

56-1 ONE REPORT 2022



**THE KLINIQUE MEDICAL CLINIC**  
PUBLIC COMPANY LIMITED



1st  
Trading  
Day

# Content

56-1 ONE REPORT

# 2022

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› Message from the Chairman of the Board	4
› Board of Directors	6
› Financial Highlights	7
› Awards and Achievement in 2022	9

## Part 1

### Business Operations and Performance

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› 1. Structure and Operations of the Company	11
› 2. Risk Management	46
› 3. Sustainable Business Development	53
› 4. Management's Discussion and Analysis (MD&A)	65
› 5. General Information and Other Relevant Information	70

## Part 2

### Corporate Governance

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> 6. Corporate Governance	73
> 7. Management Structure and Information of Committees, Sub-Committees, Executives, Employees and Others	87
> 8. Corporate Governance Performance	111
> 9. Internal Control and Connected parties transactions	129

## Part 3

### Financial Statement

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> Report on the Board of Directors' responsibilities for Financial Reports	140
> Financial Statements	141

## Appendix

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> Appendix 1 Detail of Directors, Executives, Controlling Persons and Company Secretary	175
Appendix 2	
> Detail of the Head of Internal Audit	186
Appendix 3	
> Assets used in business operation	189
Appendix 4	
> Corporate Governance Policy , Guidelines and Business Ethics	192
Appendix 5	
> Report from the Audit Committee	194



## Message from the Chairman of the Board

In 2022, an important step for The Klinique Medical Clinic Public Co., Ltd. or KLINIQ was to list the Company on the MAI Stock Exchange in the service industry category in order to provide opportunities for the public to participate in the ownership of the Company. The clinic operates aesthetic services under the brand "THE KLINIQUE" which is ready to grow and leap forward in a strong and stable manner.

THE KLINIQUE operates a business that offers laser skin care services, face lifting, body and slimming care, plastic surgery, as well as wellness and regenerative medicine services according to medical principles overseen by a team of medical specialists in the field of aesthetics and cosmetic surgery, in addition to using US standard medical equipment and pharmaceuticals with continuous updates on the adoption of modern and safe medical innovations. Therefore, there are various treatment programs to cover all customer concerns and meet all needs excellently.

THE KLINIQUE has been growing continuously. Although some periods have been affected by certain uncontrollable situations, such as the Covid-19 pandemic, the Company has managed to get through them. Based on the Company's performance in 2019-2021, the Company has earned revenue from sales and medical services in the amount of 975.8 million baht, 1,000.55 million baht, and 949.93 million baht, respectively. Most recently, in 2022, the Company's revenue from sales and medical services was 1,639.03 million baht, an increase of 72.5% from 2021, and the net profit was 205.57 million baht, an increase of 59% from the previous year.

THE KLINIQUE continues to develop its capabilities to increase its expertise in providing services and taking



care of customers perfectly and efficiently. In collaboration with the Department of Anatomy, Faculty of Medicine, Chulalongkorn University, anatomy master classes are organized to update the techniques for creating youthfulness and facial reshaping, which are a combination of highly advanced anatomical principles and aesthetics that are unique to each person in order to develop effective treatment that result in natural beauty and provide the highest satisfaction to all users and reinforce confidence in facial reshaping with internationally recognized awards, "The Gold Award for Merz Filler, for the No. 1 aesthetics clinic providing the highest number of authentic US FDA filler products for many consecutive years.

For 2023, the Company continues to strive to improve its services. The Company plans to invest in business expansion, by opening new branches to cover key areas to increase the ability to effectively support potential customers, as well as to develop IT systems and information systems to increase the efficiency of support work, to procure medical equipment to strengthen its leadership in medical innovations, and to drive performance toward future growth that is consistent with medical and healthcare megatrends. As of 31 December 2022, the Company has a total of 43 branches, comprising 35 THE KLINIQUE branches, 4 L.A.B.X branches, 1 surgery center and 3 nail shops.

Finally, on behalf of the Board of Directors, I would like to thank all shareholders, customers and employees who have always supported the Company, and the Management would like to assure you that we will continue our mission to lead the Company to sustainable and strong growth by maintaining transparency, adherence to good governance principles and good corporate governance, recognizing social responsibility, and taking into account the best interests of the public as the key to long-term sustainable growth.

**Mr. Praphan Phichaiwatkomol**

Chairman of the Board

## Board of Directors



Mr. Praphan Phichaiwatkomol

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



Mr. Kornarit Thongsomkaew

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



Mr. Viboon Pojanalai

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



Mr. Apiruj Thongwattana

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



Mr. Suthipong Tangsajjapoj

- Director



Mr. Rattapol Kittichaitrakul

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



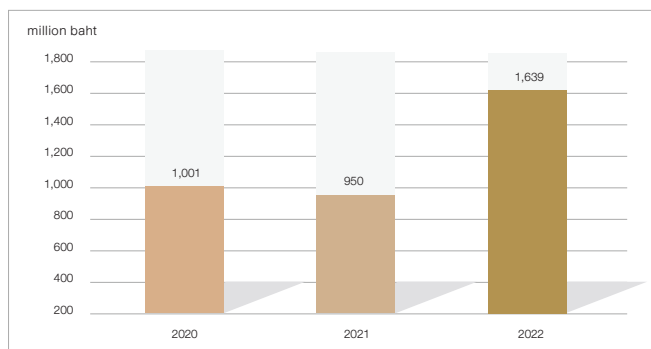
Mr. Weerasak Sinsapphaiboon

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

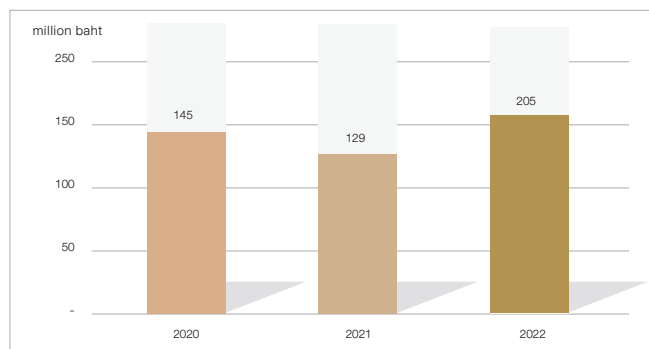
## Financial Highlights

Financial	2020	2021	2022
<b>Statement of Income (THB Million)</b>			
Revenue from sales and services	1,000.55	949.93	1,639.03
Total Revenues	1,009.21	952.14	1,647.20
Gross Profit	594.00	558.77	922.97
Earning before interest and incomes tax	171.53	153.30	256.86
Net Profit	144.69	129.26	205.49
<b>Statement of Financial Position (THB Million)</b>			
Total Assets	772.09	814.30	2,590.25
Total Liabilities	660.85	653.79	944.50
Shareholder's Equity	111.25	160.50	1,645.75
Issued and Paid up Share Capital	80.00	80.00	110.00
Net Cash from Operating Activities	248.26	238.56	407.96
<b>Financial Ratio</b>			
Gross Profit Margin (%)	59.37%	58.82%	56.31%
Net Profit to Total Revenue (%)	14.34%	13.58%	12.48%
Return On Equity (%)	72.36%	95.13%	22.75%
Return On Total Assets (%)	28.94%	16.30%	12.07%
Debt to Equity (Times)	5.94	4.07	0.57
Current Ratio (Times)	0.39	0.41	2.38
<b>Share Value</b>			
Net Profit per Share (THB)	0.90	0.81	1.21
Dividend per Share (THB)	1.57	0.36	1.30
Dividend Payout Ratio (%)	174%	44%	108%
Par Value (THB/Share)	0.50	0.50	0.50

