nurses	85
Total	199

We implement a rigorous selection and hiring process to ensure we engage medical professionals with the necessary qualifications and professional licenses, certified by relevant bodies. Background checks are conducted through the Medical Council, and we verify each doctor's documents with related agencies to prevent any unauthorized practice of medicine.

Drug and Medical Supply Procurement

The company places high importance on drugs and medical supplies, which are crucial elements of our services. We use products certified by Thailand's FDA and the US FDA, organizations recognized both nationally and internationally. Thanks to our longstanding and positive relationships with business partners, we are among the leading companies able to introduce new drugs and medical supplies for treating our customers, ensuring they receive the highest satisfaction and efficiency from our services. All branches maintain drugs and medical supplies to standard, with regular quality and expiry date checks to ensure customers receive top-quality products.

Procurement of Medical Equipment and Tools

The company prioritizes medical equipment and tools, as we are leaders in the field of modern and comprehensive beauty technology innovations that meet international standards. This status allows us first access to trial medical equipment and tools offered by business partners. Additionally, our medical team is proficient in the use of modern medical tools, carefully selected and validated by both the US FDA and Thailand's FDA. These tools have been tested and proven safe for Thai and Asian skin, ensuring our customers always receive services that are both satisfying and of the highest quality.

Assets Utilized in Business Operations

For the operation of medical clinics, the company categorizes its primary operational assets into:

1. Permanent Assets: The main operational assets include medical equipment, valued at over 585 million baht, which constitutes more than 75% of the company's permanent assets. The high value of medical

equipment is attributed to the use of technologically advanced medical tools, accredited by the US FDA and the Thai FDA. This equipment is capable of providing a wide range of services, and the quantity of medical tools has increased in line with the expansion of our branch network.

Asset Categories	Useful Life	Book Value as of December 31, 2022 (in million baht)	Book Value as of December 31, 2023 (in million baht)
Medical equipment and tools	5 – 12 years	385.72	585.35
Building improvement costs	5 – 6 years	10.5.14	128.97
Furniture, fixtures, and office equipment	5 years	28.41	54.65
Vehicles	10 years	16.55	7.12
Total		535.82	776.09

2. Business Licensing: The company operates a medical clinic in compliance with relevant laws and principal regulations, such as the Hospital Act. This legislation mandates license applicants adhere to critical guidelines, including:

- Approved plans for establishing a medical facility.
- A hospital that meets the characteristics specified in ministerial regulations.
- Medical tools, equipment, supplies, or vehicles in specified types and quantities as per ministerial regulations.
- Adequate professionals in the hospital as per the required professions and numbers.
- The hospital name aligns with ministerial regulations stipulations.
- Standards, methodologies, conditions, and costs for advertising or announcing information about medical facilities as per the regulations of 2019.

The company also addresses the need for crucial permissions or registrations, including:

- License to operate a medical facility (S.P.7).
- License to manage a medical facility (S.P.19).
- License for operating a health hazard business.
- License to practice medicine.
- License for selling psychotropic substances in Category 2.
- License for selling psychotropic substances in Category 3.
- License for selling psychotropic substances in Category 4.
- License for selling narcotic drugs in Category 2.

Currently, the company's medical clinics provide services akin to a hospital type that does not accommodate overnight patients. For initiating each medical clinic branch, the company submits documentation for approval of plans to establish a non-overnight patient hospital (S.P.1), establishment plans for a non-overnight patient hospital (S.P.2), application for permission to operate a medical facility (S.P.5), and letters of intent for professionals to practice within the medical facility (S.P.6) to the Hospital's Sub-Director Board. Following this, the Sub-Director Board of the hospital conducts inspections to assess the clinic's readiness to offer services in that branch. This encompasses reviewing medical clinic standards, including inspection of the general facility

characteristics such as a convenient and safe location, structural integrity of the building, and secure, proportionate treatment rooms for service recipients. Additionally, it involves checking the type and quantity of necessary tools, appliances, medications, and medical supplies maintained at the facility.

3. **Rights of Use for Business Locations:** The choice of location for each branch of our comprehensive beauty clinic is vital for customer service accessibility. Therefore, the company carefully considers various factors, preferring locations in leading department stores or shopping centers with convenient transportation to ensure easy customer access. The company provides a well-maintained, clean, and safe environment, along with aesthetically pleasing branch designs, all of which significantly influence customers' service selection decisions. The company's lease agreements for branch spaces typically span three years, with options for renewal every three years. Due to positive past business relationships, the company has encountered no issues in renewing leases with landlords. As of December 31, 2023, the company's rights of use assets were valued at 440 million baht, marking an increase from the previous year by 157 million baht, reflecting the expansion in the number of branches.

Shareholders

The top 10 shareholders as of August 30, 2023 (the most recent date for the registration book closure for dividend rights) are as follows:

No.	Shareholder Name	Number of Shares	Percentage of Ownership
1	Mr. Apiruj Thongwattana	72,000,000	32.73
2	TKQH Capital Management Co.,Ltd.	24,000,000	10.91
3	Mrs. Potchanan Sriaphai	20,480,600	9.31
4	Ekachai Medical Care PLC.	16,000,000	7.27
5	Mr. Ratthaphol Kittichaitrakul	13,885,091	6.31
6	Mr. Palboon Seriwattana	10,399,682	4.73
7	Mr. Jeerada Jongsattanasinkul	6,006,000	2.73
8	Ms. Rawisra Ngamrungsiri	4,051,900	1.84
9	Mr. Peeranat Chokwattana	2,593,361	1.18
10	Thai NVDR Company Limited	2,182,624	0.99

Note

1. TKQH Capital Management Limited ("TKQH") is a legal entity established under Thai law as a holding company for investment in various entities, with Dr. Apiruj Thongwat holding 99.99% of its shares.
2. Mrs. Pochanan Sriaphai is the mother of Dr. Apiruj Thongwattana.

Dividend Payment Policy

The company adopts a dividend payment policy of no less than 40% of the net profit as per the standalone financial statements, after accounting for taxes, statutory reserves, and any other reserves (if applicable). However, the dividend payment may be subject to change based on various factors such as operational

performance, financial health, liquidity, working capital requirements, investment plans, future expansion endeavors, market conditions, appropriateness, and other operational and management considerations of the company, ensuring that the company maintains sufficient cash flow for business operations and that such distributions are in the best interest of shareholders, as deemed suitable by the company's Board of Directors and/or shareholders. The decision by the Board of Directors to declare dividends must be presented for approval at a shareholders' meeting, except for interim dividends, which the Board of Directors is authorized to approve and subsequently report at the next shareholders' meeting.

Dividends must not be paid from any funds other than profits, and companies with accumulated losses are prohibited from distributing dividends. Dividend payments should be equitable across all shares, with each share receiving a consistent amount, subject to shareholders' meeting approval.

Annual Dividend Payment	2022	2023
Net profit per share (baht per share)	1.21	1.31
Dividend per Share (baht per share)	1.30	1.30 *
Par value (baht per share)	0.50	0.50
Dividend Payout Ratio (%)	108%	99%

Note * The company paid an interim dividend of 0.55 baht per share from its performance for the first half of the year on September 14, 2023. The dividend for the second half of the year, included in the total annual dividend, must be approved by the shareholders' meeting.

Risk Management

Risk Management Policies and Plans

The company acknowledges that effective risk management is crucial for sustainable and secure business growth, as well as a key component of good corporate governance. This fundamental approach aids the company in achieving its strategic objectives and goals. Identifying and managing risks enable the company to make better decisions, identify opportunities, and mitigate the impact of significant events that could affect its stakeholders.

Business Operation Risk Factors

Like any other business, the company's operations are exposed to various risks. The listed risk factors do not encompass all potential risks the company may face. There could be other risks currently unknown to the company or deemed immaterial at present but might significantly impact the company's business, revenue, profits, assets, liquidity, or capital resources in the future. This also includes projections regarding operational results, business policies, changes in relevant laws, government policies, and more. It's important to note that forecasting future events does not guarantee their occurrence, and actual outcomes may significantly deviate from these projections.

Business Operations Risk

Competition Risk in the Beauty Industry

The beauty industry is highly competitive, engaging in battles not only with private hospitals and established medical facilities but also with new entrants to the beauty market, which are increasingly numerous and fiercely vying for market share to reach their target customer groups. Despite this, the beauty industry continues to experience significant growth as consumers increasingly prioritize skin care and physical appearance, demanding rapid and noticeable improvements. This has led to a surge in popularity for services offered by beauty salons or clinics focused on facial and body care. The company recognizes the risks associated with such competition. To maintain a competitive edge and mitigate potential impacts from these risks, the company adopts a strategy to differentiate itself. This involves building a memorable brand for consumers, offering comprehensive services with the latest innovations from Europe and the USA, enhancing staff capabilities to meet consumer demands, and expanding its branch network. By establishing branches nationwide, the company aims to meet consumer needs more effectively and make its services readily accessible to consumers.

Risk from Consumer Behavior Changes

In today's rapidly evolving landscape, consumer behaviors and demands are becoming increasingly complex and varied. Should the company fail to effectively adapt to these shifting consumer preferences and behaviors, it risks missing out on revenue opportunities from its inability to attract new customers and retain

existing ones. Therefore, the company highly prioritizes understanding consumer needs and behaviors. The executive team actively participates in training and seminars on treatment technology research to keep abreast of advancements in various treatment technologies and to innovate the company's treatment technologies accordingly. Furthermore, the company mandates regular assessments of consumer needs annually, employing methods such as market data analysis and conducting market research (Customer Surveys). These efforts are geared toward marketing planning and enhancing existing services to meet consumer needs efficiently and promptly, aligning with the company's business execution goals.

Risk from Technological Changes in Treatment

The company prioritizes and emphasizes quality, analysis, and the provision of treatment services to patients using efficient and safe medical equipment, certified by the US FDA and the Thai FDA. This certification is deemed the best standard of safety. The company continuously invests in updating its medical tools and equipment. However, based on operational data since 2009, the company has observed that the average lifecycle of technological changes in medical tools and equipment spans approximately 5 to 12 years. The medical tools the company currently employs can still deliver effective treatments. Nonetheless, newer technology in medical equipment often comes at a higher cost, which could potentially affect the investment's value. This includes the financial burden of acquiring new medical equipment and the associated high maintenance costs. To mitigate the impacts from these technological shifts, the company has implemented a series of steps for approving various investments. Policies for medical equipment procurement have been established, including an analysis of the return on investment period for significant medical tools, drawing from data provided by manufacturers and distributors of similar medical devices. An annual medical equipment purchasing budget is prepared, requiring approval from the company's Board of Directors. The company carefully considers the cost of the equipment to be invested in and the expected return on investment period.

Risk in Patient Care, Including Symptoms or Complications from Surgery or Procedures

Due to each patient's unique physical condition, some patients may experience varying side effects from treatments. Additionally, certain patients might encounter symptoms or complications arising from surgeries or procedures. Recognizing this risk, the company has implemented corrective measures. In case of emergencies, the company has an emergency response plan that facilitates coordination for assistance from partner hospitals, such as those within the Ekachai Medical Public Company Limited network and the closest available hospital. Furthermore, the company consistently conducts training for doctors both domestically and internationally to continuously enhance their treatment skills. This aims to ensure maximum efficiency in treatment and to minimize the occurrence of side effects and potential complications.

Risk of Legal Action for Damages from Medical Services

The company prioritizes and emphasizes delivering quality treatments that meet patient expectations. However, given that each patient has unique expectations and individual treatment outcomes, failure to meet these expectations could expose the company to risks from unmet patient outcomes. Such scenarios could lead to patients expressing dissatisfaction through social media, filing complaints with regulatory agencies, or even initiating legal actions. Consequently, the company faces the risk of being sued due to dissatisfaction with medical treatment results or complications arising from treatments administered by the company's doctors and specialists. This situation could necessitate compensation to plaintiffs, potentially impacting the company's operations and reputation. To mitigate these risks, the company continuously improves service quality and selects experienced and skilled medical staff. Regular quality assessments, particularly regarding treatment outcomes and patient satisfaction, are conducted to ensure operational efficiency and act as a preventive measure against potential lawsuits. Additionally, the company has established a quality control system for its branches, aiming to maintain a uniform standard of medical service, supported by regular training sessions for doctors, who often attend voluntarily to enhance their skills and expertise. Furthermore, the company has appointed a Risk Management Committee tasked with evaluating and monitoring risk management strategies, including implementing preventive measures to reduce risks effectively and systematically. As of December 31, 2023, the company has not faced any significant lawsuits related to its healthcare services that would adversely affect the company.

Risk from Dependency on Medical Personnel

Currently, the beauty industry in Thailand is experiencing consistent growth, driven by consumers increasingly prioritizing health and beauty. A critical factor in operating a business related to medical services is having knowledgeable and skilled personnel. Consequently, businesses involved in medical services have an increased demand for specialized professionals. The company has strategized to manage doctors effectively to ensure sufficient service provision by arranging a rotational work schedule across branches. However, following the IPO, the company plans to use a portion of the funds raised to expand the business and increase branch numbers, aiming to enhance growth and improve operational outcomes. This strategy poses a risk of a potential shortage of medical personnel. To mitigate this risk, the company has established attractive compensation and benefits for its staff, along with continuous education and training opportunities. It also organizes quality of life enhancement activities, employee engagement projects, and offers various welfare benefits comparable to other businesses, all aimed at retaining company personnel. Additionally, the company has a strategic plan for career advancement. Furthermore, the company is well regarded and recognized in the dermatology, beauty, cosmetic surgery, and rehabilitation sectors. This reputation gives the company confidence in attracting a large number of expert doctors interested in joining the team.

Risk from Overreliance on Department Store Venues

The company adopts a strategy of establishing clinics in well-known, easily accessible locations, primarily within premier department stores or shopping centers nationwide. This approach not only augments the brand's image but also presents a barrier to entry for competitors due to the limited availability of prime retail space. However, this operational model introduces a risk associated with overreliance on department store channels. In the event of new epidemic outbreaks or a resurgence of COVID-19, stricter regulatory measures or mandatory lockdowns could be implemented, leading to temporary closures of these shopping venues and, consequently, a significant impact on consumer service usage. Clinics situated within department stores were notably affected under such circumstances. Nevertheless, once restrictions eased, allowing shopping centers to operate under government-mandated safety protocols, the company was able to resume normal operations and continued to attract a steady flow of customers. Looking ahead, the company might explore expanding its investment to open new, standalone branches outside of department stores, aiming to decrease its dependency on the department store channel.

Risk from Lease Renewal for Branch Locations

The company's primary operation involves offering medical treatments related to dermatology, cosmetic surgery, and health rehabilitation. Currently, the business is expanding in the beauty sector. As of December 31, 2023, the company operates 55 branches (excluding the headquarters), including 35 medical clinics under the "THE KLINIQUE" brand, 14 under "L.A.B. X," one "THE KLINIQUE SURGERY CENTER," one "KLINIQ SPA," and one "L'CLINIC," predominantly located in premier department stores across Thailand. The lease agreements for most branch locations are short-term, spanning 1-3 years. Consequently, the company faces the risk of not being able to renew these leases or encountering increased rental and service fees. However, historical operations since the company's inception reveal that landlords have never terminated a lease agreement with the company. Most agreements provide an option for renewal upon expiration and specify clear terms for rental rate adjustments. Moreover, many of the company's branches are situated within top-tier department stores, bolstering confidence in continuous business operations through lease renewals. The company is considered a high-potential tenant, serving as a flagship store within each department store's beauty services group and operating multiple locations across various lessors.

Risk of Compliance with Regulations and Laws

The company conducts its operations within the framework of non-residential medical clinics under the strict supervision of the Ministry of Public Health and other relevant regulatory bodies. This necessitates adherence to a multitude of announcements, regulations, and laws designed to regulate business operations and ensure public safety. Such directives include Medical Council announcements, Ministry of Public Health notifications, Medical Council regulations, Ministerial regulations detailing hospital characteristics and service standards, the Medical Profession Act, the Consumer Protection Act, the Hospital Act, the Food and Drug Act, among others. Furthermore, the company is required to secure operational licenses for medical facilities as mandated by hospital-related legislation. Any alterations in the interpretation of existing regulations or the

introduction of new, potentially more stringent regulations could impact the company's operations. Recognizing the importance of regulatory compliance, the company prioritizes adherence to all relevant announcements, regulations, and laws. It has instituted policies ensuring staff are up to date with governmental information pertinent to medical facility operations through continuous monitoring, inspection, and participation in training and seminars. This commitment ensures the company's operations remain in strict compliance with all relevant legal and regulatory requirements.

Driving the Business Toward Sustainability

Sustainability Management Policies and Objectives

The company acknowledges the significance of evolving and steering the business toward sustainability, with a steadfast commitment to its duties and responsibilities toward society and all stakeholders, including shareholders, customers, business partners, employees, the community, and the broader society. This commitment is aimed at fostering a strong resolve in business practices and aspiring to serve as a positive societal model (Good Corporate Citizen) grounded in ethical principles and sound corporate governance practices. This approach is designed to generate benefits for society and the environment while achieving sustainable growth aligned with the United Nations' Sustainable Development Goals (SDGs). It also focuses on efficiently generating returns for shareholders while carefully considering the impact of business operations on all company-related parties.

The company aligns its operations with the objective of attaining gender equality and empowering women and girls without discrimination based on gender, welcoming all genders and ages. Additionally, in the realm of personnel, the company is an Equal Opportunity Employer, not limiting opportunities based on gender or age but focusing on individual knowledge and skills. This approach aligns with the sub-goal to end all forms of discrimination against women and girls universally, ensuring women's full, effective participation and equal leadership opportunities at all decision-making levels. It also aims to strengthen enforceable good policies and regulations for promoting gender equality and empowering all women and girls across levels. Furthermore, the company's strategy is in harmony with the goal to build resilient infrastructure, promote inclusive and sustainable industrial development, and foster innovation. This involves developing IT systems to generate reliable databases and utilizing IT to offer customer services, including personal and service use information verification via SMS, enhancing transparency and data security while reducing paper use in such processes. This is in accordance with indicators for improving the industry toward sustainability by enhancing resource efficiency, adopting clean and environmentally friendly industrial technologies and processes, and supporting domestic technology development, research, and innovation in developing countries. It also involves creating a policy environment conducive to industrial diversity and added value for commodities.

To achieve these goals, the company has established policies on social responsibility and sustainability-driven business operations that reflect its intent and commitment to operate considering environmental and social concerns, including human rights respect and good corporate governance as follows:

- 1. Good Corporate Governance:** The company implements a management system aligned with good corporate governance principles, focusing on transparent, equitable, and just operations to build trust and confidence among shareholders, investors, stakeholders, and all related parties. This approach ensures

stakeholders are confident in the company's competitive capabilities and adaptability to changes. Simultaneously, the company is committed to ethical business conduct and considers the long-term societal and environmental impacts, aiming to create sustainable value for the organization.

2. Fair Business Practices: The company is committed to fair business practices, fostering trust with all related parties and benefiting the company in the long run. This commitment is aimed at maintaining the confidence of investors and the public in the company and ensuring its sustainable growth without engaging in unfair business practices.

3. Respect for Human Rights and Fair Labor Practices: The company values human rights, reflecting its responsibility toward societal impacts through business operations. Therefore, the company's policies and practices, designed to align with applicable laws, regulations, and standards, encompass respect for human rights.

4. Customer and Consumer Responsibility: The company prioritizes maximum customer satisfaction, communicates the impacts of its products or services transparently, and safeguards customer personal information. This commitment extends to providing products and services to consumers at fair prices and with quality, underscoring the company's accountability to its customers.

5. Community and Social Development Participation: As a member of society, the company bears the responsibility of contributing to and enriching the community and broader society for sustainable corporate growth. Viewing it as a core duty and policy, the company emphasizes community and social activities aimed at fostering social, community, and environmental development. This includes nurturing religion, enhancing life quality, encouraging community engagement, conserving natural resources, supporting youth education, and facilitating public welfare activities for disadvantaged communities, thereby strengthening and making them self-reliant.

6. Environmental Stewardship: The company prioritizes the safety and hygiene of its employees and the neighboring communities of its operations. It is committed to fostering awareness of quality, occupational safety, health, and environmental stewardship as part of the daily life of its employees for the benefit of everyone including the community and society at large. The company advocates for the judicious use of resources and discourages wasteful practices. It has established policies in alignment with environmental laws, regulations, and rules relevant to its business operations, demonstrating its dedication to mitigating negative environmental impacts across various areas such as energy, water, waste, pollutants, and greenhouse gas emissions reduction efforts.

7. Innovation and Dissemination: Leveraging its commitment to social responsibility, the company innovates and develops business innovations that not only benefit and enhance its competitiveness but also serve society at large. It aims to inspire other businesses and the public to value innovation and social responsibility more highly.

8. Social and Environmental Reporting: The company commits to gathering data in line with its social and environmental responsibility initiatives to ease the dissemination and leverage this data for enhancing future social and environmental policies and practices. It also commits to transparency by

disclosing information related to its social and environmental responsibility efforts, benefiting all stakeholders and ensuring transparency and integrity in its operations.