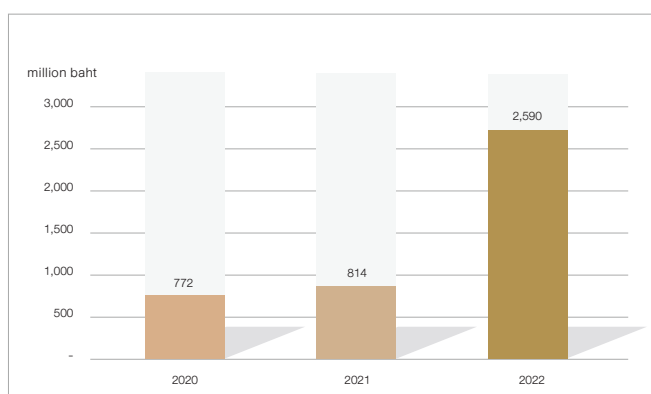
### Revenue from sales and services



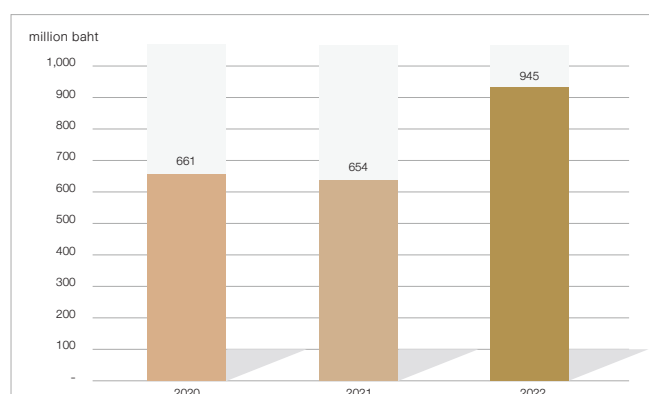
### Net profit



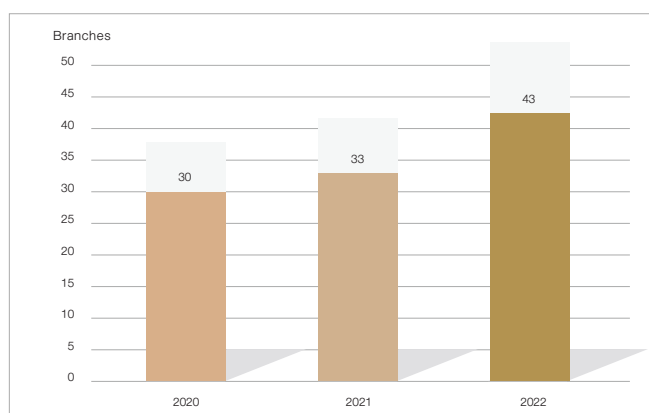
### Total assets



### Total liabilities



### Total Branches







## Awards and Achievement in 2022

- The Golden Records Award: ASIA PACIFIC Highest Achievement for Ulthera and The Thailand Number One Legendary for Ultherapy, the number 1 award for non-surgical face lifting and contouring services with the most comprehensive Ulthera program from Merz Aesthetics.
- Platinum Award Dermal Filler with the highest number of fillers, and the Diamond Awards Body Contouring from the number of customers the Slimming Program by Coolsculpting from Allergan Aesthetics.
- Top Galderma Iconic Clinic, the award for the No.1 clinic that uses pharmaceuticals for facial contouring and wrinkle reduction with US FDA standards from Galderma.
- The Best PICO Laser Clinic in the Asia Pacific with the most Pico laser services in Asia Pacific from Laser Optex.
- The Best Ulthera Facelift Clinic: Hello! Beauty Awards, The Best Ulthera Treatment Clinic of the Year As voted by Celebrities' Choices from Hello! magazine.
- Iconic Thermage FLX Facelift Technique: Praew Iconic Beauty Award for clinics that provide Thermage FLX with the best treatment techniques.
- Top Aesthetics and Wellness Institute of Thailand "The Thailanders Top Business Organization 2022", the best institute for beauty and health from The Thailanders magazine.
- GOOD LIFE GOOD CHOICE Awards 2022 : Best Beauty Clinic of the Year from Goodlife.com under Amarin Group



*Part 1* *Business  
Operations  
and Performance*

# 1. Structure and Operations of the Company

## 1.1 Business Policy and Overview

THE KLINIQUE Medical Clinic Public Co., Ltd. (the “Company” or “KLINIQU”) operates a business that provides dermatological, cosmetic surgery, and modern holistic health care services based on medical principles, including dermatological treatment, skin beauty, weight loss, body care, wellness surgery, and health restoration services by a team of doctors who specialize in aesthetics and cosmetic surgery who have been certified by reputable institutions from Thailand, the US, and England, and have experience in dermatology and surgery with modern medical evolution under the brand “THE KLINIQUE”. As of 31, December 2022, the Company has 43 branches throughout Thailand, divided into 35 medical clinics, 1 surgery center, 4 laser centers, and 3 Nail Shops. The details of the services of the Company’s medical clinics and surgery center are as follows:

1. Skin and Aesthetic Department is a service using standard laser tools for highly safe treatment results, including general skin treatment, skin nourishment treatment, acne treatment, and skin pigmentation treatment, face lift, body care, etc.
2. Wellness and Regenerative Department is a service for health restoration and health care and stimulation of the body for recovery. Examples of service courses include vaccinations, cancer screening, NK treatment and women’s wellness, etc.
3. Plastic Surgery and Reconstruction Department is a service for special procedures, including surgery, and the use of special tools for cosmetic treatment. Examples of service courses offered include eye surgery and rhinoplasty, breast surgery, liposuction, labiaplasty, facial surgery, etc.
4. Weight Control and Body Care Department is a group of programs that focus on slimming, body shaping, including reducing accumulated fat, and strengthening muscles by using innovations with specific treatment properties.

The Company continues to grow through service development and marketing to build awareness for “THE KLINIQUE” brand to be continuously strong. The Company is one of the leading providers of laser tools for skin lifting from anti-aging innovations. As a result, the Company is able to meet the various and ever-changing needs of consumers, as well as improve and develop dermatological service guidelines that belong to the Company and that show clear treatment results to better meet consumer demands. Since 2015, the Company has been entrusted with the care of more than 200,000 customers, and in 2022, the Company opened an additional laser center under the name “L.A.B.X”, with the main target group being adolescents to the early working age.

### 1.1.1 Vision, Objectives, Competitive Advantages and Business Strategy of the Company

#### 1.1.1.1 Vision, Mission and Objectives

<b>Vision</b>	To be an internationally recognized leader in cosmetic dermatology, plastic surgery, and preventive care and health restoration through the use of medicines and innovative medical technologies to become the most advanced and full-range cosmetic company in Southeast Asia.
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- Mission**
- (1) To strive to be the number one full-range skin care, plastic surgery and holistic healthcare clinic in the country, by focusing on being a center of innovative equipment for skin care, body care, and health restoration, as well as the most advanced surgical treatment according to international standards.
  - (2) To provide a full range of skin care, body care, rejuvenation healthcare and surgery services to customers with care and sincerity by medical professionals that focus on treatment efficiency for excellent results to safely meet all the needs of all customers until the highest satisfaction and impression is achieved.
  - (3) To continuously develop all personnel to maintain quality service and effective personnel, which will contribute to the sustainable and lasting growth of the organization.
- Objectives**
- To provide skin care, cosmetic surgery and holistic healthcare services to support customer needs and satisfy customers.

#### 1.1.1.2 Competitive Advantages

- The Company is committed to providing a satisfactory treatment experience to customers who use the service. Therefore, the management team prioritizes the safety and satisfaction of customers, in addition to providing services with innovative and modern medical equipment. Therefore, the medical innovations and equipment used by the Company must be approved and verified by the U.S. Food and Drug Administration (US FDA) and the Food and Drug Administration (FDA) of Thailand. Moreover, such medical innovations and equipment must be tested by the Company's expert medical team to ensure that the results are effective, safe, and suitable for Thai people, and can minimize side effects.
- The Company values the skills and expertise of the practicing physicians, and to ensure that all customers receive safe treatment services with satisfactory results, the Company has collaborated with leading global medical equipment and pharmaceutical companies to provide all doctors in the Company with the Anatomy Master Class at the Faculty of Medicine, Chulalongkorn University annually to emphasize the importance of safety and create a continuous learning atmosphere at all times for the medical faculty who are key personnel of the Company. In addition, every month, leading global companies that are business partners of the Company organize training schedules for doctors to invite the Company's doctors to participate in the training to exchange knowledge in both medical tools and equipment and medical supplies.

In terms of customer service, the Company has several divisions to take care of and initially advise customers who come to receive services at the branches, including receptionists, sales staff, and consultants who will advise customers on various courses to impress them from the beginning as soon as they decide to use the service. As the Company has various services that cover the needs of customers at all ages, the customer service staff, therefore, needs to be trained on the details of services and how to analyze the customer's problems or needs in order to recommend the most beneficial products or services together with recommendations on treatments by the treating doctor.

- At present, the Company has 40 branches located in leading department stores throughout Thailand, making services easily accessible to customers. For the aforementioned reasons, the Company has gained wide recognition and credibility among famous people such as actors, models, celebrities and key opinion leaders (KOL) in aesthetics, as well as both male and female general customers.

#### 1.1.1.3 Business Strategy

- **Development of Services with Advanced Medicines and Medical Innovations**

For more than 13 years of operations, the Company has prioritized the safety of its customers and focuses on providing the safest and most efficient services with modern medical technology and innovation. The Company is always up-to-date on medical innovations and seeks cutting-edge tools to serve customers. The Company selects service equipment that have been approved and reviewed by the US FDA and the Food and Drug Administration (FDA) of Thailand, and that have been tested for safety for Thai and Asian skin to always provide customers with satisfactory service.

- **Improvement of Service Quality with Expert Personnel and Team of Specialists**

The Company places great importance on improving the quality of service and, therefore, The Company regularly trains for doctors both domestically and internationally in order to apply their knowledge and new methods gained to serve customers appropriately and achieve the highest treatment efficiency. In addition, the Company also places importance on the branch receptionists wearing clean uniforms, polite, and credible-looking. Branch employees are regularly trained according to the Service Wheel principles to ensure that they know the service program well and are able to answer customer inquiries accurately and completely. The Company also has a post-treatment satisfaction monitoring system to be used as a database for service development as well as instilling a sense of love of service to personnel at all levels. The Company provides continuous training for personnel who service customers. Medical assistance staff must be trained according to the curriculum and must pass a standardized performance test before starting work. In addition, medical procedures will be performed or by physicians themselves. Otherwise, the medical equipment will be supervised by physicians for the safety of customers who receive services if the services are to be performed by nurses under the supervision of doctors. This will be done in accordance with the Professional Nursing and Midwifery Act, B.E. 2528 (1985) (the "Nursing Act") and the Regulation of the Thailand Nursing and Midwifery Council on Restrictions and Conditions for the Nursing and Midwifery Profession, B.E. 2564 (2021) (the "Nursing Regulations"), such as intravenous vitamin administration (IV drip), etc., and the Company is in compliance with the Nursing Act.

- **Creating Brand Awareness and Recognition**

The aesthetic and cosmetic surgery service business is rather competitive and gaining in popularity. As a result, creating brand awareness and a memorable brand for consumers is of great importance. Therefore, the Company focuses on communication to reach the target audience via a variety of attractive methods through both offline and online media. It also focuses on end-to-end customer experience management by systematically managing marketing communication, sales, and customer service.

Regarding marketing communication to create brand, product, and service awareness and recognition, the Company focuses on digital marketing, covering SEO, SEM, Google Adwords, as well as communication through almost all social media platforms, such as Facebook, Instagram, Twitter, Tiktok or Line Official Account using diversified and attractive content, in addition to jointly creating content with famous people such as actors, models, celebrities, and bloggers in the field of aesthetics with large numbers of followers to create a broader awareness and stimulate interest in receiving the Company's services. In addition, communication is also done through offline media such as digital billboards in shopping centers to reinforce consumer awareness in the vicinity of the currently operating branches. By managing all of this marketing communication, the Company aims to systematically measure and evaluate the effectiveness of each form of communication in order to develop and maximize the value of the business investments.

- **Expanding the Scope of Service**

The Company values the diversity of its services to meet the different needs of its customers. The Company's services are a full range of aesthetic services, including advanced innovative laser services, treatment services, pharmaceutical and cosmeceutical services, body care services, cosmetic surgery services, and modern holistic healthcare based on medical principles, etc. The Company constantly studies and seeks services in the field of skin care, anti-aging and surgical development in order to meet the needs of customers that change with the times, thus the Company differs from ordinary aesthetics clinics and has been popular among customers for more than 13 years. Moreover, the Company has launched a new sub-brand under the name L.A.B.X. on 25 May 2022 to expand its marketing base, with a focus on products that meet the specific needs of customers in the adolescent and early working age groups. The first L.A.B.X branch is located at Siam Square One.

- **Opening Branches Nationwide**

The Company uses a geographical strategy by having a large number of branches distributed in different provinces throughout Thailand in order to increase its accessibility to customers and expand its customer base in conjunction with using marketing strategies to select locations in communities that are easily accessed and perfect for the customer base, as well as planning marketing strategies that are consistent with customer behavior in that location to analyze the service radius of each branch to determine the service catchment area. As of 31 December 2022, the Company has a total of 40 branches covering 15 provinces across 5 regions of Thailand. The Company mostly chooses locations in leading department stores, reflecting its good image and facilitating customer access. Another advantage of this is that, since there is a limit on the number of medical services there can be in each department store, selecting department store locations pose as another obstacle for competitors' entrance into the market. Furthermore, the Company focuses on creating an overall clean and modern atmosphere and interior decoration of its branches to create a feeling that attracts service users and creates a good memory for customers.