9. Greenhouse Gas Management Policy: Recognizing the critical importance of climate change, the company supports and promotes effective greenhouse gas management that benefits the organization, society, and the environment. This initiative moves the company toward a low-carbon society, aligning with Thailand's greenhouse gas reduction policy and the international commitments under the United Nations Framework Convention on Climate Change (UNFCCC).

10. Impact Management on Stakeholders in the Business Value Chain: The company follows ethical business practices, fostering confidence among stakeholders, benefiting the company in the long term. It aims to preserve investor and public trust in the company and ensures sustainable company growth, devoid of any unfair business practices.

10.1 Business Value Chain: The company operates by emphasizing stakeholder engagement and considering sustainable management practices across its value chain. It has established guidelines to enhance the sustainability of the value chain in tandem with fostering sustainable development throughout the business's value chain. This includes economic development, social creation, and maintaining environmental balance. The primary activities within the company's value chain are as follows:

Main Activities	Details
1. Research and Development	- The company is committed to researching and developing services that align with both current and future customer needs, including seeking new, modern, efficient, effective, and environmentally friendly medical tools. For instance, replacing older equipment with the high-efficiency, lower-energy-consuming Thermage FLX machines, instead of the previous Thermage CPT models.
2. Procurement	- The company prioritizes purchasing high-quality, standard tools, and products at fair prices from transparent sources. Quality control and reliability assessments of partners ensure the business can develop sustainable partnerships.
3. Service Delivery	- The company offers high-quality, standard skin and body care services performed by reliable, certified personnel. - The company utilizes distribution channels by opening branches in shopping centers to make services conveniently accessible to consumers. Additionally, it maintains a high-quality storage system for customer data that links across branches, allowing consumers flexibility in accessing services at any location.

4. Marketing	- The company employs marketing strategies that involve communication through well-known and influential figures, utilizing both online and offline marketing channels. This approach aims to diversify customer reach.
5. After-Sales Service	- The company highly values customer satisfaction and provides opportunities for customers to offer feedback after services. This feedback mechanism is crucial for aligning future services with customer needs.

Additionally, the company operates with supportive activities alongside its core operations to enhance the effectiveness of its primary functions and ensure continuous and efficient business progression. The following are the supportive activities:

Supporting Activities	Details
Human Resource Management	- The company strategically recruits human resources, considering the appropriateness for job roles while offering competitive compensation. It is dedicated to personnel development through training programs aimed at augmenting knowledge and capabilities, ensuring operations are conducted with utmost efficiency.

10.2 Stakeholder Analysis in the Business Value Chain: The company implements a stakeholder grouping policy throughout the value chain, both internally and externally. This is to develop strategies that meet the expectations of stakeholders, ensuring a harmonious and effective business environment.

Stakeholder Group	Stakeholder Expectations	Company Response to Expectations
Shareholders, Investors, and Analysts	<ul style="list-style-type: none"> - The company demonstrates strong performance and financial stability, with an ability to increase profits. - The company adheres to high standards of corporate governance, complies with legal requirements, and operates free from corruption. - The company's financial and operational information is accurate, comprehensive, and transparent. - The company manages risks meticulously and effectively. 	<ul style="list-style-type: none"> - The company fosters a competitive edge and nurtures the potential for business growth, ensuring the capability for sustained profitability. - Strategic business plans are formulated and reviewed regularly. - The company upholds transparent corporate governance, guided by the principles of good corporate governance and stringent adherence to ethical business conduct.

	<ul style="list-style-type: none"> - The company disburses dividends when it has ample retained earnings and cash flow. - The company treats all shareholders equitably. 	<ul style="list-style-type: none"> - A clear and equitable dividend policy is in place. - Risk management is conducted with diligence, systematically, and efficiently. - Information disclosure is accurate, complete, and transparent, ensuring fairness and transparency in dealings with all stakeholders.
Employees	<ul style="list-style-type: none"> - Actively listening to employees' feedback, including addressing and solving workplace issues effectively. - Providing compensation that is both fair and equitable. - Opportunities for career advancement and job stability. - Equal treatment of all employees and respect for human rights. - A safe and healthy work environment. - Adequate and appropriate tools and equipment for job tasks. - Personnel management and skill development through training seminars or related activities. 	<ul style="list-style-type: none"> - The company actively listens to employee feedback, suggestions, and workplace issues, efficiently identifying and implementing solutions. - Compensation is fairly determined, reflecting the position and potential of the employees. - Performance evaluations are conducted consistently, using a standardized assessment process. - All employees are treated equitably, with a strict adherence to human rights principles. - Safety, occupational health, and environmental practices are appropriately managed to ensure a safe working environment. - Continuous development opportunities are provided through training, enhancing employee skills and promoting career growth.

Stakeholder Group	Stakeholder Expectations	Company Response to Expectations
Customers	<ul style="list-style-type: none"> - High-quality service that meets established standards. - Fair and reasonable pricing for services. - Access to accurate and comprehensive service information. - Swift and effective resolution of any issues encountered. - Confidential handling of customer information acquired through business activities. 	<ul style="list-style-type: none"> - The company employs a high-quality management system for customer service, ensuring accurate information provision, consistent feedback collection, and timely issue resolution. - Fair pricing policies are implemented, reflecting the quality of service offered by the company. - A strict code of ethics is maintained to protect customer information confidentiality. - A systematic approach is adopted for addressing and resolving customer complaints.
Partners	<ul style="list-style-type: none"> - Transparent, fair, and equitable fulfillment of contracts and business dealings. - Timely and fair compensation in accordance with mutually agreed terms. - Confidentiality of partner information obtained through business operations. 	<ul style="list-style-type: none"> - The company adheres to business contracts and agreed commercial terms, treating all partners with equity and fairness. - A strict code of ethics ensures the confidentiality of partner information is rigorously protected.
Society and Community	<ul style="list-style-type: none"> - Strict and complete adherence to relevant laws and regulations. - Mitigation of potential negative impacts on communities, society, and the environment. - Contribution toward improving well-being and enhancing the quality of life for society and communities. 	<ul style="list-style-type: none"> - The company commits to acting as a responsible citizen, fully complying with laws and related regulations. - The company conscientiously selects resource utilization methods to minimize harm to societal and environmental health. - The company evaluates its operational processes to identify risks or negative impacts on society and the environment, aiming for mitigation. - The company dedicates a portion of its profits to activities that positively impact society and the environment consistently.

Sustainability

Environmental Dimension of Sustainability Management

Environmental Policies and Practices

1) Business Value Chain

The company establishes policies aligned with environmental laws, regulations, and guidelines relevant to its business operations, showing its determination to lessen adverse environmental impacts across various issues, including energy, water, waste, pollution, and greenhouse gas emission management. The key environmental care practices include:

Practices

1. Prioritizing safety by setting quality, safety, occupational health, and environmental standards that meet or exceed legal requirements and international norms. Company personnel are required to rigorously follow laws, policies, regulations, and standards related to quality, safety, occupational health, and environmental considerations.

2. The company commits to employing all necessary measures to control and prevent various forms of losses stemming from accidents, fires, work-related injuries or illnesses, loss or damage to property, breaches in security systems, improper operations, and any errors that may arise, as well as maintaining a safe working environment for its personnel and conducting regular safety drills. It is the responsibility of both managers and employees to report any incidents or accidents in accordance with established procedures.

3. The company has implemented emergency control and prevention plans across all operational areas, including strategies for handling emergencies and organizational crises, to ensure readiness for various potential emergencies such as fires, gas leaks, chemical spills, or waste leaks. Additionally, preparations are in place for other crises that could interrupt business operations, tarnish reputation, and harm the organization's image.

4. The company engages in public relations and communications efforts to build awareness, understanding, and disseminate information among company personnel, contractors' employees, and relevant stakeholders. This is to ensure they are informed about policies, regulations, procedures, and various safety measures concerning quality, safety, occupational health, and the environment. This initiative aims to enable adherence and correct application of these guidelines, ensuring no harm to health, property, and the environment. This includes sharing performance data and outcomes related to environmental management, particularly on critical issues tied to business operations, such as energy management, water usage, waste, and pollution control.

5. The company is dedicated to its social responsibility in terms of quality, safety, occupational health, and environmental stewardship, engaging earnestly and continuously. This involves the optimal use of natural resources with an acute awareness of the environment and safety for all stakeholders,

alongside promoting social activities aimed at environmental conservation and enhancing community living standards, in line with sustainable development principles.

6. If any operational activity is deemed unsafe or fails to meet the quality, safety, occupational health, and environmental standards, or if it's found to have serious environmental impacts, the company's personnel must immediately cease such activities. They are required to notify coworkers, supervisors, and responsible authorities to undertake corrective actions or formulate a plan for resolution. Continuing these operations is strictly prohibited.

7. The company will periodically review its environmental care policies and practices to stay updated with related global environmental trends and developments.

2) Establishing a Greenhouse Gas Management Policy

1. The management of greenhouse gases will be integrated into the company's strategic planning to enhance the organization's sustainable growth.

2. The company commits to fostering activities or projects that promote a low-carbon corporate culture. While most of the company's operations are within shopping malls where it has limited control over various management processes, it operates a surgery center where it can manage its processes directly. The company is currently in the process of collecting data on the greenhouse gas emissions (Carbon Footprint) associated with the medical equipment used in operating rooms (OR), as this is identified as one of the company's operations with the highest greenhouse gas emissions. It is anticipated that this initiative will commence within 2024. Following this data collection, the company plans to develop a strategy to reduce greenhouse gas emissions in the surgery center as a next step, enabling effective management of its Carbon Footprint in the future.

Environmental Performance Results

1. Energy Use: The company emphasizes the efficient and non-wasteful consumption of electricity, educating its employees about the value of electric energy and its efficient use. Furthermore, the company routinely inspects medical and related equipment to ensure optimal operational efficiency and selects electrical appliances that are energy efficient. Given that most company branches are located in shopping malls, the company faces limitations in managing various processes due to lack of control beyond the premises of these branches. The company anticipates being able to sufficiently collect data for energy consumption analysis by 2024.

2. Water Usage: The company informs its employees about the value of water and encourages its economical use to prevent wastage. Additionally, the company has implemented a wastewater management system for its service processes. Wastewater contaminated with chemicals from the product washing process is treated in an on-site treatment pond to minimize water pollution. Like energy management, the majority of the company's branches are in shopping malls, restricting the company's ability to manage various processes due to lack of control over the premises. The company expects to gather adequate data for water usage analysis by 2024.

3. Waste, Waste Products, and Pollution Management: The company promotes the reduction in use of materials, office equipment, and advocates for their reuse or recycling to lessen potential waste generation. It also

segregates waste within the organization for appropriate disposal, aiming to minimize pollution. For infectious waste, the company employs government-authorized agencies to collect and manage such waste properly. Similar to the aforementioned challenges, the majority of the company's branches are within shopping malls, presenting limitations in process management due to the lack of control over branch premises. The company is optimistic about collecting sufficient data to evaluate its waste, waste products, and pollution management efforts by 2024.

4. Greenhouse Gas Reduction Management: The company acknowledges the critical issue of global warming and the intensifying climate change, dedicating itself to cooperative efforts and promoting activities aimed at comprehensively addressing global warming. It emphasizes educating its employees on the consequences of global warming and collectively fostering a culture aimed at transitioning into a low-carbon society. Additionally, the company opts for electrical appliances that are marked for their low carbon emissions and advocates for energy conservation, particularly electricity, a significant source of greenhouse gas emissions from the usage of medical equipment. The company prioritizes selecting medical devices that are more energy efficient, focusing on equipment that consumes less energy while maintaining effectiveness.

Sustainability Management in the Social Dimension

Social Policies and Practices

Community and Social Development Participation

The company, as part of society, bears the responsibility to contribute to development and give back to the community and society at large, ensuring sustainable growth in line with societal development. It is both a duty and a principal policy of the company to prioritize activities that benefit the community and society. This includes fostering social and community development, environmental conservation, religious nurturing, enhancing life quality, and encouraging engagement in community creative activities and natural resource conservation. The company also supports educational initiatives for the youth and public welfare activities for disadvantaged communities, aiming to create strong, self-reliant communities. Here are the key practices for community and social development:

Practices

1. The company is committed to understanding and communicating its operational status and facts to society, including its responsibilities toward the community and society at large, and its environmental obligations. It ensures transparency in disclosing potentially releasable facts and collaborates in providing timely information to investors, shareholders, and the general public.

2. The company pledges to actively engage in social responsibilities relating to quality, safety, occupational health, and environmental stewardship, striving for the judicious use of natural resources to maximize benefits while acknowledging the critical importance of environmental preservation and safety for all stakeholders. It also endorses social endeavors aimed at safeguarding the environment and enhancing community life quality in line with sustainable development principles.

3. The company will assess alternatives in utilizing natural resources to minimize adverse effects on society, the environment, and public well-being, advocating for energy and resource conservation.

4. The company commits to fostering a culture of social and environmental responsibility among all employees, emphasizing partnerships with vendors who share the company's ethos toward societal and environmental duties. It aims to lead in promoting the efficient use and conservation of energy for the benefit of future generations.

5. The company intends to allocate a portion of its profits toward activities that constructively contribute to society and the environment on a regular basis. Such activities should be suitable, providing tangible benefits to the community, society, and the environment. In cases of donations, it is essential to verify the recipient's information to ensure effective and efficient use for charitable purposes, generating genuine benefits. All donations must be supported by proper documentation.

Social Performance Results

1. Employee Training and Development: Acknowledging the pivotal role of human resource development, our company organizes comprehensive training programs designed to augment the skills and competencies of our staff across various roles. By facilitating a wide range of training opportunities, we ensure inclusive participation, catering to positions such as sales consultants, receptionists, medical assistants, and nurses among others.

2. Customer Personal Data Protection: With acute awareness of the critical importance of safeguarding customer personal data, we implement stringent measures to mitigate any potential breaches. Through targeted employee training on the Personal Data Protection Act B.E. 2562 (2019), we strive for meticulous compliance with legal standards, ensuring the integrity and confidentiality of personal information are maintained.

3. Customer Satisfaction and Engagement: Annually, we proactively assess consumer needs through detailed market analysis and surveys to align our marketing strategies and service improvements with consumer expectations. This initiative is fundamental to our business ethos, aiming not only for enhanced complaint management but also for fostering robust, enduring relationships with our clientele, thereby securing long-term customer loyalty.

4. Cultural and Religious Support: Deeply rooted in our corporate ethos is the reverence for Thai religion, culture, and traditions. Our commitment extends beyond the corporate realm as we actively contribute to and support religious and cultural nurturing through donations and involvement in significant religious and cultural events.



Management Discussion and Analysis (MD&A)

Summary of Operating Results for the Year 2023

Income Statement	2022		2023		% YoY
	Million baht	%	Million baht	%	
Sales and Service Revenue	1,639.03	100.0%	2,284.98	100.0%	39.4%
Cost of Sales and Services	716.07	43.7%	1,049.95	46.0%	46.6%
Gross Profit	922.97	56.3%	1,235.03	54.0%	33.8%
Selling Service Expenses	459.44	28.0%	628.11	27.5%	36.7%
Administrative Expenses	214.83	13.1%	275.00	12.0%	28.0%
EBITDA*	335.47	20.5%	470.42	20.6%	40.2%
Net Profit	205.49	12.5%	288.62	12.6%	40.5%
Total Branches as of December 31	40		55		

* EBITDA calculations exclude monetary lease expenses, adjusted for depreciation costs.

In 2023, the company's revenue from sales and services reached 2,284.98 million baht, marking a 39.4% increase from 2022. This growth resulted from expanding an additional 15 branches, enhancing customer accessibility. This expansion includes broadening the customer base for the L.A.B. X brand to access various customer segments. Increased service offerings through additional medical equipment investments and the absence of COVID-19 outbreaks like in 2022 significantly contributed to this growth, especially in the cosmetic surgery department's revenue, which saw increased marketing efforts.

As of December 31, 2023, the company operated 55 branches across 17 provinces nationwide, segmented into THE KLINIQUE with 38 branches, THE KLINIQUE SURGERY CENTER with 1 branch, L.A.B. X with 14 branches, L'CLINIC with 1 branch, and KLINIQ SPA with 1 branch.

Cash Sales

Cash Sales Breakdown by Brand	2022		2023		% YoY
	Million baht	%	Million baht	%	
THE KLINIQUE	1,639.03	95.0%	1,767.99	77.4%	6.3%
THE KLINIQUE SURGERY CENTER	51.03	2.9%	235.65	10.3%	361.8%
L.A.B. X	36.03	2.1%	279.83	12.3%	676.7%
KLINIQA SPA	-	-	0.41	0.0%	N/A

THE KLINIQUE's cash revenue saw a 6.3% increase from 2022, a lesser rate compared to other brands, due to the renovation of 2 THE KLINIQUE branches for over six months during the year and the late-year opening of new branches. THE KLINIQUE SURGERY CENTER's cash revenue increased by 361.8% from the previous year, gaining recognition among consumers for its quality services and surgeon expertise. L.A.B. X's cash revenue surged by 243.80 million baht or 676.7%, driven by targeted marketing and services, along with the expansion of over 10 L.A.B. X branches in 2023. Moreover, L.A.B. X's 2022 revenue was only for half the year, as the first branch opened mid-2022. KLINIQ SPA opened mid-2023 and L'CLINIC at the end of 2023, both in the market research phase, contributing insignificantly to cash revenue, thus included in L.A.B. X's revenue.

Cash Revenue Structure by Department	2022		2023		% YoY
	Million baht	%	Million baht	%	
Aesthetic Skin	1,483.58	84.7%	1,843.34	80.7%	24.2%
Body and Weight Management	88.93	5.1%	61.91	2.7%	-30.4%
Wellness	127.44	7.3%	143.19	6.3%	12.4%
Plastic Surgery	51.03	2.9%	235.65	10.3%	361.8%

Aesthetic Skin

The majority of the company's cash revenue originates from the Aesthetic Skin Department, experiencing a 24.2% growth. This significant revenue share primarily comes from THE KLINIQUE brand, positioned in the Luxury Segment, which contributes the highest revenue within this department. Revenue drivers include energy-based medical devices and injectables. Additionally, the expansion of over 10 L.A.B. X branches, targeting the premium market segment with a focus on skin and beauty services, has contributed to this growth.

Body and Weight Management

Cash revenue in the Body and Weight Management Department saw a 30.4% decrease from the previous year, following a strategic shift from using medical devices to offering liposuction surgery (categorized under cosmetic surgery), which resulted in an increase.

Wellness

The Wellness Department's cash revenue increased by 12.4% due to a growing trend in health consciousness among clients and a broader range of service programs offered. The company places importance on the Vitamin drip program for body rejuvenation, responding to this trend.

Plastic Surgery

Cash revenue in the Plastic Surgery Department surged by 184.62 million baht, marking a 361.8% increase from the previous year. This growth is attributed to effective marketing that highlights the surgeons' expertise,

product quality, and various services at THE KLINIQUE SURGERY CENTER, building trust and attracting more customers to avail of the services.

Gross Profit

Gross profit is defined as sales and service revenue minus the cost of sales and services, including expenses such as drugs and medical supplies, doctor fees, branch rental fees, assistant fees, and medical equipment depreciation. In 2023, the company achieved a gross profit of 1,235.03 million baht, increasing by 33.8% from the previous year. This increase corresponds with the raised income; however, due to L.A.B. X and THE KLINIQUE SURGERY CENTER having a lower gross margin compared to THE KLINIQUE, the overall gross margin for 2023 slightly decreased to 54.0%. THE KLINIQUE SURGERY CENTER's costs were proportionally higher due to higher surgery department doctor fees, reflecting the company's policy of employing board-certified plastic surgeons and offering breast cosmetic surgery with higher medical equipment costs. THE KLINIQUE SURGERY CENTER, with a significant income share from breast cosmetic surgeries compared to other surgeries, contributed to this dynamic.

Selling and Administrative Expenses

Selling and administrative expenses (Sales and reception staff expenses, marketing expenses, head office personnel expenses, bank charges, etc.) in 2023 totaled 903.11 million baht, up by 33.9% from the previous year but represented 39.5% of the revenue, down from 41.1% the previous year. This reduction is attributed to the lower selling expenses of brands L.A.B. X and THE KLINIQUE SURGERY CENTER compared to THE KLINIQUE brand. Additionally, the increase in administrative expenses was proportionally lower than the revenue increase, benefiting from economies of scale as the increase in branches led to increased revenue but only a slight increase in administrative costs.

Net Profit

The company's net profit for 2023 rose by 40.5% to 288.62 million baht from the previous year. In addition to the increased income and gross profit, the company also experienced a rise in other incomes and financial incomes, resulting in a higher net profit. The net profit margin increased to 12.6% from 12.5% in the previous year.