- **Price Marketing Promotion**

The Marketing Division will develop a price marketing strategy with the main goal of creating prices. The Marketing Division will prepare the storefront prices offered to storefront customers to suit the services that are popular with customers in each period by compiling data to be analyzed to determine prices and/or adjust service prices, taking into consideration key factors, including competitors, product costs, and price comparison of medical services that provide similar treatment results. The objective is to create a list of price marketing promotions to entice customers to purchase treatment courses that correspond to the duration of the treatment. The prices will be accessible to customers, with price levels that cover the needs of target customers of all age ranges. In addition, the aforementioned pricing will be prices that are considered worthwhile for customers to invest in self-care and confidence boosters.

In addition, the Company has implemented price marketing strategies to match market conditions to maintain the existing customer base and attract new customers. The Company has been liaising with the marketing support departments of various banks such as Kasikorn Bank, Siam Commercial Bank, Bank of Ayudhya, Bangkok Bank, TMB Bank, Krungthai Bank, UOB Bank, and Citibank, etc., so that customers can receive privileges when paying for the Company's products and services through those banks, for example, special promotions for customers using the credit cards of the aforementioned banks, 0% interest installments, department store cash coupons, or special rewards for customers who have reached the spending limit per one spending cycle (top spenders), etc.

- **Public Relations**

The Company provides marketing communication through famous people such as actors, models, celebrities and aesthetics bloggers of various ages as these famous people have large numbers of followers on online and general social circles and they themselves represent beauty at various ages to present the Company's image. The Company gives importance to results such as famous people actually using the Company's services, seeing better results, being impressed by the services and wanting to share with people in society. As a result, the Company's brand would be able to effectively create broad awareness and credibility.

The Company offers testimonies by previous service users by presenting them in the word-of-mouth form or by inviting people to use services or receive privileges, thus making the Company known as a aesthetics clinic that offers effective treatments with visible and reliable results.

Furthermore, the Company also markets to digital natives, which is a customer group that places great importance on social media such as Facebook, Youtube, Instagram, Twitter, TikTok, Line, or Pantip, resulting in mobile phones and tablets being their main communication channels and these could be considered an important factor in this customer group's daily life. Therefore, the Company uses the benefits of existing communication channels to access this customer group. At the same time, the Company places great importance on exploring and developing the content of review videos on Youtube or other online channels in a way that customers prefer and that meet the needs



of this customer group by creating content that is novel, entertaining, exciting, intriguing, and up-to-date with the current societal events in order for customers to be interested and pass on those stories widely. In addition, it creates a demand for aesthetic services for those who watch the videos, and stimulates existing customers who are already interested in aesthetic services. Online channels are channels that the Company greatly values because this customer group communicates and shares various opinions within their group by mainly using online channels. Hence, Company has made reviews and had famous or influential people pass on information through various online social media channels. As a result, the online society has played a more influential role.

Additionally, most of these customers search for online information about the products they are interested in buying and are highly responsive to gamifying with friends. The Company has, therefore, penetrated the market through gamification with friends, especially if the customers play with friends through various online channels where the Company offers prizes, i.e., customers can win a chance to receive free skin health checkups, etc., in order to create a feeling of participation and a sense of attachment to the brand, as well as a good feeling and impression from the brand that provided the service.

Moreover, the Company always focuses on pushing products and services to be in the eyes of customers. The Company uses search engine marketing (SEM), which is an important marketing tool to keep products and services wherever customers can access. The Company gives importance to online advertising, Google Adwords, and search engine optimization (SEO) as part of the SEM. However, the behaviors of this customer group can change at any time as they grew up with in an age with rapid technological changes. The Company closely monitors this group's behaviors and adapt its marketing strategies to be consistent with their behaviors.

Regarding the use of presenters to create broad awareness and confidence of customers towards the Company, the Company invited nationally renowned celebrities and model to represent the aesthetics of the Company as the Company wants to expand its customer pool to be more diverse, especially for customers younger than 25 years old. The presenters chosen by the Company are considered renowned celebrities of all genders and ages, and they represent beauty and youthfulness that match the image of the Company. After the Company invited Ms. Patcharapa "Aum" Chaichua to become a presenter, it has become more well-known and accepted, and has been able to successfully expand its customer base to include customers under 25 years of age. In addition, the Company has invited other famous people to promote its services related to health restoration. As a result, the Company has been able to successfully expand its services in the healthcare sector, giving the Company new customers who have never used its services before, in addition to maintaining its existing customer base and expanding its services in the healthcare sector.

In addition, the Company complies with advertising laws by regularly attending training on laws related to advertising. Furthermore, the Company's advertisements are controlled and reviewed

by the Chief Marketing Officer before making them available to the public in order to ensure that the Company's advertisements comply with the Health Facility Act, B.E. 2541 (1998) (as amended), the Notification of the Department of Health Services Support on rules, procedures, conditions and expenses for advertising or announcements about healthcare facilities, B.E. 2562 (as amended), and the operating manual for the approval of advertisements or announcements about healthcare facilities (the "Advertisement Laws"). The Company has applied and received approval for advertisement in according with the Avertisement Laws.

### 1.1.2 Major Changes and Developments

4 laser centers.

- THE KLINIQUE Medical Clinic Public Co., Ltd., "Company" or "KLINIQ", formerly known as THE KLINIQUE Medical Clinic Co., Ltd., was initially registered on 26 October 2009 with a registered capital of three million baht. The main objectives are to operate a aesthetics and skin care clinic business by a team of medical specialists. The Company has always been recognized and trusted by customers.
- The Company started out with Dr. Apiruj Thongwattana, or "Dr. Apiruj", who graduated with a Doctor of Medicine from Chulalongkorn University with a special interest in dermatology and cosmetic surgery. After graduating from Thailand, he went on to study dermatology at Cardiff University, UK, and received a fellowship in dermatology from Harvard Medical School, USA. Subsequently, Dr. Apiruj started investing with investors to operate aesthetics and skin care clinics.
- Initially, the Company had a medical clinic for aesthetic and skin care services. The first branch was the Siam Square branch, located in the heart of Bangkok, and with its quality service, the Company was popular with customers, especially celebrities and actors who came to use its services continuously. Therefore, the Company has continuously expanded its investment in clinics for aesthetics, skin care and body care to meet the needs of customers that change with the times and to provide customers with satisfactory services.
- Over the past 13 years in the business of operating aesthetics and skin care clinics, under the concept of Customer Centricity, the Company has focused on the effectiveness of treatment, integrity and ethics, focusing on providing dermatological and surgical services by combining the art of treatment with the most advanced and highest quality of medical evolution by using tools and equipment with world-recognized technologies approved by the US FDA and the Food and Drug Administration (FDA). The Company is also dedicated to closely taking care of customers with friendliness through a team of medical specialists. The Company has received both domestic and international awards.
- In 2022, the Company opened additional laser centers under the name "L.A.B.X" with the main target group being adolescents to the early working age. Therefore, as of 31 December 2022, the Company has 43 branches throughout Thailand, divided into 35 medical clinics, 4 laser centers, 1 surgery center and 3 nail shops.

**Details of the key changes and development of the Company are as follows:**

- 2009** In October 2009, THE KLINIQUE Medical Clinic Public Co., Ltd. was established with the objective of operating aesthetics and skin care clinics under the name “The KLINIQ”.
- 2012** During 2012, the Company expanded to the Thong Lo branch.
- 2014** During 2014, the Company reorganized its structure by transferring its aesthetics and skin care business to be under the same name as the Company, “THE KLINIQUE” to increase operational efficiency.
- In October 2014, the Extraordinary General Meeting of Shareholders of the Company approved the change of the par value of the Company's ordinary shares from baht 100 per share to baht 10 per share, resulting in the Company's paid-up capital increasing from 40,000 shares to 400,000 shares.
- 2015** In January 2015, the Company increased its registered capital from 4 million baht to 4.60 million baht by issuing and offering 60,000 new ordinary shares to existing shareholders in proportion to their holdings (rights offering) to be consistent with the capital restructuring in accordance with the business restructuring guidelines.
- In August 2015, the Company registered the service mark “TKC Clinic”. The Trademark Office, Department of Intellectual Property, issued a certificate of registration of the service mark to the Company on 20 October 2015 to show that this service mark has been registered for beauty salon services, which is valid for 10 years and can be renewed every 10 years.
- In December 2015, the Company increased its registered capital from 4.60 million baht to 80.00 million baht by issuing and offering 7,540,000 new ordinary shares to existing shareholders in proportion to their holdings (rights offering).
- 2016** In June 2016, the Company moved its main office from its original location at No. 4, Happyland Center, Soi Happyland Center, Khlong Chan, Bang Kapi, Bangkok, to No. 2922/309, Charn Issara Tower 2, 29th Fl., New Phetchaburi Rd., Bang Kapi, Huai Khwang, Bangkok.
- 2017** In March 2017, the Company transformed into a public Company and changed its name to “THE KLINIQUE Medical Clinic Public Co., Ltd.”, and increased its registered capital from 80.00 million baht to 110.00 million baht.
- 2020** In 2020, the Company expanded its aesthetics business by opening a nail shop under the name “Nail Palettes”, with the first branch being located in The Mall Ngamwongwan.
- 2021** In November 2021, Ekachai Medical Care Public Co., Ltd. purchased 16,000,000 ordinary shares of the Company from existing shareholders, or 10.00% of the total issued and paid-up shares of the Company. The former shareholders of the Company have already sold their ordinary shares to the new shareholder.
- 2022** In 2022, the Company expanded its business by launching the Laser Aesthetic Bangkok X clinic under the name “L.A.B.X” on 25 May 2022 to expand the marketing base directly to adolescent and early working age customers, with the first branch being located at Siam Square One.

The Company has been approved for the initial public offering (IPO) amount not exceeding 60,000,000 shares with a par value of 0.50 baht per share.

On 7 November 2022, the Company began its first trading day on the MAI stock exchange.

As of 31 December 2022, the Company has 40 branches throughout Thailand, divided into 35 medical clinics, 1 surgery center, 4 laser centers, and 3 nail shops

#### Awards Received by the Company

- |             |  |
|-------------|--|
| <b>2015</b> | <ul style="list-style-type: none"> <li>The Company received The Most eMatrix User Award 2015 with the highest number of patients in Thailand in 2015 for acne scar treatment using the eMatrix from Syneron &amp; Candela, a company listed in the Nasdaq Stock Market of the United States.</li> <li>KLINIQ became a key account for Thailand from Allergan, one of the world's major pharmaceutical companies, and a company listed on the New York Stock Exchange (NYSE).</li> </ul>  |
| <b>2016</b> | <ul style="list-style-type: none"> <li>The Company received The Winner of Golden Records Award 2016: Asia Pacific with the highest number of patients, in Thailand and in Asia Pacific, for its non-surgical face lifting and reshaping service using Ulthera from Merz Aesthetics, USA at IMCAS Asia Pacific 2016 (International Master Course on Aging Science, Taipei).</li> </ul>  |
| <b>2021</b> | <p><b>The Company received awards from suppliers and magazines as follows:</b></p> <ul style="list-style-type: none"> <li>The Golden Records Award: ASIA PACIFIC for Highest Achievement for Ulthera and Thailand Top Achiever Award for Ulthera, the No. 1 award for providing the most comprehensive non-surgical face lifting and reshaping service using the Ulthera program from Merz Aesthetics.</li> <li>Top ThermageFLX Authentic Clinic, the No.1 award for providing face lifting and reshaping service for a slender face in Asia using authentic Thermage FLX PRO from Bausch &amp; Lomb.</li> <li>Top Allergan Aesthetics Clinic, the No. 1 clinic award for the use of genuine U.S. medical supplies, including Botulinum Toxin and Dermal Filler from Allergan Aesthetics.</li> <li>Top Galderma Iconic Clinic, the No. 1 clinic award for facial reshaping and wrinkle reduction according to US FDA standards from Galderma.</li> <li>Award Outstanding Facial Design DermoLift Technique, the No. 1 clinic award for the use of US FDA-standard medical supplies to wrinkle reduction and facial reshaping from A. Menarini and Galderma.</li> <li>SUPER HIFU III Award for the highest number of customers and receiving the most trust from customers by Quantum Healthcare.</li> <li>The Most eMatrix User Award, the No.1 clinic award for the highest number of treatments for rejuvenating and enhancing skin quality using eMatrix from Candela.</li> <li>Thailand Best Performance for CopperBromide, the No. 1 clinic award for the highest number of treatments of freckles, melasma and hyperpigmentation using CopperBromide laser from Norseld.</li> <li>Thailand Best Performance for YAG Laser, the No.1 clinic award for the highest number of laser hair removal service using authentic, US FDA-standard YAG laser machine from LaserOptek.</li> </ul> |

- Top Allergan Aesthetics Clinic for Body Contouring, the No. 1 award for the clinic providing the highest number of services with new weight loss techniques using authentic Coolsculpting NEO program in Asia from Allergan Aesthetics.
- Top Authentic Body Sculpture Clinic, the No. 1 award for the clinic providing the highest number of services with new muscle-building techniques using authentic US FDA-approved Emsculpt NEO in Asia from BTL Medical Co., Ltd.
- Top Authentic Women Wellness Clinic, the No. 1 award for the clinic providing the highest number of services using the female-targeted health restoration program from BTL Medical
- The Best Ulthera Facelift Clinic: Hello! Beauty Awards, the award for the best clinic providing treatment using the Ulthera program of the year from a poll by Hello! Magazine.
- Iconic Thermage FLX Facelift Technique: Praew Iconic Beauty Award, the clinic award for providing treatments using the ThermageFLX program and having the best treatment techniques.