Financial Position Summary as of December 31, 2023

Financial Statements	2022		2023		% YoY
	Million baht	%	Million baht	%	
Total Current Assets	1,677.56	64.8%	1,477.29	51.9%	-11.9%
Total Non-current Assets	912.69	35.2%	1,368.48	48.1%	49.9%
Total Assets	2,590.25	100.0%	2,845.63	100.0%	9.9%
Total Current Liabilities	705.40	27.2%	765.97	26.9%	8.6%
Total Non-current Liabilities	239.10	9.2%	376.85	13.2%	57.6%
Total Liabilities	944.50	36.5%	1,142.82	40.2%	21.0%
Total Shareholders' Equity	1,645.75	63.5%	1,702.81	59.8%	3.5%
Total Liabilities and Shareholders' Equity	2,590.25	100.0%	2,845.63	100.0%	9.9%

As of December 31, 2023, total assets were 2,845.63 million baht, marking a 9.9% increase from the previous year. This growth is attributed to investments in medical equipment and an expansion of branches.

Total liabilities as of December 31, 2023, reached 1,142.82 million baht, up 21.0% from the previous year, driven by an increase in lease obligations due to branch expansion.

As of December 31, 2023, shareholders' equity stood at 1,702.81 million baht, a 3.5% increase from the previous year, bolstered by accumulated profits from increased operational earnings.

Cash Flow

Cash Flow Statement	2022 Million baht	2023 Million baht	% YoY
Net Cash Generated (Used) in Operating Activities	407.96	385.92	-5.4%
Net Cash Generated (Used) in Investing Activities	(1,226.44)	(421.37)	-65.6%
Net Cash Generated (Used) in Financing Activities	1,207.02	(320.51)	-126.6%

Net cash from operating activities saw a reduction of 5.4% from 2022, primarily due to the company's expansion into additional branches which necessitated increased investments in inventory and rights usage deposits. The net cash used for investment activities dropped by 65.6% as the previous year (2022) utilized IPO funds for short-term bank deposits. While these funds continued to be invested in 2023, the focus shifted primarily toward purchasing medical equipment and branch expansion. Financing activities consumed net

cash mainly for dividend payouts and repaying debts associated with the rights of use, contrasting with the net cash influx from financing activities in 2022 due to receiving 1,420 million baht from the IPO.

Financial Ratios	2022	2023
Gross profit margin	56.3%	54.0%
Net profit margin	12.5%	12.6%
Return on assets	12.1%	10.6%
Return on equity	22.8%	17.2%
Current ratio	2.38	1.93
Debt-to-equity ratio	0.57	0.67

Key Financial Ratios

The gross profit margin saw a decrease due to the operations of L.A.B. X and THE KLINIQUE SURGERY CENTER, which have a lower gross profit margin compared to THE KLINIQUE. However, decreased selling expenses and economies of scale in administrative expenses meant the net profit margin remained similar to the previous year.

The return on assets and return on equity ratios declined from the previous year due to an increase in total assets and shareholders' equity in 2023, following the IPO at the end of 2022. In 2023, over 50% of the IPO proceeds had been invested.

The liquidity ratio decreased from the previous year due to the use of cash for medical equipment investments and branch expansion. Cash management was aimed at ensuring operational sufficiency, with excess liquidity being invested in low-risk assets.

The debt-to-equity ratio increased from the previous year due to branch expansion, leading to an increase in lease obligations corresponding to the addition of more than 15 branches in 2023.

Legal Disputes

As of December 31, 2023, the company had no legal disputes that could cause damage to the company's assets exceeding 5% of the shareholders' equity, nor were there any other legal disputes that could significantly impact the company's operations.

Corporate Governance



Corporate Governance Policy

The company recognizes the significance of good corporate governance as crucial for enhancing efficiency and sustainable growth, benefiting all stakeholders including employees, investors, shareholders, and others. Thus, a good corporate governance policy has been established, adhering to the principles for listed companies set out in 2017 by the Securities and Exchange Commission's governance body. This policy serves as a guideline for the company's governance based on the following eight principles:

Principle 1 Understanding the Role and Responsibilities of the Board of Directors in Leading the Organization to Sustainably Create Value

1. The Board of Directors of the Company comprehends its role and acknowledges its responsibilities as leaders who must ensure the organization is managed well. The company has a Board of Directors' charter that explicitly defines their powers, duties, and responsibilities in their operational roles and in overseeing the company's affairs, in accordance with laws, objectives, regulations, resolutions of the Board, and shareholders' meetings, with responsibility, diligence, and integrity to safeguard the rights and interests of all shareholders.

2. The Board of Directors is tasked with defining the objectives, vision, mission, policies, primary goals, and business strategies of the company, as well as overseeing the administration and management of the company's operations to align with established policies, goals, plans, and budgets for the ultimate benefit of the company and its shareholders.

3. The Board has enacted various policies such as those for social responsibility and anti-corruption, along with a code of business ethics, aiming for ethical business conduct that benefits society and the environment. These also include adaptations to changing conditions to sustainably add value to the business. The Board ensures the company adheres to these policies and communicates them within the company for executives and employees to be informed and to implement them effectively. Furthermore, the Board has the responsibility to review and update these policies to match the current circumstances.

4. The company's Board of Directors is responsible for ensuring adequate systems and mechanisms are in place to confirm that the company's operations comply with laws, objectives, regulations, resolutions from the Board and shareholders' meetings, and the company's various policies.

5. The Board has established a charter for its sub-committees, which clearly outlines the authority, duties, and responsibilities of these sub-committees. Additionally, the Board is responsible for updating the content of the company's Board charter and the sub-committees' charter to remain aligned with current conditions, regulations, and evolving situations.

Principle 2 Establish Objectives and Main Goals for Sustainable Business Operation

The Board of Directors has established clear objectives and main goals to ensure the business operates sustainably, aligning with the creation of value for the company, its customers, all stakeholders, and the broader society. This includes communicating these principles across all levels of personnel to integrate them into their duties, fostering a culture within the organization that aligns with these goals.

Moreover, the Directors encourage adopting new technologies and innovations to ensure business operations efficiently adhere to established policies. This also involves annual reviews of the company's objectives, main goals, and strategic plans to ensure alignment with the current economic

landscape, the organization's capabilities, and the overarching business goals, with a close monitoring of outcomes to ensure these are met effectively.

Principle 3 Enhance an Effective Board of Directors

The company is committed to structuring its Board of Directors to align with the business's nature and size, adhering to legal requirements. This includes:

1. The Board of Directors is comprised of individuals with diverse qualifications, knowledge, abilities, and experience that are beneficial to the company.

2. The company's Board must have at least five members, with at least one-third being independent Directors, but not fewer than three individuals. This ensures a balanced and appropriate consideration and decision-making process. All independent Directors meet the qualifications set by the Securities and Exchange Commission, the Stock Exchange of Thailand, and other relevant laws and regulations.

3. The Nomination and Remuneration Committee, responsible for Director Nomination and Remuneration, will identify candidates with the requisite knowledge, expertise, and experience to contribute positively to the company's business. These candidates are then presented for consideration and appointment to the Board or shareholders' meeting, as applicable. After becoming a publicly listed company, the company will disclose detailed information about its Directors and sub-committees, including age, gender, educational background, experience, shareholding percentages, tenure, attendance, compensation, roles, responsibilities, and performance in the annual report and/or on the company's website (as applicable).

4. Directors serve for a term not exceeding 3 years as per applicable laws, with independent Directors limited to a consecutive tenure of no more than nine years unless deemed necessary and justified by the Board of Directors.

5. Company directors and executives are allowed to hold positions as directors or executives in affiliate or other companies, provided it does not obstruct their duties as Directors of the company. Their roles must comply with the regulations set by the Securities and Exchange Commission, the Board of Governors of the Capital Market, and the Stock Exchange of Thailand, as well as other relevant criteria, regulations, and laws. They are expected to attend at least 75 percent of the total company Directors' meetings held within the year.

6. The roles of the Chairman and the Chief Executive Officer in the company are held by separate individuals to ensure a clear division of responsibilities between policymaking, governance, and daily management. The company has defined the responsibilities and duties of the Chief Executive Officer clearly.

7. The Board of Directors has established sub-committees to aid in the Board's duties and the company's operations. These include the Audit Committee, Executive Directors, the Nomination and Remuneration Consideration Committee, and the Risk Management Committee. Each sub-committee has a clearly defined charter outlining its roles and responsibilities. Furthermore, there is a provision for these charters to be reviewed and updated regularly to reflect current circumstances, as follows:

7.1 The Audit Committee is comprised of at least three members who assist and support the Board of Directors in overseeing and auditing management operations, internal controls, and compliance with relevant laws, including the preparation of financial reports. This ensures that the company's operations and disclosures are transparent and trustworthy. Details of the Audit Committee's composition, qualifications,

duties, and responsibilities are specified in the Audit Committee Charter.

7.2 The company's Executive Directors, comprising at least three individuals, are tasked with supporting the Board of Directors in managing the company's affairs in alignment with established policies, plans, regulations, and directives, as well as the set goals, within the framework designated by the Board of Directors. The composition, qualifications, powers, duties, and responsibilities of the Executive Directors are detailed in the Executive Directors Charter.

7.3 Comprised of at least three members, the Director Nomination and Remuneration Committee is responsible for identifying suitably qualified individuals to serve as company Directors, Sub-committee Directors, and the Chief Executive Officer. It also reviews compensation policies and the remuneration for company Directors, Sub-committee Directors, and the Chief Executive Officer, offering recommendations to the Board of Directors and/or presenting to the shareholders' meeting for further consideration and approval. The composition, qualifications, powers, duties, and responsibilities are specified in the Director Nomination and Remuneration Committee Charter.

7.4 The Risk Management Directors, numbering at least three, are charged with the responsibility of formulating risk management policies that encompass the entire organization, drawing upon the principles of Good Corporate Governance and the COSO Enterprise Risk Management Framework (COSO ERM). This ensures the company's operations incorporate a risk management process aimed at appropriately mitigating impacts to the business. The composition, qualifications, powers, duties, and responsibilities are detailed in the Risk Management Directors Charter.

8. The company has appointed a company secretary responsible for managing matters related to the Board of Directors' meetings and shareholders' meetings. This role also involves supporting the Board by offering guidance on legal requirements and various regulations pertinent to the Directors' duties.

9. For the management of subsidiaries or associated companies (if applicable), the company considers appointing qualified and experienced company representatives as Directors within these subsidiaries and associated entities. These appointed Directors are tasked with reporting the operational outcomes of their respective companies back to the main company's Board of Directors. The representation proportion of company-appointed Directors within these subsidiaries and associates is designed to reflect the company's shareholding percentage, adhering to shareholder agreements specific to each subsidiary and associate.

10. The company's charter mandates that each Board of Directors, including sub-committees, annually evaluates the performance of the company's Board and individual Directors. This includes an obligation for sub-committees to report their assessment findings to the main Board for annual review. The results of these performance evaluations are disclosed in the company's annual report.

Principle 4 Recruitment and Development of Senior Executives and Staff Management

1. The Committee is tasked with establishing qualifications and recruitment criteria for suitable candidates to serve as Chief Executive Officer (CEO). This includes framing policies and compensation strategies for the CEO's role, proposing these for the company Directors' approval. The Committee also evaluates development formats, plans, and processes for the CEO, ensuring alignment with the company's business, economic conditions, technological advancements, legal, or regulatory requirements. This may include training for knowledge enhancement and performance assessments.

2. For positions directly below the CEO, the CEO holds the authority to define recruitment criteria for senior management roles and to outline the policy framework and compensation model for senior executives. These proposals are then submitted to the company Directors for approval. The CEO also has the authority to appoint individuals, set their compensation, and evaluate their performance.

3. The company Directors have instituted a Succession Plan aimed at facilitating the orderly succession for the CEO and other senior executive roles, ensuring uninterrupted business operations.

4. The company Directors oversee the implementation of an appropriate compensation structure and evaluation process. They ensure the management and development of personnel possess suitable knowledge, skills, experience, and motivation. This includes promoting employee training to enhance knowledge and capabilities and ensuring fair treatment to retain talented personnel.

5. The company Directors ensure the company maintains a provident fund for employees, facilitating adequate retirement savings. Additionally, they advocate for employee education on financial management, aiming to improve employees' quality of life and promote long-term employment with the company.

Principle 5 Foster Innovation and Conduct Business Responsibly

The company Directors prioritize and support the generation of innovations that add value to the business alongside benefiting customers or stakeholders, with a responsibility toward society and the environment. They ensure efficient and effective allocation and management of resources, considering the impacts and resource development, to achieve the company's main objectives and goals sustainably.

Moreover, the company Directors will establish a governance framework and manage enterprise-level information technology aligning with the company's needs. This includes leveraging information technology to enhance business opportunities and operational development, as well as risk management, enabling the company to meet its organizational objectives and main goals. Additionally, the company is mindful of all stakeholders' rights, instituting a codified business ethics guideline for Directors, executives, and employees to follow as a representation of the company's standards.

Shareholders : The Company commits to conducting its business transparently and efficiently to create lasting value. It aims to deliver strong performance and stable growth for the long-term benefit of its shareholders. This includes transparent and reliable disclosure of information to shareholders, avoiding any illegal actions that infringe upon or undermine shareholder rights, and ensuring fair and equal treatment of all shareholders.

Employees : The company is committed to treating all employees equitably, fairly, and with appropriate remuneration, while maintaining a work environment that prioritizes quality of life and safety. The company strictly adheres to labor laws. Furthermore, it emphasizes continuous development of employees' skills, knowledge, and potential, for example, through training, seminars, and workshops accessible to all employees. The company aims to motivate highly skilled and knowledgeable employees to remain with the organization for its further development. Additionally, it has set forth guidelines to combat corruption and instill adherence to relevant laws and regulations among all employees, including a strict prohibition against the misuse of insider information.

Partners : The company employs a transparent and fair partner selection process, allowing for

competitive opportunities based on equal information. This selection process adheres to the company's transparent evaluation and selection criteria. Moreover, the company ensures fair and appropriate contractual arrangements for all parties involved, strictly fulfills contract conditions, and prevents corruption and improper conduct throughout the procurement process. The company procures goods from partners under fair trade conditions and adheres strictly to contracts with those partners.

Shareholders : The company is dedicated to maintaining the quality and standards of its products and services, aiming to fulfill and exceed customer needs for long-term satisfaction. It ensures that customers receive accurate and complete information about its products and services. Additionally, the company provides mechanisms for customers to report any issues with products and services, enabling quick preventive and corrective actions, while safeguarding customer privacy and preventing misuse of information for unauthorized benefits.

Creditors : The company will adhere to all contractual obligations toward creditors, especially in terms of repaying principal and interest and managing collateral under related contracts.

Competitors : The company conducts its operations within a framework of ethical competition and complies with the law, supporting and encouraging policies for free and fair competition.

Society

and Community : The company is committed to the safety of society, the environment, and improving the quality of life for those affected by its operations. It promotes environmental and social responsibility among its employees, opting for modern, eco-friendly medical tools and technology, reducing resource consumption, and mitigating pollution from its service processes. It strictly follows relevant laws and regulations and participates in activities that contribute to environmental and societal well-being, including supporting local culture where the company operates.

Furthermore, stakeholders are invited to inquire for more details, lodge complaints, or provide tips regarding legal violations or ethical breaches in the company's operations through designated channels. Complaints and tips received will be kept confidential, with designated personnel responsible for investigating the information and seeking resolutions (if necessary). Significant complaints, along with recommendations, may be presented to the company's Board of Directors for further action.

Principle 6 Implement Adequate Risk Management and Internal Controls

1. To ensure the company has an effective risk management system, the Board of Directors has established a Risk Management Committee to assist in formulating suitable risk management policies that cover the entire organization. This committee oversees the implementation of an effective and efficient risk management process to maintain risks at an acceptable level. Responsibilities of the Risk Management Committee include:

1.1 Assessing and reviewing risks faced or anticipated by the company that could impact its operations (Risk Identification) and determining the company's risk appetite.

1.2 Developing a comprehensive internal and external risk management policy that aligns with the company's strategy and direction, proposing these policies to the Board of Directors for approval. At a minimum, these policies should address four types of risk:

- A. Financial Risk
- B. Operational Risk
- C. Strategic Risk
- D. Compliance Risk

1.3 Formulating strategies and practices for managing risks in accordance with the risk management policy, ensuring risk levels remain within acceptable limits.

1.4 Reporting to the Board of Directors regarding risk assessments and risk management activities.

The duties and responsibilities of the Risk Management Committee are detailed in the Risk Management Charter.

2. The Board of Directors has also appointed an Audit Committee, comprising members who meet the qualifications specified by applicable laws and regulations. The Audit Committee is tasked with reviewing and/or considering the company's financial reports, assessing the adequacy of the internal control system, ensuring compliance with legal requirements, maintaining the independence of the internal audit function, selecting and evaluating auditors, and overseeing the disclosure of company information.

3. Beyond the powers and duties of the Audit Committee in overseeing conflict of interest issues, the company has also established a conflict of interest prevention policy to guide actions in cases where conflicts arise.

4. The company has implemented a code of business conduct and an insider information policy to prevent the improper utilization of the company's assets, information, and opportunities. This includes defining policies for transactions with related parties to prevent inappropriate or non-compliant related party transactions.

5. The Board of Directors has instituted a clear anti-corruption policy, communicated to all organizational levels and external parties for effective implementation. The Board will develop or endorse anti-corruption programs or strategies and support activities that instill law and regulation compliance among all employees. Additionally, it has arranged for the handling of complaints and action in case of reported tips, defining clear operational guidelines within the anti-corruption policy. This includes providing a variety of communication channels to facilitate the convenient and appropriate reporting of tips or complaints by employees and stakeholders. The company has also established protective measures for whistleblowers or complainants, witnesses, and informants involved in investigating the facts, ensuring they do not suffer any harm, danger, or injustice resulting from their reports, complaints, testimonies, or information provision.

6. Company Directors and executives are obligated to inform the company about their own or related persons' interests that could potentially affect the management of the company's affairs. The company has outlined the responsibility for Directors to report their interests within the charter of the Board of Directors. Directors must promptly inform the company if they or any Director engage in any transactions with the

company or if there is a change in shareholding proportions within the company.

Principle 7 Maintain Financial Credibility and Transparency

1. The Board of Directors ensures that the company maintains a reliable accounting system, the preparation of financial statements, and the review of financial statements in accordance with relevant standards and practices. It is also responsible for ensuring that the company discloses various types of information, including company, financial, and significant general information accurately, adequately, and promptly, in compliance with laws, regulations, and related rules.

2. The Board of Directors is responsible for preparing the annual information statement (Form 56-1) and the company's financial reports according to universally accepted accounting standards, exercising prudent judgment in their preparation, and ensuring sufficient disclosure of significant information in the notes to the financial statements. The Audit Committee oversees the quality of the financial reports and provides recommendations to the Board of Directors.

3. The Board of Directors oversees the company's financial liquidity and debt repayment capability, arranging for plans or measures in case of emerging issues. The Board mandates regular and consistent monitoring and assessment of the company's financial position and liquidity, with findings reported to the Board every quarter.

4. The company will establish an investor relations department or designate a responsible officer to liaise and share information with shareholders, investors, securities analysts, or any related entities, ensuring communication is appropriate, equitable, and timely.

5. The Board of Directors encourages the use of information technology for information dissemination. Beyond the required disclosures through the Stock Exchange of Thailand's channels, the Board will also ensure information is available in both Thai and English on alternative platforms, such as the company's website, while presenting up-to-date information.

Principle 8 Encourage Participation and Communication with Shareholders

The company's Board of Directors recognizes and prioritizes the fundamental rights of shareholders, both as investors in securities and as owners of the company. These rights include the ability to buy, sell, and transfer held securities; to receive a portion of the company's profits; to access adequate information; and to participate and vote in shareholder meetings to appoint or remove Directors, appoint auditors, approve significant transactions affecting the company's business direction, and address issues impacting the company, such as dividend distribution, amendments to the memorandum and articles of association, capital reduction or increase, and the approval of special resolutions, among others.

The company is committed to promoting and facilitating the exercise of shareholders' rights, treating all shareholders equitably:

1. Providing information about the date, time, location, and agenda of meetings, complete with explanations, rationale, and the Board of Directors' opinions on each agenda item or proposed resolution as detailed in the invitation letter to the shareholders' meeting or accompanying meeting documents, ensuring sufficient information for shareholder decision-making. Meeting invitations are sent to shareholders, the Stock

Exchange of Thailand, and published on the company's website, adhering to applicable criteria, regulations, and laws, and ensuring no actions are taken that would limit shareholders' access to company information.

2. Ensuring all shareholder groups can fully exercise their rights to participate and vote in meetings without imposing any restrictions on their ability to attend, such as selecting accessible locations indicated by maps in the invitation letters, choosing appropriate dates and times, and allocating enough time for the meetings, to make attendance and voting neither cumbersome nor prohibitively expensive.

3. Prior to the shareholders' meeting, the company will offer shareholders the opportunity to submit opinions, suggestions, inquiries, or propose additional meeting agendas in advance. The company has established clear criteria for submitting questions and proposing meeting agendas in advance, which are communicated to shareholders along with the shareholders' meeting invitation. Additionally, the company will publish these criteria on its website.

4. The company has set criteria and methods enabling minority shareholders to nominate individuals for the position of company Director. Information regarding the qualifications and consent of the nominated individuals will be made available on the company's website.

5. Shareholders are encouraged to use a proxy form that allows them to direct their voting preferences and to nominate at least one independent director as a proxy option for shareholders.

6. Before the commencement of the shareholders' meeting, the chairman will clarify the rules governing the meeting, the voting process, the rights associated with each type of share, and the procedure for counting votes, ensuring shareholders are well informed.

7. In shareholder meetings, the chairman will allocate appropriate time for discussion, and the company will ensure every shareholder has an equal opportunity to express opinions, make suggestions, or pose questions on any agenda item before votes are cast.

8. The company will promote the participation of company Directors and senior executives in shareholder meetings to address any inquiries from shareholders.

9. Votes at shareholder meetings will be organized item by item in cases where the agenda includes multiple items, such as the appointment of company Directors.

10. The company supports the use of voting cards to enhance the transparency and verifiability of the vote counting process.

11. The company will ensure an independent individual is appointed to assist in the counting or verification of votes for each agenda item. The results will be announced to the meeting and recorded in the meeting report.

12. After the conclusion of the shareholders' meeting, the company will compile a comprehensive and accurate meeting report, including recording significant inquiries, comments, and suggestions raised during the meeting, allowing shareholders to review them. Furthermore, the company will disclose the voting results of each agenda item and the meeting report on its website for shareholder scrutiny.

13. The company is committed to submitting a copy of the shareholders' meeting report to the Stock Exchange of Thailand within 14 days following the shareholders' meeting date.

14. The company encourages the integration of technology in shareholder meetings,

encompassing shareholder registration, vote counting, and result presentation, to ensure the proceedings are conducted swiftly, accurately, and precisely.

Additionally, the company is dedicated to annually reviewing its corporate governance policies to align with the current circumstances and business needs.

Business Ethics

The company acknowledges the significance of sound corporate governance and respects the rights of all stakeholders, thereby establishing written business ethics as a key practice. These ethics serve as guidelines for company Directors, executives, and employees, promoting business conduct that benefits themselves, the company, and all stakeholders as company representatives.

Treatment of Shareholders: The company is committed to operating with transparency and efficiency to sustainably enhance business value, focusing on delivering positive performance and steady growth to maximize long-term shareholder benefits. This includes transparent and reliable disclosure of information to shareholders, avoiding any illegal activities that infringe upon shareholders' rights, and ensuring fair and equal treatment of all shareholders.

Treatment of Employees: The company will treat all employees equally, fairly, and provide appropriate compensation while also maintaining a safe and healthy work environment, taking into account the quality of life and work safety. Strict adherence to labor laws is a must. Additionally, the company prioritizes the continuous development of skills, knowledge, abilities, and potential of its employees through training, seminars, and workshops, offering equal opportunities to all employees and striving to motivate highly skilled employees to stay with the company for further organizational development. Furthermore, guidelines to combat corruption are set, instilling in every employee the importance of adhering to relevant laws and regulations, including strict prohibitions on the misuse of insider information.

Treatment of Partners: The company has a transparent and fair process for selecting Partners, allowing them to compete based on equal information and selected based on fairness under clear evaluation and selection criteria. Additionally, the company creates contract templates that are fair to all contracting parties and ensures a monitoring system is in place to guarantee contract conditions are fully met, preventing corruption and misconduct at every procurement process stage. The company purchases goods from Partners based on commercial terms and strictly adheres to contracts with Partners.

Treatment of Customers: The company is committed to its customers by maintaining the quality and standards of products and services, as well as responding to customer needs comprehensively and extensively, focusing on long-term customer satisfaction. Moreover, the company ensures accurate and complete product and service information is provided to customers and establishes channels for customers to report any product or service issues for the company to quickly address and resolve any issues related to its products and services, while also maintaining customer confidentiality and not exploiting it for personal or associated wrongful benefits.

Treatment of Creditors: The company is committed to adhering to all terms and conditions stipulated in contracts with creditors, including the timely repayment of principal and interest as well as the maintenance of any collateral involved under the related agreements.

Treatment of Competitors: The company conducts its business within the framework of healthy

competition, adhering to ethical standards and complying with all applicable laws. It supports and promotes policies of free and fair competition.

Treatment of Society and Community: The company places a high importance on safety for society, environmental sustainability, and improving the quality of life for those impacted by its operations. It encourages its employees to be conscious of and responsible toward environmental and societal welfare, selecting environmentally friendly machinery and technology, reducing resource consumption, controlling, and mitigating pollution from its operations. Furthermore, it ensures strict adherence to all relevant laws and regulations. The company also actively participates in activities aimed at preserving the environment and society, and promoting local cultures where it operates.

Stakeholder Interests and Conflict of Interest: Directors, executives, and employees are prohibited from engaging in activities that conflict with the company's interests, whether through interactions with the company's commercial contacts such as partners, clients, or competitors, or through exploiting opportunities or information obtained through their positions for personal gain. This includes competing against the company or engaging in any outside activities that adversely affect their responsibilities to the company.

Anti-Corruption and Anti-Fraud: Directors, executives, and employees are prohibited from soliciting or accepting any property or benefits for themselves or others that could motivate improper performance or neglect of duties, potentially resulting in unjust loss to the company. They are also forbidden from offering or proposing to give any property or benefits to external parties as an incentive for them to act or refrain from actions that are unlawful or improper with respect to their positions and duties.

Use of Inside Information: Directors, executives, and employees are strictly prohibited from exploiting inside information that is significant to the trading of the company's securities and impacts the price movements of the company's securities, which has not yet been disclosed to the public, for personal gain or for those affiliated with them. Additionally, Directors, executives, and employees privy to inside information, especially those in managerial positions in the accounting or finance departments at the manager level or equivalent, are required to abstain from purchasing and/or selling the company's securities within a month prior to the company's announcement of its operational results, financial status, or other significant information that could affect stock prices, until such inside information is publicly disclosed.

Directors, executives, and all company employees must prioritize business ethics. In cases where business ethics violations are discovered, company employees must report conduct that may contravene ethics and the code of ethics. If violations or non-compliance are observed, or if one is compelled to act in a manner contrary to these business ethics, employees may report to their supervisors or the internal audit department. Furthermore, stakeholders may request information, report complaints, or provide tips about legal violations or breaches of the company's business ethics through designated company channels.

Channels for Reporting and Complaint

Both internal and external stakeholders can report tips or file complaints to the company via the following methods:

By e-mail

lapiruj.t@theklinique.com	Dr. Apiruj Thongwaftana	Chief Executive Officer
secretary@theklinique.com	Ms. Natthakarn Phankha	Company Secretary

By postal mail

Company Secretary

The Klinique Medical Clinic Public Company

No. 2922/296-299 Charn Issara Tower 2 Building,

27th Floor, New Petchaburi Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok 10310

On the Company's Website

www.theklinique.com

All complaints and tips submitted to the company will be confidentially maintained. Designated personnel are tasked with investigating these reports to identify and implement solutions (where applicable) and/or to present significant complaints along with recommendations to the company's Board of Directors for further action.

Management of Inside Information

The company upholds policies and practices to oversee the use of non-public, inside information by Directors and executives to prevent its misuse for personal gain or securities trading, as outlined below:

1. The company establishes procedures for securing and safeguarding inside information to ensure fairness toward shareholders, customers, business partners, and all stakeholders, in alignment with legal standards and good corporate governance principles.

2. Directors, executives, and employees are strictly prohibited from leveraging non-public, material information for trading the company's securities that could influence the company's stock price movements, for personal or associated gain.

3. The company mandates that Directors, executives, including those in managerial roles within accounting or finance, and employees privy to inside information, refrain from trading the company's securities for one month prior to the disclosure of significant financial results or news that could impact stock prices, until such information is publicly released.

4. Directors and executives, especially those in senior accounting or finance positions, are required to compile and submit reports on their and their immediate family's (spouses and minors) holdings of company securities to the company secretary within 30 business days of assuming their role. Furthermore, Directors and senior executives must report any transactions involving the company's securities to the Securities and Exchange Commission's Office within three business days, in accordance with the Securities and Exchange Act.

5. The company requires Directors and executives to prepare and submit reports on their own interests as well as those of other Directors and executives to the company secretary.

6. The company mandates that Directors and executives report any changes in their securities holdings and disclose their interests to the Board of Directors. This is managed by the company secretary, who compiles and presents this information annually to the Board of Directors. Additionally, changes in securities holdings by Directors and executives throughout the year are disclosed in the annual report.

7. The company emphasizes the prevention of the misuse of inside information for improper personal gain, which could diminish the company's interests or lead to conflicts of interest. These principles are outlined in the policies for good corporate governance, ethical conduct, employment contracts, and labor regulations.

8. The company prioritizes the confidentiality of customer information, ensuring that such data is not

exploited for the benefit of directors, executives, employees, or associates, except where disclosure is mandated by law.

9. The company is committed to securing data within its information systems by controlling and/or preventing external access to company data. Access rights to information are allocated to employees based on their roles, responsibilities, and authority levels.

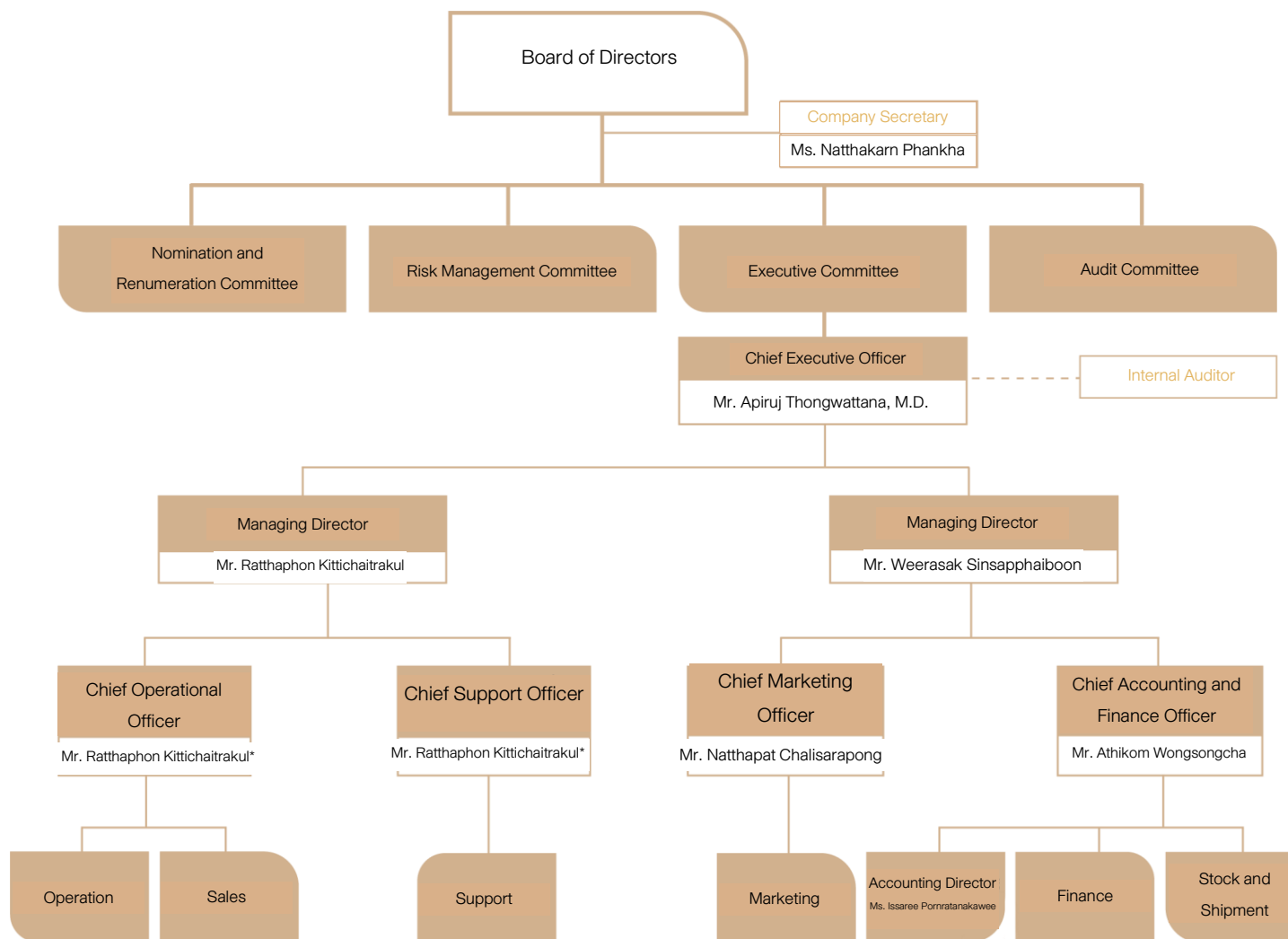
10. In instances where external parties are involved in specific tasks concerning confidential information that has yet to be publicly disclosed and is under negotiation, which might impact the company's stock price movements, those individuals are required to sign confidentiality agreements. These agreements remain in effect until the information is disclosed to the securities market and the Securities and Exchange Commission.

11. Directors, executives, and employees who breach the policy on the use of inside information will face disciplinary and/or legal consequences, depending on the nature of the violation.

Incorporating the Principles of Good Corporate Governance for Listed Companies, 2017 into Practice

The company recognizes the critical importance of good corporate governance as a key factor in enhancing operational efficiency and fostering sustainable growth. Therefore, the company has formulated a policy on good corporate governance, adhering to the Principles of Good Corporate Governance for Listed Companies, 2017. The company commits to regularly review and update its Good Corporate Governance Manual and Business Ethics to ensure they remain current, responsive to changes, and aligned with strategic objectives.

Management Structure



Board of Directors and Sub-committees

Name	Board of Director	Sub-Committee			
		Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Committee
Asst. Prof. Bavornrat Vanadurongwan	Chairman and Independent Director	Independent Director	Chairman and Independent Director		
Mr. Wiboon Pojanalai	Independent Director	Chairman and Independent Director	Independent Director		
Mr. Chatchai Thanarudee	Independent Director	Independent Director	Independent Director		
Mr. Suthipong Tangsajjapoj	Non-Executive Director				
Mr. Apiruj Thongwattana	Executive Director			Chairman and Executive Director	Chairman and Executive Director
Mr. Ratthaphon Kittichaitrakul	Executive Director			Executive Director	Executive Director
Mr. Weerasak Sinsapphaiboon	Executive Director			Executive Director	Executive Director
Mr. Natthapat Chalisarapong				Executive Director	Executive Director
Mr. Athikom Wongsongcha				Executive Director	Executive Director

Summary of Director Attendance at Meetings

Name	Attendance at Meetings / Number of Meetings					
	Board of Director	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Committee	General Shareholders' meeting
Asst. Prof. Bavornrat Vanadurongwan	2/2	2/2				
Mr. Wiboon Pojanalai	4/4	4/4	2/2			1/1
Mr. Chatchai Thanarudee	3/3	3/3	1/1			1/1
Mr. Suthipong Tangsajjapoj	4/4					1/1
Mr. Apiruj Thongwattana	3/4			2/2	8/8	1/1
Mr. Ratthaphon Kittichaitrakul	4/4			2/2	8/8	1/1
Mr. Weerasak Sinsappaiboon	4/4			2/2	8/8	1/1
Mr. Natthapat Chalisarapong				2/2	6/6	
Mr. Athikom Wongsongcha				2/2	6/6	
Ms. Rawiphan Tantiatchariyakul				1/1	2/2	
Mr. Praphan Phichaiwattanakomorn	2/2	2/2	2/2			1/1
Kornarit Thongsomkaew	1/1	1/1	1/1			

Note

- Asst. Prof. Bavornrat Vanadurongwan was appointed as an Independent Chairman, Chairman of the Nomination and Remuneration Committee, and a Member of the Audit Committee on May 16, 2023.
- Mr. Wiboon Pojanalai was appointed as the Chairman of the Audit Committee on May 16, 2023.
- Mr. Chatchai Thanarudee was appointed as an Independent Director, Director of Nomination and Remuneration, and Member of the Audit Committee on February 28, 2023.
- Mr. Natthapat Chalisarapong was appointed as Director of Risk Management and Executive Director on May 16, 2023.
- Mr. Athikom Wongsongcha was appointed as Director of Risk Management and Executive Director on May 16, 2023.
- Mr. Praphan Phichaiwattanakommon resigned from his positions as an Independent Chairman, Chairman of the Audit Committee, and Chairman of Nomination and Remuneration on May 15, 2023.
- Mr. Kornarit Thongsomkaew resigned from his positions as an Independent Director, Member of the Audit Committee, and Director of Nomination and Remuneration on February 28, 2023.
- Ms. Rawiphan Tantiatchariyakul was appointed as Director of Risk Management and Executive Director on May 16, 2023, and resigned from her positions as Director of Risk Management and Executive Director on September 16, 2023.

Board of Directors

As of December 31, 2023, the organizational structure of the company includes the Board of Directors, the Audit Committee, Executive Directors, the Risk Management Directors, and the Nomination and Remuneration Committee. These bodies are comprised of individuals possessing full qualifications as stipulated by Section 68 of the Public Limited Companies Act, B.E. 2535 (1992), and in compliance with the Securities and Exchange Commission's Notification No. TorJor. 39/2016 regarding the application for and the granting of permission to offer newly issued shares to the public, dated September 30, 2016, in every aspect.

1. Board of Director

The Board of Directors plays a critical role in establishing policies, visions, strategies, and the direction of business operations for the maximum benefit of the company and bears the responsibility for its actions toward shareholders. The Board of Directors must act with integrity, diligence, caution, and fairness toward all stakeholders, adhering to the principles of good corporate governance. Moreover, they are tasked with overseeing and supervising the execution of management operations to ensure the company achieves its goals within the framework of policies, laws, objectives, company regulations, Board resolutions, and shareholders' meeting resolutions. The Board consists of seven Directors, aligned with applicable laws and company by-laws, including four non-Executive Directors (57% of the total number of Directors) and three Executive Directors (43% of the total number of Directors). Among these, there are three independent Directors (43% of the total number of Directors), meeting the requirement of comprising at least one-third of the total number of Directors, possessing the necessary legal qualifications and expertise in business.

Scope, Authority, Duties, and Responsibilities of the Board of Directors:

1. The Board of Directors is obligated to act with responsibility, caution, honesty, and diligence to safeguard the company's interests in compliance with laws, company objectives, regulations, Board resolutions, and shareholders' meeting resolutions.
2. Dedicating to setting the vision, policy, and direction for its operations, supervising, and ensuring management carries out operations efficiently and effectively in line with set policies. This is aimed at maximizing economic value for shareholders and ensuring sustainable growth.
3. Setting Policies, Goals, Plans, and Business Strategies.
4. Ensuring management operations align with established policies effectively and efficiently.
5. Continuously monitoring the company's performance to ensure alignment with the operational plans.
6. Maintaining a steadfast commitment to shareholders by safeguarding their interests, ensuring important investor information is disclosed accurately, comprehensively, transparently, and up to standards.
7. Assessing the performance and determining the compensation for Directors and senior executives.
8. Assuming responsibility for the company's operational outcomes and managerial duties with diligence and caution.
9. Overseeing the establishment of clear, measurable business objectives as guidelines for setting operational targets, taking into account feasibility and rationale.
10. Ensuring business operations and practices are conducted ethically.

11. Directing the management team to maintain an appropriate and efficient risk management system.
12. Deliberating and deciding on crucial issues like policies, business plans, major investment projects, administrative powers, acquisitions or disposals of assets, and other legal requirements.
13. Specifying the authority and approval levels for transactions and company operations, tailoring them to appropriate groups or individuals, and complying with relevant laws by developing an operational authority manual.
14. Implementing reliable accounting, financial reporting, and auditing systems, as well as ensuring the effectiveness of internal control evaluation processes.
15. Guaranteeing the company has sufficient, suitable, and effective internal control and auditing systems to ensure transactions are approved by authorized personnel, reviewed accurately, and protected against misuse.
16. Organizing the annual general meeting of shareholders within 4 months following the end of the company's fiscal year.
17. Endorsing the nomination of auditors and reviewing the annual audit fee for presentation and approval by the shareholders.
18. Approving financial statements that have been audited and/or reviewed and received approval from the Audit Committee Members.
19. Authorizing the distribution of interim dividends to shareholders when the company deems it has adequate profits for such distribution, and report this dividend payment at the subsequent shareholders' meeting.
20. Disclosing the Directors' responsibility in the preparation of financial statements alongside the auditor's report in the annual report, covering significant matters as per the policy for good practices for the company's Directors, as listed on the Stock Exchange of Thailand.
21. Possessing the authority to appoint, delegate, or recommend the appointment of a Sub-Director or a working group to address any particular matter deemed appropriate by the company's Directors.
22. Establishing sub-Director committees, such as the Audit Committee Members, Executive Directors, or any other sub-committees, defining their authorities and duties to assist and support the Directors' functions.
23. Appointing a company secretary in compliance with securities and exchange law, defining the scope, authority, and responsibilities of the company secretary to oversee the preparation and maintenance of documents and perform other legally required actions, facilitating various activities of the Directors and the company, including Directors' meetings, shareholders' meetings, providing legal and regulatory guidance to the Directors, and ensuring that the company makes accurate and complete disclosures.
24. Overseeing the operations of the various sub-Director committees to ensure they align with the established charter.
25. Possessing the authority to review and sanction any necessary matters related to the company or deemed appropriate for the company's benefit, within legal boundaries, including:
 - 1) Approving and revising the company's vision, mission, and policies.
 - 2) Endorsing both short-term and long-term strategic plans, as well as operational plans.
 - 3) Authorizing the establishment and modification of the company's organizational structure.