2022 Please see in topic award and achievement in 2022, page 9.

### 1.1.3 Information on the Use of Funds Acquired Through Fundraising

As THE KLINIQUE Medical Clinic Public Co., Ltd. has made an initial public offering of 60 million ordinary shares at the offering price of 24.50 baht per share, for a total of 1,470 million baht, after deducting the offering costs, the remaining amount is 1,420 million baht. The Company's use of capital increase as of 31 December 2022 is as follows:

Purpose of Use of Funds	Estimated Amount (Million Baht)	Amount Spent as of 31 December 2022	Estimated Spending Duration
1. Investment in Business Expansion	300	–	By 2025
2. Investment in Additional Medical Equipment Procurement	650	–	By 2025
3. Investment in Surgery Center Business Expansion	150	50	By 2025
4. Development of IT and Customer Data Systems	50	–	By 2024
5. As Working Capital for Business Operations of the Company	270	–	By 2023
<b>Total</b>	<b>1,420</b>	<b>50</b>	

#### 1.1.4 General Information of the Company

Company Name (Thai)	: บริษัท เดอะคลินิก คลินิกเวชกรรม จำกัด (มหาชน)
Company Name (English)	: The Klinique Medical Clinic Public Company Limited
Business Type	: Medical Clinics in the Field of Dermatology, Aesthetics, Cosmetic Surgery and Regenerative Health Care
Registered Capital	: 110,000,000 baht (One hundred and ten million baht)
Paid-up Capital	: 110,000,000 baht (One hundred and ten million baht), consisting of 220,000,000 ordinary shares with a par value of 0.50 baht
Paid-up Capital	: 2922/296-298 Charn Issara Tower 2, 27th Fl., New Phetchaburi Road, Bangkok Kapi, Huai Khwang, Bangkok 10310
Telephone	: 0-2308-2034
Website	: www.theklinique.com

#### 1.2 Business Characteristics

The Company provides advanced skin, cosmetic surgery and holistic healthcare services based on medical principles, with a focus on the quality of services provided by a team of medical specialists, including specialty doctors, standardized medical tools and equipment, and a system that prioritizes customer safety. According to the performance, with consideration to the service quality as mentioned, the brand has received credibility and customer satisfaction, allowing it to grow consistently. As of 31 December 2022, the Company has a total of 40 branches covering 15 provinces across 5 regions of Thailand.

##### 1.2.1 Revenue structure

The details for the Company's revenue structure by service characteristics for 2020 – 2022 are as follows:

Revenue Structure	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Services	882.57	87.45	804.52	84.50	1,503.51	91.52
Revenue from Services - breakage	94.81	9.39	106.95	11.23	102.44	6.22
Revenue from Barter Trade	-	-	16.36	1.72	-	-
Total Revenue from Services	<b>977.38</b>	<b>96.85</b>	<b>927.83</b>	<b>97.45</b>	<b>1,605.95</b>	<b>97.75</b>
Revenue from Cosmeceutical Sales	23.17	2.30	22.10	2.32	33.08	1.83
Total Revenue from Sales and Services	1,000.55	99.14	949.93	99.77	1,639.03	99.57
Other Revenue	8.65	0.86	2.21	0.23	8.17	0.43
Total Revenue	1,009.20	100.00	952.14	100.00	1,647.20	100.00



**Remarks:**

1. Breakage Revenue is revenue generated when the customer has not made use of a service for which they have paid in advance, and revenue recognized when the course has expired according to the Company's accounting policy. Breakage Revenue is calculated using a statistical model by actuaries.
2. Revenue from barter trade is revenue from providing well-known persons with the Company's services under an exchange clause in which the reputable persons will advertise the Company's services. It is recorded as selling expenses in the same amount. The Company has cancelled these transactions since 1 January 2022.
3. Other revenue consists of financial revenue, revenue from franchise contracts (the Company terminated its last franchise contract on 14 December 2021), revenue from rent and subcontracted services, profit from asset disposal, etc.

Company's revenue structure classified by cash sales for 2021 – 2022 is as follows:

**Cash Income Structure by Service Department**

Cash Income	2021	%	2022	%	%YoY
Skin and Aesthetic Department	785.21	86%	1,483.58	85%	89%
Weight Control and Body Care Department	46.76	5%	88.93	5%	90%
Wellness and Regenerative Department	74.66	8%	127.44	7%	71%
Plastic Surgery and Reconstruction Department	7.80	1%	51.03	3%	554%
<b>Total</b>	<b>914.43</b>	<b>100%</b>	<b>1,750.99</b>	<b>100%</b>	<b>91%</b>

**Remarks:** The above table shows the cash sales, which are figures that have not yet affected the revenue from the customer waiver rate and do not include revenue from the sale of pharmaceuticals and cosmeceuticals.

**1.2.2 Information about Products and Services****1.2.2.1 Product and Service Characteristics**

The Company provides state-of-the-art skin care, plastic surgery and holistic health care with state-of-the-art tools and equipment under the brand "The KLINIQ". The Company's diversified services can accommodate different needs of customers. The Company's products and services can be divided into four groups as follows:

1. Skin and Aesthetic Department is a service that uses standard laser tools for highly safe treatment results, including general skin treatment, skin nourishment treatment, acne treatment, skin pigmentation treatment, face lift, body care, etc.

2. Wellness and Regenerative Department is a service for health restoration and health care and stimulation of the body for recovery. Examples of service courses include vaccinations, cancer screening, NK treatment and women's wellness, etc.
3. Plastic Surgery and Reconstruction Department is a service for special procedures, including surgery, and the use of special tools for cosmetic treatment. Examples of service courses offered include eye surgery and rhinoplasty, breast surgery, liposuction, labiaplasty, facial surgery, etc.
4. Weight Control and Body Care Department is a group of programs that focus on slimming, body shaping, including reducing accumulated fat, and strengthening muscles by using innovations with specific treatment properties.

In addition, the Company also distributes cosmeceuticals for the maintenance of skin beauty to both patients and the general public. The Company imports and commissions domestic and international cosmetics manufacturers to produce cosmetic products for sale at various branches of the Company.

### Product Development

The Company focuses on developing advanced innovative skin treatments and holistic healthcare according to medical principles, and places importance on being a leader in modern treatment technology with results that best meet the needs of customers, as well as a leader in creating a demand for new technology which competitors have not provided to customers in order to reinforce its leadership in the aesthetics market. The Company has a process for tracking, selecting and learning medical technology and transferring knowledge to the medical personnel and experts in the Company. The Company executives meet to discuss new technology and knowledge or to assess whether the equipment currently in use have any problems at least every quarter. The executives can propose the use of new equipment and products in the Company.

The Company's medical staff are invited to attend IMCAS (International Master Course on Aging Science), a conference that brings together dermatologists and anti-aging physicians on a global scale. There are seminars on dermatology and dissemination of knowledge on new anti-aging medicine, as well as an exchange of knowledge on both technical and innovative aspects of modern treatments.

Moreover, every month, world-class companies that are business partners create a schedule for medical training to invite the Company's doctors to participate in the training to exchange knowledge in medical tools and equipment, medical services and medical supplies, as well as cooperate with world-class companies to arrange for all doctors in the Company to attend anatomy master classes at the Faculty of Medicine, Chulalongkorn University 1-2 times a year.