- 4) Sanctioning dividend payment policies.
 - 5) Approving investments in various projects, significant contracts of the company and its subsidiaries, acquisitions, or disposals of assets, and other items as prescribed by law, all within legal constraints.
 - 6) Appointing Directors mid-term and constituting a Sub-Committee.
 - 7) Determining the Names of Directors with the authority to sign on behalf of the company.
 - 8) Sanctioning alterations to key accounting policies and adherence to new accounting standards.
26. Appointing one or several Directors or other individuals to perform specific actions on behalf of the Board of Directors is granted under this clause. Such delegates are restricted from approving transactions in which they, or any potentially conflicting parties ("Persons who may have conflicts" as defined by the Securities and Exchange Commission's announcement), have an interest or could have a conflict of interest with the company, except for the following scenarios, which require prior shareholders' meeting approval:
- Matters mandated by law to be resolved at a shareholders' meeting.
 - Transactions where Directors have an interest, as defined by law or stock market regulations, requiring shareholders' meeting approval.
 - Additionally, in the cases outlined below, approval from both the Directors' meeting and the shareholders' meeting is needed, with at least three-fourths of the total votes of attending and voting shareholders:
 - The sale or transfer of all or significant parts of the company's business to another entity.
 - The acquisition or takeover of other public or private companies by the company.
 - Entering, modifying, or terminating significant contracts related to leasing the company's business, delegating business management to others, or business mergers aimed at profit or loss sharing.
 - Issuing new shares for debt settlement under a debt-to-equity conversion scheme.
 - Reducing the company's registered capital by decreasing share numbers or values.
 - Capital increase, capital reduction, bond issuance, and company merger or dissolution.
 - Any other matters as legally required.
- Directors with a personal stake or potential conflict of interest in any issue are prohibited from voting on such matters.
27. Ensuring the company adheres to securities laws, stock market regulations, including transactions related to acquisitions or disposals of assets as per the rules of the Stock Exchange of Thailand, or announcements from the Securities and Exchange Commission. This oversight extends to any related laws affecting the company's operations.
28. The Directors are responsible for self-evaluation of their performance and the overall performance assessment. Moreover, they are obligated to ensure the company complies with securities and stock market regulations, including but not limited to connected transactions and asset acquisitions or disposals, as dictated by the Stock Exchange of Thailand or the Securities and Exchange Commission directives.

2. Audit Committee

As of December 31, 2023, the Audit Committee comprises three members who fully meet the qualifications for Audit Committee membership as specified by the Stock Exchange of Thailand. Mr. Wiboon Pojanalai is among them, bringing expertise in accounting and finance.

Scope, Authority, Duties, and Responsibilities of the Audit Committee

1. Reviewing financial statements to ensure accuracy, completeness, and reliability in compliance with accounting and financial reporting standards. This involves coordination with external auditors and management responsible for the preparation of financial reports.
2. Evaluating the appropriateness and effectiveness of internal controls and the internal audit function. This includes assessing the independence of the internal audit department and approving appointments, transfers, or dismissals of the head of internal audit. The Committee may also recommend reviews or inspections of necessary and significant areas, and propose suggestions for crucial improvements to the internal control system to the company Directors. These tasks are undertaken in collaboration with external auditors and the manager of the internal audit department.
3. Overseeing adherence to the Securities and Exchange Act B.E. 2535 (1992), including announcements, regulations, and/or directives from the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other pertinent laws impacting the company.
4. Evaluating, selecting, and proposing the appointment of an independent individual to serve as the auditor, offering appropriate remuneration for conducting audits of the company's accounting, control systems, and financial statements. The Audit Committee is empowered to select, appraise, suggest remuneration, and oversee the auditor's performance, including any other auditing activities or assurance services to the company Directors. Audit firms report directly to the Audit Committee, which also approves initial service terms and fees for audit and other services offered by the auditor.

The Audit Committee advises the company Directors for submission to the shareholders at the annual general meeting for the approval of the auditor's appointment and audit fees.

5. Engaging in discussions with company executives and auditors, when appropriate, regarding auditing challenges and constraints, as well as management's response to these issues. This includes overseeing the company's risk management and evaluation policies, particularly concerning significant financial risks and management's strategies for mitigating these risks. Additionally, the Audit Committee is tasked with resolving any conflicts between the executives and the auditors related to the financial reports and participating in at least one meeting annually with the auditor without management's presence.
6. Fostering and ensuring the auditor's independence from company management. The Audit Committee should consult with the auditor about their independence from the company's executive management and any relationships or services between the auditor and the company that might influence the auditor's impartiality.
7. Examining the company's financial statements, accounting standards, and policies, as well as significant changes in accounting standards, principles, or practices. This includes major accounting decisions

impacting the company's financial statements, encompassing choices, rationality, and the outcomes of such decisions.

8. Assessing transactions with related parties or those potentially involving conflicts of interest to ensure compliance with legal and Stock Exchange regulations. This ensures such transactions are rational and maximally beneficial to the company.
9. Reviewing, approving, or ratifying any dealings between the company and related entities, which are mandated to be disclosed in accordance with the rules of the Securities and Exchange Commission.
10. Evaluating the company's internal audit plan according to universally accepted practices and standards.
11. Ensuring that the company maintains an appropriate and effective risk management framework.
12. Informing the company Directors of the Audit Committee's performance at least four times.
13. Contributing to discussions on appointing, dismissing, and assessing the performance of internal audit department officials.
14. Members of the Audit Committee are authorized to request the presence of, or documents from, company management, executives, or any relevant employees for opinions, meeting participation, or document provision as deemed necessary or relevant.
15. Possessing the authority to engage consultants or professional experts for audit-related tasks or external advice, as required, in accordance with company regulations.
16. Compiling a governance report from the Audit Committee to be included in the company's annual report, signed by the Audit Committee Chairman.
17. Prepare the Audit Committee's report for inclusion in the company's annual report. This report, signed by the Audit Committee Chairman, must include at a minimum:
 - 1) Opinions on the accuracy, completeness, and reliability of the company's financial statements.
 - 2) Opinions on the adequacy of the company's internal control system.
 - 3) Opinions on adherence to securities and stock market laws, stock market regulations, or other relevant business laws.
 - 4) Opinions on the auditor's suitability.
 - 5) Opinions on potential conflicts of interest.
 - 6) The frequency of Audit Committee meetings and the attendance record of each member.
 - 7) General comments or observations made by the Audit Committee in the course of fulfilling their Charter obligations.
 - 8) Additional matters deemed necessary for shareholder and investor awareness, within the assigned duties and responsibilities by the company Directors.
18. The Audit Committee is to perform a self-evaluation of its effectiveness and report the findings, along with any operational challenges that might hinder achieving the Committee's objectives, to the company Directors annually.
19. Reviewing and proposing any necessary amendments to the Audit Committee Charter for approval by the company Directors, ensuring relevance and effectiveness.

20. Conducting preliminary investigations based on notifications from auditors regarding suspicious activities potentially violating securities and exchange laws by any Director, Manager, or responsible party. The Audit Committee must report the initial findings to the Securities and Exchange Commission Office and the auditor within thirty days from receiving the auditor's notification.
21. In cases where transactions or actions are identified or suspected that may significantly impact the company's financial status and operational results, such as conflict of interest transactions, fraud, irregularities, or significant deficiencies in internal control, as well as violations of securities and exchange laws, and Stock Exchange of Thailand regulations, the Audit Committee shall report to the company Directors for corrective actions within an appropriate timeframe. If the company Directors or executives fail to implement corrections within the timeframe deemed appropriate by the Audit Committee, any Audit Committee member may report such transactions or actions to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.
22. Ensuring the company provides channels for whistleblowing and various complaints related to inappropriate financial reporting or other issues, ensuring whistleblowers are confident in an independent review process and appropriate follow-up actions.
23. When necessary, Members of the Audit Committee may consult with external advisors or professional experts on audit operations, with the company covering the expenses in accordance with company regulations.
24. Carrying out other tasks as delegated by the company Directors within the scope of duties and responsibilities of the Audit Committee. The Directors must conduct self-evaluations and assess overall performance. Additionally, they have the duty to ensure the company adheres to the Securities and Exchange Act, Stock Exchange regulations, such as related transactions, and the acquisition or disposal of assets according to the Stock Exchange of Thailand's regulations or as per the announcements from the Securities and Exchange Commission. This includes laws relevant to the company's business.

3. Nomination and Remuneration Committee

Scope, Authority, Duties, and Responsibilities of Nomination and Remuneration Committee

1. Developing criteria and policies for the nomination of company Directors and sub-committee Directors, taking into account the appropriate number, structure, and composition of the Board. Establish qualifications for Directors to be presented to the company Directors and/or for approval at the shareholders' meeting as applicable.
2. Identifying, selecting, and recommending suitable candidates for company Director positions that are due for renewal, become vacant, or require additional appointments as necessary.
3. Identifying and selecting candidates for the company's executive positions, specifically for the roles of Director, Manager, or CEO.
4. Overseeing adherence to the company's corporate governance policy, annually review the company's good corporate governance policy, and suggest improvements or amendments to the company's corporate governance policy for consideration by the Directors.

5. Undertaking any other recruitment-related activities as delegated by the company Directors.
6. Formulating criteria and policies for determining the remuneration of the company Directors, sub-committee Directors, and executives to be submitted to the company Directors and/or for approval at the shareholders' meeting as required.
7. Determining necessary and suitable monetary and non-monetary remuneration for each company Director, considering the appropriateness with respect to duties, responsibilities, performance, and comparison with peer companies, as well as the expected benefits from the Directors and executives, for consideration and approval by the company Directors and to be proposed at the Directors' meeting.
8. Reviewing and approving the annual remuneration of Directors.
9. Being accountable to the company Directors and providing explanations or answer questions regarding the remuneration of Directors, sub-committee Directors, and senior executives at shareholder meetings.
10. Disclosing policies, principles, and rationale behind Directors' and executives' remuneration as per the regulations of the Stock Exchange of Thailand, to be included in the annual information disclosure form (56-1) and the company's annual report.
11. Performing any other tasks related to setting compensation as assigned by the company Directors. Management and various departments are required to report or present relevant information and documents to the Nomination and Remuneration Committee to support the committee in fulfilling the duties assigned regarding recruitment and remuneration.

4. Risk Management Committee

Scope, Authority, Duties, and Responsibilities of the Risk Management Committee

1. Presenting risk management policies and frameworks to the company Directors for approval.
2. Establishing, reviewing, and developing the corporate risk management policy framework.
3. Monitoring the process of identifying and assessing risks.
4. Overseeing and supporting the implementation of organizational risk management operations to align with strategic business objectives and adapt to changing circumstances.
5. Reporting on risks and risk management to the company Directors, including significant risks to the Audit Committee.
6. Reviewing reports on organizational risk management outcomes and provide feedback on potential risks, including setting guidelines for implementing control or mitigation measures and enhancing the effectiveness of the enterprise risk management system continuously.
7. Reviewing reports assessing the likelihood of fraudulent activities, covering various types of fraud such as false financial reporting, asset misappropriation, corruption, management's override of internal controls, significant alterations to report data, and improper acquisition or use of assets.
8. Informing the company Directors of the outcomes of organizational risk management activities. In case of significant factors or events potentially impacting the company substantially, these must be reported to the company Directors promptly for awareness and quick decision-making.

9. Convening with the Risk Management Committee at least twice a year to discuss and ensure the effective completion of assigned duties and responsibilities.
10. Carrying out any other tasks as directed by the company Directors.

5. Executive Committee

Scope, Authority, Duties, and Responsibilities of the Executive Committee

1. Developing and proposing policies, objectives, business strategies, and the annual plan. Establish business plans and various management authorities for the company to seek approval from the Board of Directors.
2. Managing the company's affairs to align with the direction, objectives, policies, business strategies, operational plans, and financial targets approved by the Board of Directors efficiently.
3. Ensuring company operations comply with laws, objectives, company regulations, shareholders' meeting resolutions, Board of Directors' resolutions, and related procedures. Organize the company structure and define roles, including making amendments as necessary. Upon completion, report back to the Board of Directors for review and potential adjustments to the Executive Committee's Charter for further approval.
4. Assessing the feasibility of new investment projects and having the authority to decide on investments or joint investments in forms deemed appropriate by the Executive Committee to fulfill the company's objectives.
5. Monitoring the performance and progress of each business investment and report outcomes, including addressing any emerging issues or obstacles and suggesting improvements to the Board of Directors.
6. Authorizing expenditures for investments or operations, financial borrowings, or credit requests from financial institutions, loan issuances, guarantees, mortgages, sales, property registration, and legal transactions with government entities to secure rights for the company, as well as any related actions, up to a specified limit. All actions must adhere to the guidelines approved by the Board of Directors and be in compliance with the regulations set by the Stock Exchange of Thailand, the Securities and Exchange Commission, the Capital Market Supervisory Board, or other relevant laws.
7. Reviewing the company's profit and loss and recommending dividend payments for the Board of Directors' consideration.
8. Approving or canceling credit facilities within each specified limit.
9. Authorizing the revaluation, disposal, or write-off of permanent and intangible assets no longer usable, due to damage, loss, destruction, depreciation, or obsolescence, within approved financial limits.
10. Approving adjustments in the valuation or disposal of depreciated or obsolete raw materials and/or inventory, resulting in a reduced book value, within set financial limits.
11. Approving negotiations, dispute settlements through arbitration, complaints, litigation, and/or any legal proceedings on behalf of the company, as outlined in the approved authority schedule.
12. Inviting executives or relevant company employees to provide explanations, opinions, attend meetings, or submit necessary documents.

13. Establishing a comprehensive and effective business risk management policy appropriate for all types of company risks.
14. Overseeing the preparation of financial reports for auditing and/or review before submission to the Audit Committee and subsequently the Board of Directors.
15. Defining the organizational structure and management authority, covering selection, employment, appointments, transfers, training, and dismissal of executive staff or high-level managers, with contracts signed by authorized representatives as defined in the approved authority schedule.
16. Supervising and approving operational matters of the company, potentially delegating or assigning individuals or groups to act in place of the Executive Committee as deemed appropriate, with the flexibility to revoke, modify, or amend such delegated authority.
17. Having authority to Appoint Various Consultants: Has the authority to appoint necessary consultants for company operations or to comply with relevant laws.
18. Reporting Performance Results: Reports significant operational results of the Executive Committee to the company Directors quarterly, as part of the CEO's reporting agenda.
19. Undertaking any other responsibilities as assigned by the company Directors.

It is important to note that the delegation of authority and responsibilities to the Executive Committee does not include the power to approve transactions in which the Executive Committee or its delegated individuals may have a conflict of interest (as defined in the Securities and Exchange Commission's announcement). This includes any stake or potential conflict of interest with the company, except for transactions conducted in alignment with policies and criteria pre-approved by the company Directors, in accordance with the Securities and Exchange Act B.E. 2535 (1992), including subsequent announcements, regulations, and/or guidelines from the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other related laws

Director and Executive Profiles

Name-Surname / Position	Age (Year)	Educational Background/Training	Shareholding Percentage	Family Relationship with Other Directors/Executives	Work Experience			
					Duration	Position	Entity/Company	Industry
1. Asst. Prof. Bavornrat Vanadurongwan Chairman Independent Director Member of the Audit Committee Chairman of the Nomination and Remuneration Committee (Appointed on May 16, 2023)	47	Master of Business Administration, Thammasat University	0.29	- None -	2012 – Present	Director	Saiwichaipattana Co., Ltd.	Medical Services
		Bachelor of Medicine, Mahidol University Director Accreditation Program (DAP) 2023, Thai Institute of Directors			2023 – Present	Director	Srivichai Vejvivat Public Co., Ltd.	Medical Services
2. Mr. Wiboon Pojanalai Independent Director Chairman of the Audit Committee Member of the Nomination and Remuneration Committee	47	Master of Risk Management & Financial Derivatives Georgia State University, United States	- None -	- None -	2019 – Present	Independent Director/ Member of the Audit Committee	Halcyon Technology PCL	Produces and distributes tools for metal cutting
		Bachelor of Accounting Thammasat University			2016 – Present	Independent Director/ Member of the Audit Committee	Dental Corporation PCL	Provides dental services
		Director Accreditation Program (DAP), Class 134, 2017, by the Thai Institute of Directors			2015 – Present	Director/Chief Financial Officer	Thai Inger Holding PCL	Construction contracting
					2011 – Present	Independent Director/Member of the Audit Committee	Beauty Community PCL	Retail of cosmetics

Name-Surname / Position	Age (Year)	Educational Background/Training	Shareholding Percentage	Family Relationship with Other Directors/Executives	Work Experience			
					Duration	Position	Entity/Company	Industry
3. Dr. Chatchai Thanarudee Independent Director Member of the Audit Committee Member of the Nomination and Remuneration Committee (Appointed on February 28, 2023)	48	Ph.D. in Strategy and Strategic Management, University of Canterbury, New Zealand MBA, Kasetsart University Master of Engineering, King Mongkut's University of Technology Thonburi Bachelor of Engineering, King Mongkut's University of Technology Thonburi Director Certification Program (DCP), 2021	- None -	- None -	2022 – Present	Director/ Member of the Audit Committee	Jaspal Company Limited	Apparel manufacturing and sales
					2021 – Present	Director/ Member of the Audit Committee	Jaymart Insurance PCL	Insurance
					2020 – Present	Chief Executive Officer	Thanage and Co., Ltd	Consulting
					2021 – 2023	Director/ Member of the Audit Committee	Medium and Small Enterprise Development Bank of Thailand	Banking
					2018 – 2020	Chief Executive Officer	JP Insurance PCL	Insurance
					2018 – 2020	Vice President	New Zealand Chamber of Commerce	Chamber of Commerce
					2016 – 2018	Managing Director	Accenture	Consulting
					2014 – 2016	Country CIO	Chevron Thailand Exploration and Production Limited	Oil and Gas
					2018 – 2020	Global Manager, GIS, Data Analytics	Chevron Energy Technology Company, TX, USA	Energy Technology

Name-Surname / Position	Age (Year)	Educational Background/Training	Shareholding Percentage	Family Relationship with Other Directors/Executives	Work Experience			
					Duration	Position	Entity/Company	Industry
4. Mr. Suthipong Tangsajjapoj Director	45	Master of Business Administration, University of San Francisco United States	- None -	- None -	2016 – Present	Director/ Assistant Director in Accounting and Finance	Ekachai Medical PCL•	Private hospital
		Master of Economics, Chulalongkorn University			2019 – Present	Director	Ekachai Nursing Home Co., Ltd.	Elderly Center
		Bachelor of Economics, Chulalongkorn University			2017 – Present	Director	Ekachai International Co., Ltd.	Infertility center
		Certificate from the Director Accreditation Program (DAP), SEC version, 2015, Thai Institute of Directors			2002 – Present	Director	Blue China Co., Ltd.	Real estate
					2002 – Present	Director	Siam Sapee Co., Ltd.	Real estate
					2002 – Present	Director		Real estate
					2002 – Present	Director	Rungsinsup Co., Ltd.	Real estate
					2003 – Present	Director	Best P Co., Ltd.	Real estate
					2003 – Present	Director	Sajjapoj Co., Ltd.	Real estate
					2010 – Present	Director	Phet Komen Co., Ltd.	Property leasing

Name-Surname / Position	Age (Year)	Educational Background/Training	Shareholding Percentage	Family Relationship with Other Directors/Executives	Work Experience			
					Duration	Position	Entity/Company	Industry
					2010 – Present	Director	Seom Sin Aquatic Animals Food Co., Ltd.	Property leasing
					2010 – Present	Director	Fishmeal Marketing Development Co., Ltd.	Animal feed•
					2014 – Present	Director	M Fitness Co., Ltd.	Fitness center
					2015 – Present	Director	Villa33 Co., Ltd.	Hospitality and food
					2016 – Present	Director	Mekha Real Estate Co., Ltd.	Real estate
					2017 – Present	Director	Yaowong Holding Co., Ltd.	Investment in companies

Name-Surname / Position	Age (Year)	Educational Background/Training	Shareholding Percentage	Family Relationship with Other Directors/Executives	Work Experience			
					Duration	Position	Entity/Company	Industry
5. Dr. Apiruj Thongwattana Director Chairman of Executive Committee Chairman of Risk Management Chief Executive Officer	40	Research Fellow in Dermatology, Harvard Medical School United States	32.73	- None -	2020 – Present	Director	TKQH Capital Management Co., Ltd	Investment in companies
		Master's degree in Dermatology, Cardiff University, United Kingdom			2017 – Present	Director	Cosmobeaute Laboratories (Thailand) Co., Ltd.	Cosmetic sales
		Bachelor's degree in Medicine, Chulalongkorn University			2016 – Present	Director	Sushi Seki Co., Ltd.	Japanese restaurant
		Certificate from the Director Certification Program (DAP) Class 233, 2017, Thai Institute of Directors						
		Certificate from the Director Accreditation Program (DAP) Class 129, 2016, Thai Institute of Directors						

Name-Surname / Position	Age (Year)	Educational Background/Training	Shareholding Percentage	Family Relationship with Other Directors/Executives	Work Experience			
					Duration	Position	Entity/Company	Industry
6. Mr. Ratthaphon Kittichaitrakul Director Executive Director Member of Risk Management Director Managing Director	40	Bachelor of Veterinary Science, Chulalongkorn University Certificate from the Director Accreditation Program (DAP), Class 116, 2015, Thai Institute of Directors	6.31	- None -	2017 – Present	Director	Cosmobeaute Laboratories (Thailand) Co., Ltd.	Cosmetic sales
					2016 – Present	Director	Sushi Seki Co., Ltd.	JAPANESE RESTAURANT
7. Mr. Weerasak Sinsapphaiboon Director Executive Director Member of Risk Management Director Managing Director	42	Master of Business Administration The University of Manchester Bachelor of Economics (First-Class Honors), Chulalongkorn University	- None -	- None -	2019 – 2022	Director of Investment Strategy	Boon Rawd Brewery Co., Ltd.	Production and distribution of consumer good
					2017 – 2019	Head of New Business	Unilever Thai Holding Co., Ltd.	Production and distribution of consumer good
					2016	Revenue Management Manager	Pepsi-Cola (Thai) Trading Co., Ltd.	Production and distribution of beverages
					2012 – 2016	Financial Manager	Unilever Thai Holding Co., Ltd.	Production and distribution of consumer good
					2003 – 2007	Supply Chain Development Manager	Unilever Thai Holding Co., Ltd.	Production and distribution of consumer good

Name-Surname / Position	Age (Year)	Educational Background/Training	Shareholding Percentage	Family Relationship with Other Directors/Executives	Work Experience			
					Duration	Position	Entity/Company	Industry
8. Mr. Natthapat Chalisarapong Executive Director Member of Risk Management Director Chief Marketing Officer	41	Certificate in Contemporary American Business Practices, Baruch College, USA	- None -	- None -	2014 – 2014	Investment Intern	Thailand Board of Investment New York Office	GOVERNMENT AGENCY
		Bachelor of Veterinary Science (Second-Class Honors), Chulalongkorn University			2010 – 2012	Veterinarian	Sukhumvit 49 Veterinary Hospital	Animal health services
					2008 – 2010	Co-founder/ Veterinarian	Premium Animal Hospital	Animal health services•
					2007 – 2010	Veterinarian	Itsaraphap Veterinary Clinic	Animal health services
9. Mr. Athikom Wongsongcha Executive Director Member of Risk Management Director Chief Accounting and Financial Officer (Appointed on April 25, 2023)	43	MSc Forensic Accounting University of Portsmouth	- None -	- None -	2019 – 2022	CFO	Mena Transport PCL	Transport of concrete and products
		MBA Chulalongkorn University			2017 – 2019	CFO	Rosso Co., Ltd.	Production and sale of clothing
		Bachelor of Accounting Chulalongkorn University			2016 – 2017	CFO	Thai Alloy Manufacturing Co., Ltd.	Production and sale of car wheels
		The Art of CFO Leadership 2023			2005 – 2016	Assistant Director of Research	Securities and Exchange Commission	Capital market regulatory authority

Details about the Head of Internal Audit

I.A.P. Internal Audit Co., Ltd. ("IAP") has been appointed as the internal audit service provider, with Mr. Wattana Channakin and Mr. Amnat Ruechaikam as Heads of Internal Audit.

Name-Surname / Position	Age (Year)	Educational Background/Training	Shareholding Percentage	Family Relationship with Other Directors/Executives	Work Experience			
					Duration	Position	Entity/Company	Industry
Mr. Wattana Channakin Managing Director	47	M.B.A Kasetsart University Bachelor of Business Administration, Rajamangala Institute of Technology Bangkok Technical Campus - Certified Public Accountant (CPA) - Internal audit executive certificate course. - Certificate of Enterprise Risk Management, Class 17, Chulalongkorn University - Certificate in internal auditing (IACP), endorsed by the Federation of Accounting Professions under the Royal Patronage - CFO Project, Class 15, organized by the Federation of Accounting Professions under the Royal Patronage	- None -	- None -	2015 – Present	Managing Director	I.A.P. Internal Audit Co., Ltd.	Internal Audit
					2009 – Present	Managing Director	IAP. Plus Co., Ltd.	Account Audit
					2011 – 2014	Member of the Audit Committee	Ausiris Company Limited	Trade and buy-back of gold
					2010 – 2012	Accounting and Finance Director	Newtel Corporation Co., Ltd.	Device and Mobile Distribution
					2000 – 2009	Audit Manager	S.K. Accountant Services Co., Ltd.	Account Audit

		<ul style="list-style-type: none">- Director Accreditation Program (DAP) Class 86/2010 by the Thai Institute of Directors- Certificate from the COSO 2013 Training Course on the Framework for Internal Control Systems, First Edition, 2018- Training course certificate for new auditors by the Institute of Internal Auditors, Thailand- Business Advisor Certificate, Class 1, encompassing knowledge compilation and examination- Training course certificate for those drafting and managing debtor rehabilitation plans						
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Mr. Amnat Ruechaikam Internal Audit Manager	43	Bachelor of Accountancy, University of the Thai Chamber of Commerce (First-class honors) - Certified Public Accountant (CPA)	- None -	- None -	2017 – Present	Internal Audit Manager	I.A.P. Internal Audit Co., Ltd. Ananda Development	Internal Audit
					2010 – 2012	Internal Audit Manager	PCL NPS Siam Audit Co., Ltd.	Real Estate
					2008 – 2009	Audit Manager	NPD Diam Audit Co., Ltd.	Account Audit
					2003 – 2007	Account Audit Assistant Manager	KPMG Phoomchai Audit Co., Ltd.	Account Audit

Director's Compensation

For 2023, the total monetary compensation for the nine Chairman independent Directors and Directors is set at 950,000 baht. This compensation, which is paid as meeting allowances based on actual attendance, was approved at the Annual Shareholders' Meeting on April 27, 2023.

Committee Type	Monetary Compensations, 2022 (Meeting Allowances)
Board of Director	
Chairman	25,000
Director	20,000
Audit Committee	
Chairman	25,000
Member	20,000
Nomination and Remuneration Committee	
Chairman	25,000
Member	20,000

Besides monetary compensation, the 2023 Shareholders' Meeting approved additional benefits for Directors as follows:

Other Compensations	For service expenses less than 150,000 baht	For service expenses more than 150,000 baht but less than 250,000 baht	For service expenses more than 250,000 baht but less than 350,000 baht
Director and Family	No service charge	50% Discount from Standard Price	25% Discount from Standard Price

Individual Director's Compensation as a Director in 2023

Name – Surname	Position	Meeting Allowance	Other Compensations
Asst. Prof. Bavornrat Vanadurongwan	- Independent Director - Chairman - Chairman of Nomination and Remuneration Committee - Member of Audit Committee	90,000	-
Mr. Wiboon Pojanalai	- Independent Director - Chairman of Audit Committee - Member of Nomination and Remuneration Committee	210,000	70,400
Mr. Chatchai Thanarudee	- Independent Director - Member of Audit Committee - Member of Nomination and Remuneration Committee	140,000	142,900
Mr. Suthipong Tangsajjapoj	- Director	80,000	-
Mr. Ratthaphon Kittichaitrakul	- Director	80,000	-
Mr. Weerasak Sinsapphaiboon	- Director	80,000	-
Mr. Apiruj Thongwattana	- Director	60,000	-
Mr. Praphan Phichaiwattanakomol	- Independent Director - Chairman - Chairman of Nomination and Remuneration Committee - Chairman of Audit Committee	150,000	-
Mr. Kornarit Thongsomkaew	- Independent Director - Member of Audit Committee - Member of Nomination and Remuneration Committee	60,000	-
Total		950,000	418,450

Note

1. Other compensation refers to welfare benefits provided to Directors.
2. Asst. Prof. Bavornrat Vanadurongwan was appointed on May 16, 2023.
3. Dr. Chatchai Thanarudee was appointed on February 28, 2023.
4. Mr. Praphan Pichaiwatkomol resigned from his position on May 16, 2023.
5. Mr. Kornarit Thongsomkaew resigned from his position on February 28, 2023.

2023 Securities Holdings Changes Report for Directors/Executives

Date	Executive / Director	Acquire / Sales Method	Amount (Share)
18-05-23	Mr. Ratthaphon Kittichaitrakul	Sold	290.909
26-05-23	Mr. Ratthaphon Kittichaitrakul	Sold	789,390
31-05-23	Mr. Ratthaphon Kittichaitrakul	Sold	789,390
26-05-23	Mr. Apiruj Thongwattana	Bought	789,390
31-05-23	Mr. Apiruj Thongwattana	Bought	789,390

Executive Compensation

The company sets executive remuneration at appropriate levels consistent with its compensation criteria and policy. This considers roles, duties, responsibilities, relevant work experience, company performance, and economic conditions, aligning with industry standards. Executive remuneration, especially for top executives, adheres to guidelines and policies reviewed and approved by the Nomination and Remuneration Committee and the Board of Directors.

Executives

As of December 31, 2023, the company recognizes five executives as per the Securities and Exchange Commission's Notification No. Kor.Jor. 17/2008, dated December 15, 2008, and its subsequent amendments.

01	Mr. Apiruj Thongwattana	Chief Executive Officer
02	Mr. Ratthaphon Kittichaitrakul	Managing Director
03	Mr. Weerasak Sinsapphaiboon	Managing Director
04	Mr. Natthapat Chalisarapong	Chief Marketing Officer
05	Mr. Athikom Wongsongcha	Chief Finance Officer

Monetary Compensation Executive compensation excludes payments received for serving as a Director, encompassing salaries and bonuses, detailed as follows.

Compensation Categories (million baht)	2022	2023
Salary	10.73	21.33
Position Allowance	0.66	3.50
Provident Fund Contribution	0.10	0.25
Retirement Employee Benefits	0.14	0.12
Other Compensations	0.72	1.88
Total	12.35	26.97
Number of Executives (Person)	5	5

Note

Monetary compensation includes payments to 6 executives who resigned from their management roles in 2023.

Other Compensation The company also provides non-monetary benefits to executives, such as car allowances, annual health check-ups, and group insurance. There are no outstanding compensations or benefits.

Company Secretary Ms. Natthakarn Phankha is assigned as the Company Secretary, responsible under Section 89/15 of the Securities and Exchange Act. She advises Directors on legal compliance and regulations related to their responsibilities, ensures adherence to Board resolutions, and oversees Board activities to maintain legal and regulatory compliance.

Personnel

Employees

As of December 31, 2023, the company employs 1,052 individuals (excluding executives.) This includes support for employing 8 disabled individuals as mandated by law and 5 senior citizens. Employees are categorized according to their main operational roles.

Personnel	2022	2023
Sales Staff	314	367
Treatment Staff	216	273
Nurse	50	85
Receptionist	105	151
Cleaner	28	25
Total Employee in Branches	713	901
Head Office Staff	101	151
Total Employee	814	1052

Physician	92	114
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Employee Compensation

The total compensation for the company's employees (excluding Directors/Executives) in 2022 and 2023 amounted to 487.95 million baht and 613.64 million baht, respectively. This compensation includes salaries, bonuses, commissions, provident fund contributions, and other benefits.

Compensation Categories	2022	2023
Number of Persons	814	1,052
Salary	130,880,940	178,501,366
Commission Fee	268,418,968	311,492,985
Provident Fund Contribution	148,279	258,004
Shift Fee, Overtime	2,391,650	3,908,983
Benefits and Others	86,112,439	119,479,582
Total	487,952,276	613,640,920
Medical Fee	203,258,580	293,962,083

Auditor's Compensation

The 2023 audit fee, excluding non-audit fees, encompasses other expenses reimbursed on an actual basis. The audit fee for the 2023 financial statements and the review of the company's quarterly financial statements total 2,100,000 baht, with an additional audit fee for subsidiary companies amounting to 20,000 baht.

Internal Control and Intercompany Transactions

Internal Control

The company recognizes the significance of maintaining a robust internal control system. The Board of Directors has delegated the responsibility to the Audit Committee members to ensure the company has a suitable and sufficient internal control system. This system aims to effectively manage operations in line with objectives, laws, and regulatory requirements, safeguard assets against fraud and damage, and ensure accurate, reliable, and timely financial reporting and disclosures.

The company, based on the Audit Committee members' evaluation, has engaged I.A.P. Internal Audit Co., Ltd. to review and assess the adequacy of the company's internal control system. Mr. Wattana Channakin, serving as the Managing Director at I.A.P. Internal Audit Co., Ltd., takes primary responsibility for the internal audit function. After reviewing the qualifications of I.A.P. Internal Audit Co., Ltd. and Mr. Wattana Channakin, the Audit Committee concluded they are sufficiently suitable for the role, thanks to their independence and experience in internal audit activities. Appendix 2 (Details about the Head of Internal Audit and the oversight of company operations)

The audit employed methods such as interviewing executives and relevant employees in line with the organizational structure, document verification, observation of work processes, asset and liabilities verification, and analysis and assessment of the efficacy of key internal controls based on COSO guidelines and the Institute of Internal Auditors of Thailand. The internal audit team conducted an inspection of the internal control system and reported on the internal control system evaluation based on data up to December 31, 2023, in the internal control system audit report.

In the 2023 assessment of the internal control system, the company's Board of Directors' meeting No. 1/2024 on February 28, 2024, attended by all seven Directors, including three Executive Directors, one Non-Executive Director, and three independent Directors, who are also Members of the Audit Committee, evaluated the internal control system. This assessment followed the adequacy assessment form of the internal control system, adhering to the internal control framework by The Committee of Sponsoring Organizations of the Treadway Commission (COSO), which comprises five elements. This framework was reviewed by I.A.P. Internal Audit Co., Ltd. and was approved by the Audit Committee members in their first meeting of 2024 on February 28. It was concluded that the company possesses a sufficient and suitable internal control system with no significant deficiencies found in the internal control aspects as follows:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The company's Board of Directors believes the internal control system is sufficient, appropriate, and matches the business scale. The entire internal control system, encompassing five key areas, is effectively designed to prevent transactions involving major shareholders, directors, executives, or their associated persons. Moreover, the company ensures adequate staffing to implement and monitor the internal control system, safeguarding the company's assets against unauthorized use by directors or executives, including transactions with conflicted or related parties. Consequently, the assessment and approval of the company's internal control system adequacy have been conducted.

Intercompany Transactions

The company has established policies and procedures for dealings between the company and individuals who may have a conflict of interest or are related, ensuring transparency and safeguarding the company's interests. The company adheres to the Securities and Exchange Act, along with regulations, announcements, orders, or standards set by the Securities and Exchange Commission, the Capital Market Supervision, and the Stock Exchange of Thailand. It also follows disclosure requirements for connected transactions and other relevant guidelines. Individuals with a vested interest are prohibited from participating in the approval of such transactions. If the law stipulates that connected transactions require approval from the company's Board of Directors, the company will ensure the Audit Committee members attend the meeting to review and provide opinions on the necessity and reasonableness of these transactions. In engaging in standard business operations or transactions that support the usual business and are commercial agreements with conventional trade terms, as well as agreements that do not follow standard trade conditions, the company will adhere to these established principles.

(1) Transactions as Commercial Agreements with General Trade Conditions

The company's Board of Directors authorizes, in principle, the management to approve related transactions that constitute regular business operations or support standard business activities, which are commercial agreements with general trade conditions between the company and its directors, executives, major shareholders, or related individuals of such persons. These transactions are considered commercial dealings similar to those that would typically occur between independent parties under similar circumstances, with bargaining unaffected by the individual's position as a director, executive, major shareholder, or related person, without resulting in an inappropriate transfer of benefits. Furthermore, it should be demonstrable that such transactions are conducted at reasonable or equitable prices and conditions. The company compiles and prepares a summary report of these transactions for presentation at the Audit Committee members' meetings and the company Directors' meetings quarterly.

(2) Transactions as Trade Agreements Not Based on General Trade Conditions

Transactions involving related parties that are not regular business transactions must be reviewed and advised by the Members of the Audit Committee prior to submission to the company Directors and/or the shareholders' meeting (depending on the case) for subsequent approval. This process is in line with the company's regulations, the Securities and Exchange Act, and the directives, announcements, orders, or requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the

Stock Exchange of Thailand, including adherence to disclosure requirements regarding connected transactions as specified under such directives, announcements, orders, or requirements. This also includes compliance with the financial reporting standards set by the Federation of Accounting Professions and other relevant criteria.

In instances where the Audit Committee members lack expertise in evaluating potential related transactions, the company will engage individuals with specialized knowledge, such as independent auditors or property appraisers, to offer insights on such transactions. This is to provide the Audit Committee, company Directors, and/or shareholders (as applicable) with information to aid in decision-making, ensuring the transactions are conducted in the company's best interest. The company will fully and accurately disclose related transactions in accordance with standards and applicable laws in the regular information form (56-1 One Report), audited financial statements, and/or other relevant reports as required.

Should future related transactions occur, the company will adhere to its regulations, the Securities and Exchange Act, and directives, announcements, orders, or stipulations set by the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand. Such transactions must not result in an improper transfer or diversion of the company's benefits. All transactions must consider the company and all shareholders' utmost interests. Affected parties will not have the right to vote on agendas concerning these transactions.

For the years ending on December 31, 2022, and 2023, the company engaged in various transactions with parties that could present a conflict of interest. These transactions involve the company's Directors, executives, and/or shareholders, as well as those with potential conflicts concerning the Directors, executives, and/or shareholders. The nature of the company's relationship with potentially conflicting individuals can be summarized as follows:

Persons Potentially in Conflict	Relationship Details
Sushi Seki Company Limited ("Sushi Seki")	<ul style="list-style-type: none"> • Shared Shareholders: Dr. Apiruj Thongwattana and Mr. Ratthaphon Kittichaitrakul, jointly holding 82.50% of shares. • Joint Directors: Dr. Apiruj Thongwattana and Mr. Ratthaphon Kittichaitrakul. • Operates a Japanese restaurant.

<i>Persons Potentially in Conflict</i>	<i>Transaction Details</i>	<i>Transaction Value (Baht)</i>		<i>Necessity, and Reasonableness</i>
		2022	2023	
Sushi Seki Company Limited ("Sushi Seki")	Lease and Service Charges	276,023.50	421,089.93	<p>The company provided Sushi Seki with a sublease for a portion of its space to serve as Sushi Seki's headquarters. The lease and service rates were charged based on the contract price, with an added 15% profit margin.</p> <p>The Audit Committee assessed the appropriateness of the transaction, including various terms, and concluded it to be reasonable.</p>

The graphic features a large circle in the center, divided vertically by a thin white line. The left half of the circle is filled with a dark blue background, overlaid with a glowing orange line graph and a smaller orange bar chart. The right half of the circle is filled with a dark blue background, overlaid with a glowing orange bar chart. The circle is surrounded by a thick, light orange ring. The background of the entire page is a light gray gradient with a subtle pattern of concentric circles and radial lines. The text "Financial Report" is centered within the circle, with "Financial" in a large, bold, white sans-serif font and "Report" in a smaller, white sans-serif font below it.

Financial Report

Report on the Board of Directors' Responsibilities for Financial Reports

Board of Directors is responsible for THE KLINIQUE Medical Clinic Public Co., Ltd.'s financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with Thai Financial Reporting Standards, by considering the selection of appropriate accounting policies and practice regularly including the disclosure of sufficiently significant information in the notes of financial statements. Also, the auditor has audited financial statements and provided comments on the details of auditor.

The Board of Directors has appointed an Audit Committee consisting of independent directors to review the credibility and accuracy of financial reports, efficiency and effectiveness of the internal control process, supervise the internal audit to be effective, and review a disclosure of related party transactions. The opinions of the Audit Committee on this matter appear in the Report of the Audit Committee which is shown in this annual report.

The financial statements of the Company have been examined by an external auditor, D I A International Audit Co., Ltd. To conduct the audits and express an opinion in accordance with auditing standards, all records and related data are provided to the auditor. The auditor's opinion is presented in the auditor's report as a part of this annual report.