### 1.2.2.2 Marketing and Competition

#### 1.2.2.2.1 Target Customers and Service Channels

- The Company's target group is customers between the ages of 20-55 years, with the main target group of THE KLINIQUE being the adolescent to late working age group. As the Company offers a diversified range of services, the services cover customers of all ages and respond to all concerns, with the main target customers being both women and men. The main target group of L.A.B.X. will be the adolescent to early working age group, and the services provided are mainly in the Skin and Aesthetic Department.
- As of 31 December 2022, the Company earned revenue from sales and medical services through its 40 branches throughout Thailand, with the majority of these revenues coming from customers in Bangkok. In 2020-2022, the Company's revenue from sales and medical services to customers in Bangkok accounted for 54.44%, 49.03% and 50.05% of the total revenue from sales and medical services, respectively.
- Revenue from sales and medical services is divided into the provinces where the Company's branches are located. For 2019-2022, the details are as shown in the table below, with the proportion of revenue from provincial branches, including the provinces surrounding Bangkok, increasing due to the expansion of branches to more provinces and the growth of same store sales.

Revenue Rate by Branch Location	2020	2021	2022
	%	%	%
Bangkok Branches	54.44	49.03	50.05
Provincial Branches, Including the Provinces Surrounding Bangkok	45.56	50.97	49.95
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

- The Company places importance on customer relationship management (CRM) in order to maintain the Company's existing customer base and expand the customer base to new customers. The Company collects a customer data base, and communicates news or promotions to customers regularly, including sending promotions and special privileges to customers on their birthdays to create impressions and good relationships with customers so that they will return to use the services again.

- What new generations of consumers want to receive from aesthetics clinics is clear, fast, satisfactory, safe and convenient treatment results. Moreover, today's customers do their research before coming to use the services. As a result, the Company is committed to differentiating itself through brand-building to make itself recognizable and add credibility to its sales. The Company consistently conducts marketing through every offline media, such as digital billboards in shopping centers, etc., and online media, such as Facebook, Instagram, Line and TikTok, etc., and plans its brand-building through advertisement. In addition, the Company is increasingly marketing the reliability of its doctors, such as introducing medical teams and personnel on various media to create familiarity, reliability and trust for customers. The Company has state-of-the-art medical equipment and teams of medical specialists to provide treatment and recommend suitable options to customers that can meet their needs. Consequently, the Company has been trusted by customers for more than 13 years.

#### 1.2.2.2.2 Competition

Service providers in the business of dermatology, plastic surgery and holistic health care can be classified into two types as follows:

##### 1. Hospital Group

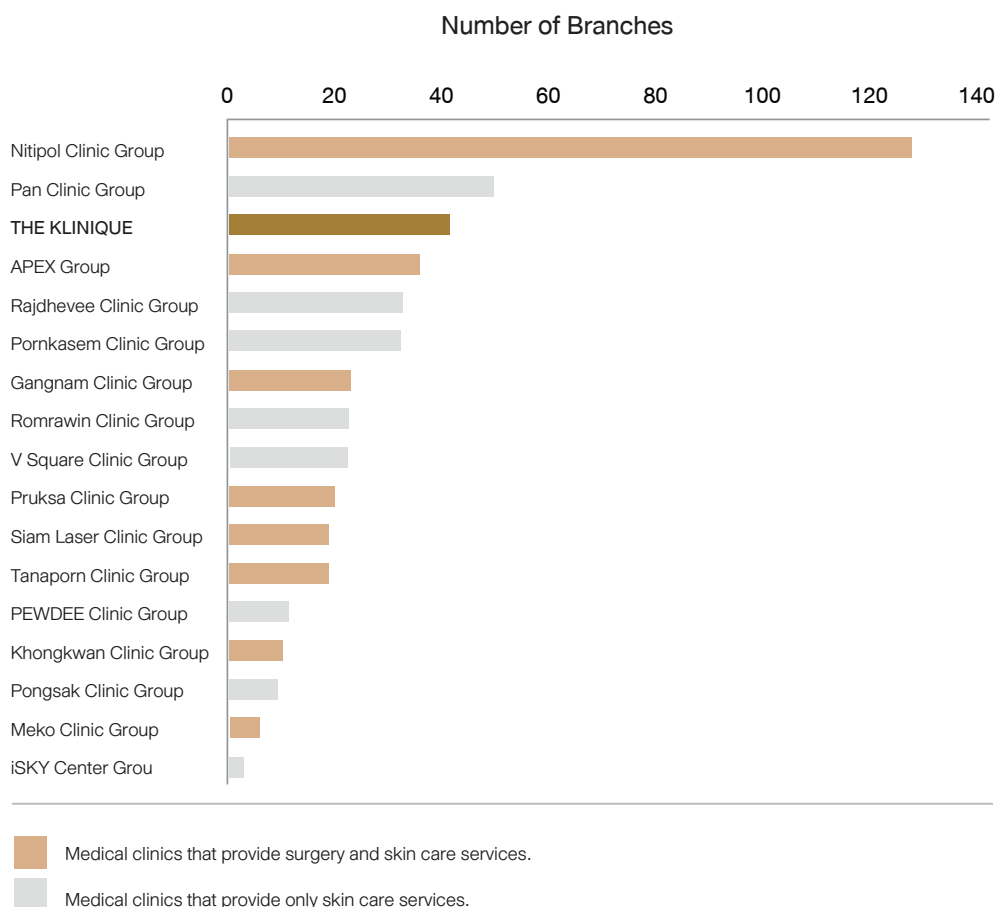
- A hospital is a medical facility that services patients, has the capacity of thirty beds and over to accommodate overnight patient care, and offers medical treatment, nursing, pharmaceutical and medical technology services at the least, and may offer specialized surgery or other major aspects of the art of healing. Most private hospitals have surgical departments, including cosmetic plastic surgery services, and some hospitals may have laser centers or dermatology departments to cater specifically to customers.
- At present, there are private hospitals that provide dermatological, plastic surgery and holistic health care services exclusively, such as Asoke Skin Hospital, Yanhee Hospital, W Plastic Surgery Hospital, Kamol Cosmetic Hospital, Masterpiece Hospital, SLC Hospital, Wansiri Hospital, etc. The hospital group usually focuses mainly on surgery and has few branches.