Board of Directors has an agreement that the internal control system and internal audit of the Company can build the confidence that THE KLINIQUE Medical Clinic Public Co., Ltd.'s financial statements for the year ended 31 December 2023 are reliable and prepared in accordance with Thai Financial Reporting Standards and related regulations.

Asst. Prof. Bavornrat Vanadurongwan
(Chairman)

Dr. Apiruj Thongwattana
(Chief Executive Officer)



INDEPENDENT AUDITOR'S REPORT

To The Shareholders of THE KLINIQUE MEDICAL CLINIC PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying financial statements of THE KLINIQUE MEDICAL CLINIC PUBLIC COMPANY LIMITED (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of THE KLINIQUE MEDICAL CLINIC PUBLIC COMPANY LIMITED as at December 31, 2023, its 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 Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were 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 these matters.

Key Audit Matter and Audit Procedures are following

Services and medical income recognition

As stated in notes 3.1 to the financial statements, the Company will recognize service income when the service is rendered to the customer and when the customers' unexercised rights of various types of services under the contracts in time.

The Company sold treatment programs to provide a wide range of beauty and health services. In the service contract, the conditions include multiple treatments. When selling different types of treatment programs, the Company receives advance treatment fees from customers, which the Company records as service income received in advance.

Services income received in advance for treatment programs that non-refundable by the customers and the customers may not exercise all of their contractual rights under the service contract period, called "breakage", the Company estimates the percentage of the customer's breakage according to various types of treatment programs by using the performance of external independent experts every the reporting period in order to calculate the deduction from the service charges value of different types of treatment programs and gradually recognised as income in proportion to the programs service used by the customers.

The estimates of the customer's breakage percentage are based on the statistical principles arose from obtaining the understanding of assumptions under the historical usage characteristics data and prepared the data improvement of the breakage in the future based on the actuarial by the Company policy and behavior factors of customers who gradually enter the service until eventually breakage in order to obtain the completed value of unearned service income, to be calculated the percentage of the customer's breakage.

Therefore, the treatment program services category requires the management to use significant judgments and assessment of the breakage percentage that must consider a number of factors and variables, including accuracy, completeness of the data. Accordingly, I have addressed the service income recognition as key audit matter.

I have obtained an assurance relating to service income recognition by includes;

- Assessed the knowledge, competence, independence and fairness of external independent experts.
- Evaluated and obtained an understanding by making inquiry the external independent experts in relation to the significant data, principles and assumptions used to evaluate the percentage of breakage, as well as comparisons of whether the methodology used is generally based on principles.
- Evaluated and obtained the understanding of significant judgments by inquiring the Management involving the services classification.

- Assessed and obtained an outstanding the Company's information technology system in respect to the revenue cycle, by helping of the IT experts and made sampling test whether the operation of the designed controls is performed.
- Assessed and obtained an outstanding the Company's internal control system in respect to the revenue cycle by asking the person in charge and sampling tested compliance with the controls designed by the Company, including the main personnel-controlled, which is to prepare the information of the treatment program service income received in advance from the customers by classifying the type of service, every financial reporting period in order to calculate the revenue from service that breakage by the customer, and performed the recalculation test.
- Reviewed the completeness and accuracy and correlation of the data used to estimate the customer breakage percentage by selecting samples of service contracts to be checked.
- Sampling service contracts to check the treatment program service fees received in advance from the customers with the relevant revenue recognition documents in accordance with the conditions specified in the Company's service contract and corresponded to the service revenue recognition policy.
- Checked the remaining service income received in advance in the information system by monitoring the customer's use of the service and testing the calculation of the service write-off in the information system.
- Reconciled in the information system of the customer reception system of the physician rendering with financial information in the of service income recognition.
- Checked by sampling services income recognition documents during the year and nearly end of the accounting period on a sampling basis.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report 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 and will 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 identified above 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, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 judgment 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 Company'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 Company'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 Company 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.

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 the Code of Ethics for Professional Accountants 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 matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters 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.

D I A International Audit Co., Ltd.



(Mr. Nopparock Pissanuwong)

C.P.A. (Thailand)

Registration No. 7764

February 28, 2024

THE KLINIQUE MEDICAL CLINIC PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

Assets	Note	Unit : Baht	
		December 31, 2023	December 31, 2022
Current assets			
Cash and cash equivalents	5	108,481,491	464,442,666
Current investments	6	1,060,000,000	1,000,000,000
Trade receivables	8	12,437,913	2,879,188
Inventories	9	191,090,568	120,050,040
Cost to obtain contracts with customers	10	45,074,369	49,812,746
Prepaid expenses		25,343,345	17,948,271
Other current assets		34,857,831	22,429,237
Total current assets		1,477,285,517	1,677,562,148
Non-current assets			
Restricted bank deposits	7	15,100,000	5,100,000
Investment in subsidiaries		99,600	-
Plant and equipment	11	776,086,855	535,820,835
Right-of-use assets	12	439,561,085	282,526,459
Other intangible assets		3,698,549	3,654,905
Deferred tax assets	13	6,607,351	3,139,313
Guarantees and deposits		127,190,344	82,446,793
Total non-current assets		1,368,343,784	912,688,305
Total assets		2,845,629,301	2,590,250,453

Notes to financial statements are integral parts of these financial statements

THE KLINIQUE MEDICAL CLINIC PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2023

	Note	Unit : Baht	
		December 31, 2023	December 31, 2022
Liabilities and shareholders' equity			
Current liabilities			
Trade and other current payables	14	233,608,668	201,447,602
Current income tax payable		30,548,022	20,895,585
Service income received in advance	15	400,820,341	403,312,160
Current portion of lease liabilities	12	90,451,836	70,818,085
Other current liabilities		10,536,626	8,925,532
Total current liabilities		765,965,493	705,398,964
Non-current liabilities			
Lease liabilities	12	371,007,533	234,286,520
Non-current provisions for long-term employee benefits		2,498,973	1,447,343
Other non-current liabilities		3,343,100	3,364,100
Total non-current liabilities		376,849,606	239,097,963
Total liabilities		1,142,815,099	944,496,927
Shareholders' equity			
Share capital - common shares			
Authorized share capital			
220,000,000 common shares of Baht 0.50 each		110,000,000	110,000,000
Issued and fully paid-up share capital			
220,000,000 common shares of Baht 0.50 each	17	110,000,000	110,000,000
Share premium on share-based payments		12,287,719	12,287,719
Share premium on ordinary shares	17	1,402,883,061	1,402,883,061
Retained earnings			
Appropriated - statutory reserve	16	11,000,000	11,000,000
Unappropriated		177,915,645	120,854,969
Share discount on business combination under common control		(11,272,223)	(11,272,223)
Total shareholders' equity		1,702,814,202	1,645,753,526
Total liabilities and shareholders' equity		2,845,629,301	2,590,250,453

Notes to financial statements are integral parts of these financial statements

THE KLINIQUE MEDICAL CLINIC PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

		Unit : Baht	
	Note	December 31, 2023	December 31, 2022
Revenue form sales and rendering of medical services		2,284,979,602	1,639,031,722
Cost of sales and medical services		(1,049,948,813)	(716,065,309)
Gross profit		1,235,030,789	922,966,413
Other income			
Other income		13,198,413	7,058,291
Total other income		13,198,413	7,058,291
Profit before expenses		1,248,229,202	930,024,704
Selling and servicing expenses		(628,108,309)	(459,442,395)
Administrative expenses		(274,965,710)	(214,833,768)
Total expenses		(903,074,019)	(674,276,163)
Profit from operating activities		345,155,183	255,748,541
Finance income		20,167,791	1,108,783
Finance costs		(15,103,492)	(10,660,061)
Profit before income tax expenses		350,219,482	246,197,263
Income tax expenses	13	(61,601,810)	(40,708,551)
Profit for the year		288,617,672	205,488,712
Other comprehensive income :			
Components of other comprehensive income that will not be reclassified to profit or loss			
Actuarial gains (loss)		(558,461)	79,148
Other comprehensive income for the year - net of tax		(558,461)	79,148
Total comprehensive income for the year		288,059,211	205,567,860
Basic earnings per share	20	1.31	1.21

Notes to financial statements are integral parts of these financial statements

THE KLINIQUE MEDICAL CLINIC PUBLIC COMPANY LIMITED
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	Issued and paid-up share capital	Share premium on share-based payments	Share premium on ordinary shares	Retained earnings		Share discount on business combination under common control	Total shareholders' equity
					Appropriated-statutory reserve	Unappropriated		
Unit : Baht								
Balance as at January 1, 2022		80,000,000	12,287,719	-	11,000,000	68,487,109	(11,272,223)	160,502,605
Increase in share capital	17	30,000,000	-	1,402,883,061	-	-	-	1,432,883,061
Profit for the year		-	-	-	-	205,488,712	-	205,488,712
Other comprehensive income for the year		-	-	-	-	79,148	-	79,148
Dividend paid	18	-	-	-	-	(153,200,000)	-	(153,200,000)
Balance as at December 31, 2022		110,000,000	12,287,719	1,402,883,061	11,000,000	120,854,969	(11,272,223)	1,645,753,526
Balance as at January 1, 2023		110,000,000	12,287,719	1,402,883,061	11,000,000	120,854,969	(11,272,223)	1,645,753,526
Profit for the year		-	-	-	-	288,617,672	-	288,617,672
Other comprehensive income (loss) for the year		-	-	-	-	(558,461)	-	(558,461)
Dividend paid	18	-	-	-	-	(109,999,800)	-	(109,999,800)
Interim dividend payment	18	-	-	-	-	(120,998,735)	-	(120,998,735)
Balance as at December 31, 2023		110,000,000	12,287,719	1,402,883,061	11,000,000	177,915,645	(11,272,223)	1,702,814,202

Notes to financial statements are integral parts of these financial statements

THE KLINIQUE MEDICAL CLINIC PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Unit : Baht	
	December 31, 2023	December 31, 2022
Cash flows from operating activities		
Profit for the year	288,617,672	205,488,712
Adjustment to reconcile profit (loss) to cash receipt (payment)		
Tax expenses	61,601,810	40,708,551
Finance costs	15,103,492	10,660,061
Finance income	(20,167,791)	(1,108,784)
Depreciation and amortisation	194,605,104	142,003,682
Difference from reduction in lease payments	-	625,255
Reduce cost to net realisable value of inventories (reversal)	(48,403)	(309,763)
Provision for impairment on assets (reversal)	(1,280)	(26,460)
Loss (gain) on disposals/write-off of leasehold improvement and equipment	(29,252)	442,990
Gain on contract change in lease	-	(1,607,961)
Service income received in advance recognised during the year	(329,085,248)	(219,691,116)
Employee benefit expenses	353,554	291,066
Changes in working capital:		
Trade receivables, (increase) decrease	(9,558,725)	(1,412,246)
Inventories, (increase) decrease	(70,992,125)	(35,505,249)
Cost to obtain contracts with customers, (increase) decrease	4,738,377	(16,154,238)
Prepaid expenses, (increase) decrease	(7,395,074)	(12,374,965)
Other current assets, (increase) decrease	(7,521,499)	(20,338,484)
Guarantees and deposits, (increase) decrease	(44,743,551)	(12,005,899)
Trade and other current payables, increase (decrease)	52,637,900	37,184,528
Services income received in advance, increase (decrease)	326,593,429	334,245,283
Other current liabilities, increase (decrease)	1,611,095	2,908,047
Other non-current liabilities, increase (decrease)	(21,000)	(12,000)
Cash flows provided by (used in) generated from operation	456,298,485	454,011,010
Finance costs paid	(15,103,492)	(10,660,061)
Income tax paid	(55,277,796)	(35,391,224)
Net cash provided by (used in) operating activities	385,917,197	407,959,725

Notes to financial statements are integral parts of these financial statements

THE KLINIQUE MEDICAL CLINIC PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2023

	Unit : Baht	
	December 31, 2023	December 31, 2022
Cash flows from investing activities		
Current investments, (increase) decrease	(60,000,000)	(1,000,000,000)
Restricted bank deposits, decrease (increase)	(10,000,000)	(100,000)
Cash paid for investments in subsidiaries	(99,600)	-
Acquisitions of leasehold improvement and equipment and payment of payables for purchase of equipment	(366,523,756)	(225,794,436)
Proceeds from sales of equipment	579,159	-
Payments for intangible assets acquisition	(587,177)	(1,162,705)
Proceeds from finance income	15,260,695	615,633
Net cash provided by (used in) investing activities	(421,370,679)	(1,226,441,508)
Cash flows from financing activities		
Proceeds from increase in share capital	-	1,470,000,000
Payment for cost of distribution of shares	-	(46,396,174)
Dividend paid	(230,998,535)	(153,200,000)
Payments for lease liabilities	(89,509,158)	(63,387,042)
Net cash provided by (used in) financing activities	(320,507,693)	1,207,016,784
Net increase (decrease) in cash and cash equivalents	(355,961,175)	388,535,001
Cash and cash equivalents at beginning of the year	464,442,666	75,907,665
Cash and cash equivalents at end of the year	108,481,491	464,442,666
Supplemental for statements of cash flows		
Non-cash transactions:		
Acquisition of equipment, unpaid	37,738,034	38,567,489
Right-of-use assets increased from lease liabilities	250,980,123	180,863,631

Notes to financial statements are integral parts of these financial statements

THE KLINIQUE MEDICAL CLINIC PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. GENERAL INFORMATION

1.1 Corporate information

The Klinique Medical Clinic Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in providing medical treatment services regarding skin under the name of “The Klinique”. The registered office of the Company is at 2922/296-299 Charn Issara Tower 2, 27th Floor, New Petchburi Road, Bangkapi, Huay Kwang, Bangkok.

As at December 31, 2023, the Company has 67 branches (included head office).

During the period, the Company has invested in a subsidiary in which has not yet operated commercially business.

2. FINANCIAL STATEMENTS PREPARATION AND PERSENTATION BASIS

2.1 Financial statements preparation basis

These financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Securities and Exchange Commission, Thailand.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

2.2 Financial reporting standards that become effective in the current year

The Company has adopted a number of revised financial reporting standards which are effective for the financial statements for the period beginning on or after January 1, 2023. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

2.3 Financial reporting standards that became effective for the financial statements for the fiscal year beginning on or after January 1, 2024

The Federation of Accounting Professions has announced for adoption a number of revised financial reporting standards, which are effective for the financial statements for the year beginning on or after January 1, 2024. The management of the Company assesses that the adoption of these amendments will not have any significant impact on the Company’s financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues

Revenue from rendering of services and medical services

Revenue from rendering of services and medical services are recognised as income when services have been rendered.

Service income received in advance is the value of the treatment program service charges that has been sold, gradually recognised as income when the service is rendered or the customer breakage to use all services in accordance with the treatment program.

The value of service charge for which breakage to use all services in accordance with the treatment program by the customers. The Company estimates the percentage of breakage from the historical customer's past service and considers the information or current trends. Services charge will be gradually recognised as income from providing medical services based on a proportion of the service rendered to the customers.

Sales of goods

Revenue from the sale of goods is recognised when the Company satisfied the obligations under the contract and the control the goods is transferred to the customers. Revenues from sales are stated at realizable value after deducting discounts.

Interest income

Interest income is recognised on an accrual basis by reference to the effective interest rate.

Other income and expenses

Other income and expenses are recognised on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents are cash and deposits at bank and financial institution which the maturity is three months or less (excluding pledged bank).

3.3 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts or allowances.

Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

3.4 Incremental cost to obtain the contracts with customers

The Company recognizes a commission paid to obtain a customer contract as an asset and amortizes it to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of the consideration that the entity expects to receive less direct costs. Provided that the amortization period of the asset that the Company otherwise would have used is one year or less, costs to obtain a contract are immediately recognised as expenses.

3.5 Financial assets

Classification and measurement

Financial assets are subsequently classified and measured at amortised cost method.

The Company initially recognise a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except financial assets that are measured at fair value through profit or loss whose transaction costs are expensed in profit or loss.

Equity instruments

All equity instruments are measured at fair value through other comprehensive income without subsequent recycling to profit or loss. The classification of equity instruments is considered on investment-by-investment basis. Dividends from such investment continue to be recognised in profit or loss as other income.

Debt instruments

Subsequent measurement of debt instruments depends on the Company business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories:

- Amortised cost

A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, 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. Interest income from these financial assets is using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and impairment losses are presented in profit or loss.

- Fair value through other comprehensive income (FVOCI)

A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, 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. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

- Fair value through profit or loss (FVPL)

A financial asset that does not meet the criteria for amortised cost or FVOCI are measured at FVPL.

The Company reclassify debt instruments only when its business model for managing those assets changes.

Impairment of financial assets

The Company applies a simplified approach in determining loss allowances for trade receivables and contract assets which are always measured at an amount equal to lifetime expect credit loss (“ECLs”). ECLs on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

For other financial assets carried at amortised cost and FVOCI, the Company applies general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk assessment is performed every end of reporting period (estimated risk of default as of the reporting date and risk of default on the date of initial recognition).

Derecognition of financial asset

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.6 Plant and equipment

An item of plant and equipment is stated at cost less any accumulated depreciation and impairment loss (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of asset. The estimated useful lives are as follows:

Buildings	20 years
Building improvement	5 - 6 years
Medical and service equipment	5 - 12 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	10 years

No depreciation is provided on land and assets under installation.

The residual values of assets and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The carrying amount of assets is written-down immediately to its recoverable amount if the carrying amount of assets is greater than its estimated recoverable amount.

Gains or losses on disposals of plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised within "Other (losses)/gains - net" in profit or loss.

3.7 Intangible assets

Intangible assets that are acquired by the Company which have definite useful lives, are stated at cost less accumulated amortization and impairment loss (if any).

Amortization

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that intangible assets are available of use over the estimate economic useful lives of the assets are as follows:

Computer software	3 - 10 years
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Intangible assets with indefinite useful lives are stated at cost less provision for impairment (if any).

3.8 Impairment of non-financial assets

The carrying amounts of the Company assets are reviewed at each reporting date to determine whether there is any indication of impairment, whenever events or changes indicate that the carrying amount of assets exceeds its recoverable value. The impairment loss will be recognised in statement of comprehensive income. The Company will reverse the impairment loss whenever there is no longer impairment or reduction in impairment.

If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets with indefinite useful lives or not ready to use, the recoverable amount is estimated each year at the same time.

Recoverable value of asset is the net selling price or utilization value of that asset, whichever is higher. The impairment will be estimated from each item of asset or each asset unit generating cash flow, whichever is practical.

3.9 Leases

At inception of contract, the Company assess whether 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.

Lessee**Right-of-use assets**

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the lease term and the estimated useful lives for each of right-of-use assets whichever is earlier, as follows:

Buildings and building improvement	2 - 6 years
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Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments payable over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate, which is determined by referring to the borrowings interest which is closed to right-of-use assets depending on the lease term, at the lease commencement date if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, 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

The Company applied the short-term lease recognition exemption to its short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and containing no purchase options). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognised as expense in profit or loss on a straight-line basis over the lease term.

3.10 Financial liabilities

Classification and Measurement

Financial instruments issued by the Company are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities are measured by each categorization as below:

- Financial liabilities are measured at amortised cost method.
- Financial liabilities are subsequently measured at fair value through profit or loss (FVPL).

Financial liabilities are initially measured at fair value less cost directly related to financial liabilities issuance and subsequently reclassified and measured all financial liabilities at amortised costs using the effective interest method.

Financial liabilities are classified as financial liabilities measured at fair value through gain or loss, only if the Company holds it for trading or derivatives, or selected to measure at initial method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3.11 Non - current provisions for employee benefit

Short-term employee benefits

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

The Company and its employees have jointly established a provident fund as approved by the Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. Contributions are made on a monthly basis to the fund by both employees and the Company. A provident fund contribution is recorded as expenses in the year incurred.

Post-employment benefits

Defined benefit plans

The Company has obligations in respect of the severance payments they must make to employees upon retirement under labour law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plans and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method on a regular basis. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognised on a straight-line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of defined benefit obligations are recognised when the curtailment or settlement occurs.

Actuarial gains and losses arising from post-employment benefits and other long-term employee benefits arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bond.

3.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is low.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.13 Income tax

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

Current tax

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

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The Company recognizes deferred tax liabilities for all taxable temporary differences while they recognize 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 utilized.

At each reporting date, the Company reviews and reduce 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 utilized.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.14 Earnings per share

Earnings per share is calculated by dividing the profit for the year by the weighted average number of common shares outstanding during the year.

3.15 Measurement of fair values

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuation should be classified.

When measuring the fair value of an asset or a liability, the Company use market observable data as fair as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.16 Use of management's judgement

The preparation of financial statements in conformity with Thai Financial Reporting Standards ("TFRSs") also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Leases

Determining the lease term with extension and termination options - The Company as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Company are 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 Company to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Company and subsidiaries as a lessee

The Company 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 Company 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.

Plant and equipment

Management needs to use the judgment in allocating the initial recognition of medical equipment to each significant part of that asset and depreciation is separately charged to reflect the useful life model of the asset.

In determining of the depreciation of building and medical equipment that the Management is required to make estimates and reviewed the useful lives and residual value of buildings and medical equipment, at the end of the reporting period.

Impairment of assets

The Company shall assess the assets balance at the statement of financial position whether there is any indication that an asset may be impaired. If any such indication exists, the Company shall estimate the recoverable amount of the asset.

4. RELATED PARTY TRANSACTIONS

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related parties. Related parties are those parties controlled by the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the Company. Therefore, the financial statements include the results of that transaction by using the significant pricing policy as follows:

Transactions with related parties	Pricing policy	Unit : Million Baht	
		2023	2022
Space rental and service income	Contract price	0.42	0.39
Purchase property	Agreed price	-	0.03
Foods and beverages	Market price	0.43	0.11

Directors and management's benefits

During the years ended December 31, 2023 and 2022, the Company had employee benefit expenses payable to its directors and management as below.

	Unit : Thousand Baht	
	December 31, 2023	December 31, 2022
Short-term employee benefits	26,707	12,106
Post-employment benefits	266	140
	<u>26,973</u>	<u>12,246</u>

5. CASH AND CASH EQUIVALENTS

	Unit : Thousand Baht	
	December 31, 2023	December 31, 2022
Cash	845	564
Bank deposits	107,636	463,878
Total	<u>108,481</u>	<u>464,442</u>

6. CURRENT INVESTMENTS

As at December 31, 2023, the Company has invested in 7-month 8-month and 12-month maturity fixed deposits with 3 financial institutions of Baht 1,060 million. The interest rate is 1.80% 1.85% per annum and 1.15%-1.90% per annum. (2022: Company has invested in 6-month maturity fixed deposits with 2 financial institutions of Baht 1,000 million. The interest rate is 1.45% per annum and 1.55% per annum.)

7. RESTRICTED BANK DEPOSITS

As at December 31, 2023, the Company has restricted bank deposits with financial institutions totaling Baht 15.10 million which the Company used as collateral against credit limits obtained from financial institutions (December 31, 2022: Baht 5.10 million). are detailed as follows:

	Unit : Thousand Baht	
	December 31, 2023	December 31, 2022
Overdraft line	30,000	20,000
Letter of guarantee line from the bank	1,000	1,000

8. TRADE RECEIVABLES

Trade accounts receivable are detailed as follows:

	Unit : Thousand Baht	
	December 31, 2023	December 31, 2022
Trade receivables - unrelated parties		
Aged on the basis of due dates		
Not yet due	12,406	2,871
Overdue		
Less than 3 months	18	-
More than 3 – 6 months	-	8
More than 6 – 12 months	6	-
More than 12 months	8	-
Total trade receivables	12,438	2,879

9. INVENTORIES

Inventories are detailed as follows:

	Unit : Thousand Baht	
	December 31, 2023	December 31, 2022
Medicine and medical supplies	187,780	118,203
Other supplies	4,084	2,668
Total	191,864	120,871
Less Reduce cost to net realizable value	(773)	(821)
Net	191,091	120,050

During the current year, the Company reduced cost of inventories to be net realizable value by Baht 0.05 million (2022: Baht 0.31 million) which presented as part of cost of sales.

10. COST TO OBTAIN CONTRACTS WITH CUSTOMERS

Cost to obtain contracts with customers for the year ended December 31, 2023 and 2022 had the changes as follows:

	Unit : Thousand Baht	
	2023	2022
Balance at beginning of year	49,813	33,659
Increase during the year	226,002	208,134
Amortization during the year	(230,741)	(191,980)
Balance at end of year	45,074	49,813

11. PLANT AND EQUIPMENT

Plant and equipment for the year ended December 31, 2023 and 2022 had the changes as follows:

	Unit : Thousand Baht					
	Building improvement	Medical and service equipment	Fixtures and office equipment	Motor vehicles	Assets under installation	Total
Cost:						
January 1, 2022	128,060	449,476	45,654	22,736	13,451	659,377
Additions	7,460	177,128	16,200	-	63,574	264,362
Write-off/Disposals	(7,451)	(482)	(3,444)	-	-	(11,377)
Transfers	56,737	5,201	2,783	-	(65,660)	(939)
December 31, 2022	184,806	631,323	61,193	22,736	11,365	911,423
And January 1, 2023						
Additions	37,837	258,901	21,764	-	27,248	345,930
Write-off/Disposal	(753)	(401)	(2,656)	(1,930)	-	(5,740)
Transfers	18,843	1,074	784	-	(21,200)	(499)
December 31, 2023	240,733	890,897	81,085	20,806	17,593	1,251,114
Accumulated depreciation:						
January 1, 2022	61,151	207,911	28,906	12,224	-	310,192
Depreciation for the year	25,844	38,177	7,004	1,478	-	72,503
Depreciation on write-off/disposal	(7,331)	(480)	(3,123)	-	-	(10,934)
December 31, 2022	79,664	245,608	32,787	13,702	-	371,761
and January 1, 2023						
Depreciation for the year	32,853	60,339	9,943	1,414	-	104,549
Depreciation on write-off/disposal	(753)	(396)	(2,546)	(1,429)	-	(5,124)
December 31, 2023	111,764	305,551	40,184	13,687	-	471,186
Provision for impairment:						
January 1, 2022	-	3,614	90	-	164	3,878
Increase (decrease) during the year	-	-	(26)	-	-	(26)
December 31, 2022	-	3,614	64	-	164	3,842
and January 1, 2023						
Increase (decrease) during the year	-	-	(1)	-	-	(1)
December 31, 2023	-	3,614	63	-	164	3,841
Net book value:						
December 31, 2022	105,142	382,101	28,342	9,034	11,201	535,820
December 31, 2023	128,969	581,732	40,838	7,119	17,429	776,087

As at December 31, 2023 and 2022, the Company used machines at the book value of Baht 59.90 million and Baht 68.79 million, respectively to mortgage with financial institutions as collateral against overdraft line and short-term borrowings from financial institutions.

As at December 31, 2023 and 2022, certain items of building improvement and equipment at the cost of Baht 114.83 million and Baht 111.94 million respectively, which were fully depreciation but are still in use.

12. RIGHT-OF-USE ASSETS**Leases****The Company as a lessee**

The Company has entered into several lease agreements relating to the leases of building spaces used in its operations. The terms of the agreements are generally between 1-3 years. Lease term of certain agreements contain extension and termination options.

A) Right-of-use assets

Movements of right-of-use assets for the year ended December 31, 2023 and 2022 are summarized below.

	Unit : Thousand Baht	
	Building and building improvement	
	2023	2022
Balance at beginning of year	282,526	188,793
Additions	251,192	180,863
Decreasing from contract change in lease	(5,143)	(8,676)
Less: Adjustment due to the election to apply the Temporary Relief Measures for Accounting Alternatives	-	(9,706)
Less: Depreciation for the year	(89,014)	(68,748)
Balance at end of year	439,561	282,526

B) Lease liabilities

	Unit : Thousand Baht	
	2023	2022
Lease payments	508,943	336,999
Less: Deferred interest expenses	(47,483)	(31,894)
Total	461,460	305,105
Less: Portion due within one year	(90,452)	(70,818)
Lease liabilities – net of portion due within one year	371,008	234,287

A maturity analysis of lease payments is disclosed in note 25 to the financial statements under the liquidity risk.

C) Expenses relating to leases that are recognised in statement of comprehensive income

	Unit : Thousand Baht	
	2023	2022
Depreciation expense of right-of-use assets	89,014	68,748
Interest expense on lease liabilities	14,703	10,433
Expense relating to leases of low-value assets	399	290
Differences from reduction in lease payments	-	625

During the year 2022, the Company received a contractual rental reduction from the lessor. The Company has chosen to use the accounting guidelines of the Federation of Accounting Professions on Temporary Relief Measures for Additional Accounting Alternatives to cope with the impact of the Coronavirus Disease 2019 outbreak. The Company has chosen not to apply the contractual rental reduction from the lessor due to the Coronavirus Disease 2019 situation, as a change in the lease. The entity gradually reduces the lease liabilities due for each period in proportion to the discount as well as reversing depreciation from right-of-use assets and interest from lease liabilities that are still realized in each period based on proportion of reduced rental and recorded the difference in the amount of Baht 0.63 million in a part of statement of comprehensive income.

D) Others

The Company had total cash outflows for leases for the year ended December 31, 2023 of Baht 89.51 million (2022: 63.68 million), including the cash outflow related to short-term lease and leases of low-value assets. Moreover, the Company had addition non-cash item for right-of-use assets and lease liabilities of Baht 250.98 million. (2022:180.86 million).

13. INCOME TAX

Deferred tax assets and liabilities after offsetting are shown in statements of financial position as at December 31 as follow;

	Unit : Thousand Baht	
	2023	2022
Deferred tax assets		
Allowance for diminution in value of inventories	155	164
Medical equipment	16,943	15,737
Non-current provisions for employee benefit	500	289
Provisions for non-current liabilities for employee benefits	2,400	-
Lease liabilities	92,292	61,021
Total	112,290	77,211
Deferred tax liabilities		
Inventories	(8,756)	(7,604)
Cost to obtain contracts with customers	(9,015)	(9,963)
Right-of-use assets	(87,912)	(56,505)
Total	(105,683)	(74,072)
Net	6,607	3,139

Tax expense in statements of comprehensive income for the year ended December 31, 2023 and 2022, are summarized as follows:

	Unit : Thousand Baht	
	2023	2022
Current income tax:		
Current income tax for the year	65,730	45,216
Last year's recorded taxes were too high.	(800)	-
Deferred tax:		
Deferred income tax expenses (income)		
resulted from temporary differences and reversal of temporary differences	(3,328)	(4,508)
Tax expense reported in the statement of comprehensive income	61,602	40,708

Tax expenses (income) related to each component of other comprehensive income and direct equity. For the year ended December 31, it is summarized as follows:

	Unit : Thousand Baht	
	2023	2022
Income taxes related to other comprehensive income		
Loss from remeasurement of actuarial estimates	(140)	-
The tax credited directly to equity		
Cost of distribution of shares	-	9,279
	(140)	9,279

Reconciliation between tax expense and multiplication of accounting profit and tax rate used for the year ended December 31, 2023 and 2022, can be presented as follows:

	Unit : Thousand Baht	
	2023	2022
Accounting profit before income tax	350,219	246,197
Income tax rate (%)	20%	20%
Accounting profit before income tax multiply by tax rate	70,044	49,239
Taxable effects for:		
Other expenses for accounting base differ from tax base	(9,266)	(8,428)
Expenses disallowed as taxable expenses	33	884
Permanently differences from deferred tax	791	(987)
Total	(8,442)	(8,531)
Tax expense presented in		
statements of comprehensive income	61,602	40,708
Effective income tax rate (%)	18%	17%

14. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables are detailed as follows:

	Unit : Thousand Baht	
	December 31, 2023	December 31, 2022
Trade payables	80,971	56,743
Trade notes payable	7,815	6,131
Total trade payables	88,786	62,874
Other current payables		
Other payables	21,762	8,554
Acquisition of assets payable	37,738	58,215
Accrued expenses	63,660	57,134
Accrued doctor fees	21,663	14,671
Total other current payables	144,823	138,574
Total trade and other current payables	233,609	201,448

15. SERVICE INCOME RECEIVED IN ADVANCE

Service income received in advance for the year ended December 31, 2023 and 2022 had been changed as follows:

	Unit : Thousand Baht	
	2023	2022
Balance at the beginning of year	403,312	288,758
Add: Services income received in advance during the year	326,593	334,245
Less: Realized services income and breakage income during the year	(329,085)	(219,691)
Balance at the end of year	400,820	403,312

16. 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% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

17. Share Capital

On June 28, 2022, at the shareholders' extraordinary meeting No. 1/2022, passed the resolution to approve the decrease of the Company's registered share capital from 220,000,000 ordinary shares with a par value of Baht 0.50 per share to 160,000,000 ordinary shares with a par value of Baht 0.50 per share. The Company has registered the decrease with the Ministry of Commerce on June 29, 2022.

On June 28, 2022, at the shareholders' extraordinary meeting No. 1/2022, passed the resolution to approve the increase of the Company's registered capital from 160,000,000 ordinary shares with a par value of Baht 0.50 per share to 220,000,000 ordinary shares with a par value of Baht 0.50 per share. The Company has registered the increase with the Ministry of Commerce on June 30, 2022.

On November 2, 2022, the Company received the payment for the newly issued shares of the Initial Public Offering (IPO) of 60 million new ordinary shares at par value of Baht 0.50 per share at the offering price of Baht 24.50 per share amounted to Baht 1,470 million. The Company recorded direct expenses related to the shares offering, net of tax amounting to Baht 37.12 million as a deduction in share premium on ordinary shares. Accordingly, the Company has registered the payment of such additional ordinary shares with the Ministry of Commerce on November 2, 2022.

18. DIVIDEND PAID

According to the resolution of the Board of directors' meeting No. 3/2023 held on August 15, 2023, passed to approve the payment of interim dividend from net profit for the six-month periods ended June 30, 2023 at Baht 0.55 per share, totally Baht 121.00 million which was already paid on September 14, 2023.

According to the minutes of the Annual General Meeting of the shareholders for the year 2023 held on April 27, 2023, passed the resolution to pay dividend for overall operation to the shareholders for the 2022 results of operation at Baht 0.50 per share, total amount Baht 110.00 million, which was already paid to the shareholders on May 26, 2023.

According to the minutes of the Annual General Meeting of shareholders for the year 2022 held on April 29, 2022, passed the resolution to approve the dividend payment for the 2021 results of operation at Baht 0.3563 per share amounting to Baht 57.00 million that the Company has already paid the interim dividend to the shareholders in the amounts of Baht 32.00 million on November 30, 2021, remains the dividend to be paid to the shareholders at Baht 0.1563 per share, totally Baht 25.00 million which was already paid on May 10, 2022.

According to the resolution of the Board of directors' meeting No. 5/2022 held on August 15, 2022, passed to approve the payment of interim dividend from net profit for the six-month period ended June 30, 2022 at Baht 0.27 per share, totally Baht 43.20 million which was already paid on August 31, 2022.

According to the resolution of the Board of directors' meeting No. 6/2022 held on September 28, 2022, passed to approve the payment of interim dividend from net profit for the eight-month periods ended August 31, 2022 at Baht 0.80125 per share, totally Baht 128.20 million that the Company has already paid the interim dividend to the shareholders at Baht 43.20 million on August 31, 2022, remains the dividend to be paid to the shareholders at Baht 0.53125 per share, totally Baht 85.00 million which was already paid on October 18, 2022.

19. EXPENSES BY NATURE

Significant expenses by nature for the year ended December 31, 2023 and 2022 are detailed as follows:

	Unit : Thousand Baht	
	2023	2022
Salary, wages and other employee benefits	664,010	499,902
Doctor fees	293,630	203,259
Cost of medicine and medical supplies	416,738	270,907
Depreciation and amortization	194,605	142,004
Service expenses	108,486	7,808
Marketing expenses	145,682	101,345

20. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue.

	2023	2022
Basic earnings per share		
Profit for the year attributable to the shareholders of the company (Thousand Baht)	288,618	205,489
Weighted average number of ordinary shares held by shareholders (Share)	220,000,000	169,698,630
Basic earnings per share (Baht per share)	1.31	1.21

21. 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 executive committee.

The Company is principally engaged in providing medical treatment services regarding skin and selling cosmetics and cosmeceutical. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on basis consistent with that used to measure operating profit of loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customers information

For the years 2023 and 2022, the Company does not have revenues from any customers equivalent to 10% or more of an entity's revenues.

22. COMMITMENTS AND CONTINGENT LIABILITIES

22.1 Capital commitments

As at December 31, 2023 and 2022, the Company had capital commitments of approximately in the amounts of Baht 2.64 million and Baht 11.48 million respectively, relating to decoration and acquisition of equipment.

22.2 Lease and service agreement commitments

As at December 31, 2023 and 2022, the Company is liable on payment service fee for building and photocopy machines in the amounts of Baht 144.62 million and Baht 124.44 million respectively.

22.3 Commitment from bank issuance of letter of guarantee

As at December 31, 2023 and 2022, the Company has commitment from the bank issuance of letter of guarantee against lease and services agreement entering for the amounts of Baht 0.66 million, guaranteed by the Company's bank deposits account.

22.4 Contingent liabilities

On September 9, 2021, the Company was sued in the Central Intellectual Property and International Trade Court for copyright infringement and claims indemnity of Baht 78.50 million. The management of the Company assessed the provisions as a result of the lawsuit in the amounts of Baht 1.00 million which recorded in the statements of comprehensive income for the year ended December 31, 2021. Subsequently, on August 2, 2022, the Court of First Instance ordered that the Company must compensate the plaintiffs for indemnity of Baht 2.10 million with litigation expenses. The Company's management has additionally estimated the provisions from litigation amounting to Baht 1.20 million which is recorded in the statement of comprehensive income for the year ended December 31, 2022. Subsequently, on September 13, 2023, the Appeal Court affirmed the judgment of the Court of First Instance, the case is come to an end. At present, the Company has already deposited in accordance with the Court's judgment.

23. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

23.1 Credit risk

The Company is exposed to credit risk primarily with respect to trade receivable and deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored.

Deposits with banks and financial institutions

The Company's credit risk arising from deposits with banks and financial institutions is limited because the counterparties are reliable banks and financial institutions. The Company considers that there is a low credit risk.

24. Market risk**Interest rate risk**

The Company has no exposure to interest risk in associated with bank deposits and lease liabilities. Most of financial assets and financial liabilities bearing fixed interest rate closed to the current market rate.

As at December 31, 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarized 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 : Thousand Baht					
As at December 31, 2023					
Transactions	Fixed interest rate		Floating	Non-	Interest rate
	Within 1			interest	
	year	1 to 5 years	interest rate	rate	(% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	-	-	108,481	-	0.15 to 0.60
Current investments	1,060,000	-	-	-	1.15 to 1.90
Restricted bank deposits	-	-	15,100	-	0.50 to 0.60
<u>Financial liabilities</u>					
Lease liabilities	74,473	386,987	-	-	4.00 to 9.09
Unit : Thousand Baht					
As at December 31, 2022					
Transactions	Fixed interest rate		Floating	Non-	Interest rate
	Within 1			interest	
	year	1 to 5 years	Interest rate	rate	(% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	-	-	464,442	-	0.05 to 0.125
Current investments	1,000,000	-	-	-	1.45 to 1.55
Restricted bank deposits	-	-	5,100	-	0.05
<u>Financial liabilities</u>					
Lease liabilities	70,818	234,287	-	-	4.00 to 9.09

25. Liquidity risk

The Company manages liquidity risk by maintaining adequate cash and source of funding which with drawable from credit facilities to meet the obligations. The Management continuously monitored forecast cash flow of the Company by considering the reserve (from undrawn facilities), and cash and cash equivalents.

The table below summarizes the maturity profile of the Company's non-derivative financial liabilities as at December 31, 2023 and 2022, based on contractual undiscounted cash flows.

Unit : Thousand Baht				
As at December 31, 2023				
Book value	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Trade and other current payables	233,609	233,609	-	233,609
Lease liabilities	461,459	107,323	376,509	25,111
Total non-derivatives	684,068	329,932	376,509	25,111

Unit : Thousand Baht				
As at December 31, 2022				
Book value	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Trade and other current payables	201,448	201,448	-	201,448
Lease liabilities	305,105	81,821	241,231	13,947
Total non-derivatives	506,553	283,269	241,231	13,947

26. Fair values of financial instrument

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

27. EVENTS AFTER THE REPORTING PERIOD

According to the minutes of the Board of Directors' meeting No. 1/2024 on February 28, 2024, passed the resolution to propose the dividend payment to the Annual General Meeting of the shareholders from the 2023 results of operation at Baht 1.30 per share, totaling Baht 286.00 million. The Company has paid interim dividends to the shareholders on September 14, 2023 at Baht 0.55 per share, amounting to Baht 121.00 million, remained dividend to be paid to the shareholders a Baht 0.75 per share, totaling Baht 165.00 million cash dividend payment.

28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of directors on February 28, 2024.

APPENDIX

Corporate Governance Policy

The Company recognizes the fact that good corporate governance is essential in helping to promote the Company's operations toward efficiency and sustainable growth. This will lead to the best interests of all stakeholders, including employees, investors, shareholders, and other stakeholders. Hence, the Company has established a good corporate governance policy by adhering to the Good Corporate Governance Principles for Listed Companies in 2017 by the Securities and Exchange Commission as a guideline for the Company's corporate governance with eight principles as follows:

1. Recognize the role and responsibilities of the Board of Directors as an organizational leader who creates sustainable value for the business.
2. Define the Company's main objectives and goals for sustainability.
3. Strengthen effective committees.
4. Recruit and develop senior executives and personnel management.
5. Promote innovation and responsible business operations.
6. Ensure that there is an appropriate risk management and internal control system.
7. Maintain financial credibility and disclosure.
8. Support engagement and communication with shareholders.

CG Policy