##### 2. Aesthetics Clinic Group

- An aesthetics clinic is regulated under the Ministry of Public Health and is considered to be a registered and licensed medical practice by the Bureau of Sanatorium and Art of Healing. According to the Department of Health Service Support, Ministry of Public Health, there are 1,458 aesthetics clinics nationwide.
- The aesthetics clinic group includes non-franchise clinics and franchise clinics with several branches. The franchise aesthetics clinic group tend to set up branches mainly in shopping centers because they can access a wide range of customers. The Company's main competitors are APEX Group, Romrawin Clinic Group, Pongsak Clinic Group, V Square Clinic Group, Tanaporn

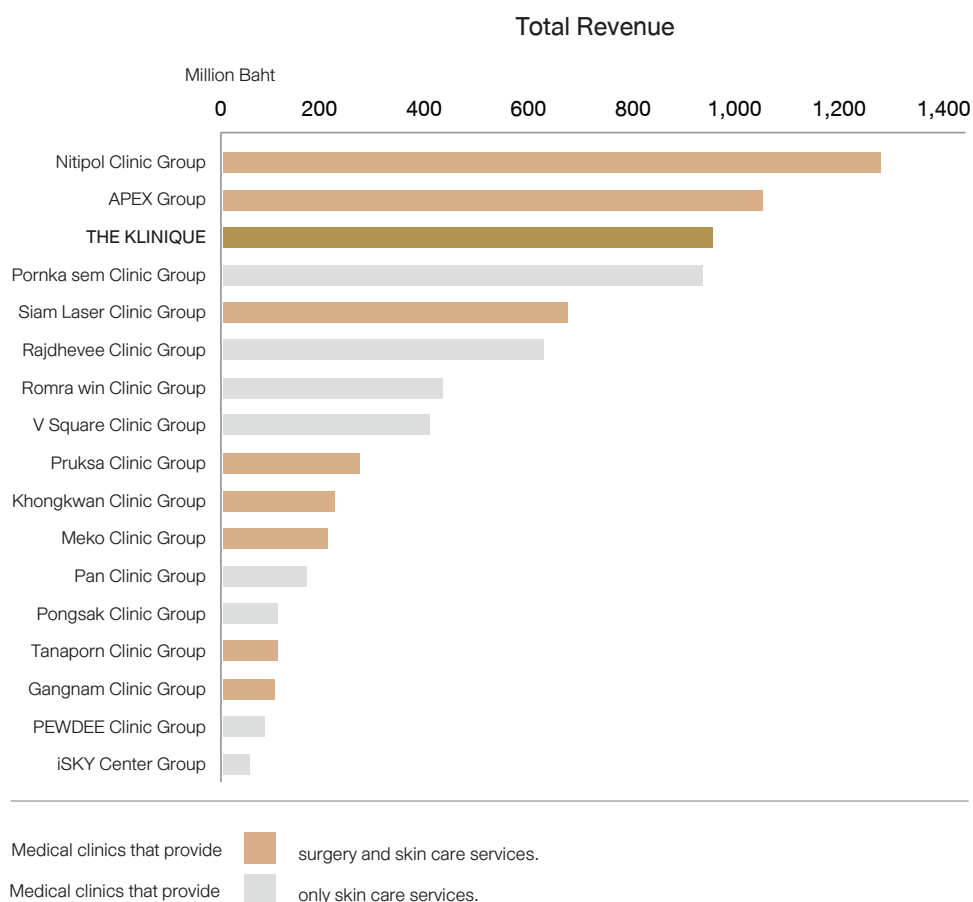
Clinic Group, Khongkwan Clinic Group, Pornkasem Clinic Group, Gangnam Clinic Group, Nitipol Clinic Group, Rajdhevee Clinic Group, iSKY Center Group, PEWDEE Clinic Group, Prukha Clinic Group, Meko Clinic Group, Siam Laser Clinic Group, and Pan Clinic Group.

When compared, the number of branches and the total revenue of each company can be classified according to the coverage of surgical and dermatological services as follows:



Source: Information retrieved on 28 February 2023 from the website of each clinic.

The number of branches is compared with those of the main competitors, it was found that the Company is in the top three for the highest number of branches, which reflects the Company's ability to provide services covering key areas of Thailand, and achieve one of the highest target customer access rates in the industry. Also, compared to the total revenue, it was found that the Company has earned the trust of customers very well, allowing it to generate one of the highest revenues compared to aesthetics clinics that offer surgery and skin care services, and medical clinics that offer only skin care services.



Source: BOL Corpus X: Total revenue for 2021, except Siam Laser Clinic Group, which shows the total revenue for 2020.

Although the aesthetics clinic and skin care business is quite competitive, due to its high growth trend, each company has different strengths, strategies, and target customers. When compared to competitors in the industry, the Company is a leader in the aesthetics clinic and skin care business, both in terms of number of branches and revenue, as a result of many of the Company's strengths as follows:

1. The Company has modern, safe and internationally standardized medical tools and equipment, which have been approved by the US FDA and the Food and Drug Administration (FDA) of Thailand, and have been tested to be safe for Thai and Asian skin, to provide customers with the safest and most efficient services.
2. All doctors of the Company are trained to develop their treatment skills on a regular basis and to develop their knowledge to be experts in each field of treatment, including reviewing knowledge that prioritizes safety. Leading global companies that are business partners of the Company organize training schedules for doctors to invite the Company's doctors to participate in the training to exchange knowledge in both medical tools and equipment and medical supplies. The Company has collaborated with world-class companies to provide all doctors in the Company with anatomy master classes at the Faculty of Medicine,



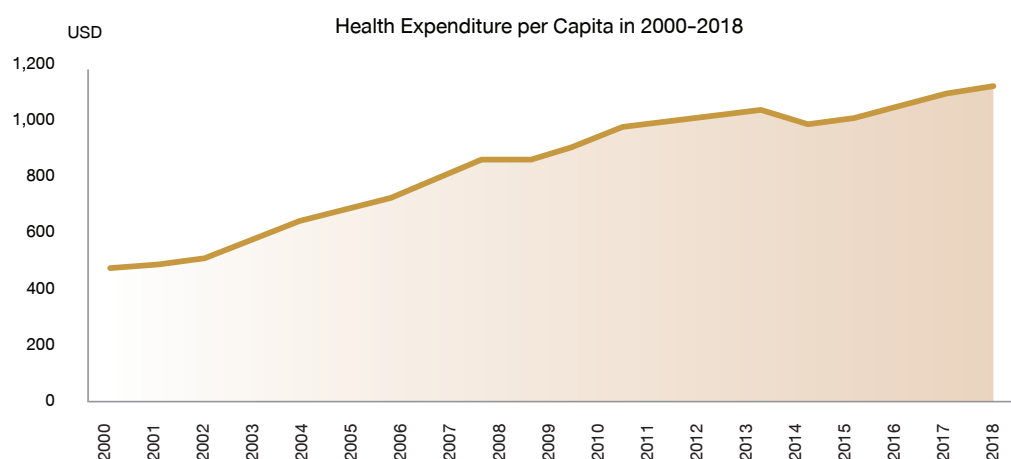
Chulalongkorn University. Furthermore, the Company's doctors are experts in the field of dermatology who have been certified by reputable institutions, both domestically and internationally, and have expertise in providing dermatological services.

3. The Company has a large number of branches. As of 31 December 2022, the Company is able to serve customers covering 15 provinces throughout five regions of Thailand via 35 medical clinics located at Siam Paragon, The Mall Ngamwongwan, The Mall Bangkapi, Seacon Square, Major Ratchayothin, Central Khon Kaen, Central Rama 9, Central Udon Thani, Central Rama 3, The Mall Korat, Central Bang Na, The Promenade, Central Pattaya, Central Pinklao, Central Rama 2, Future Park Rangsit, The Mall Bangkhuae, Silom Complex, Central Ladprao, Central Rayong, Central Westgate, Central Ayutthaya, The Mall Thapra, Central Phuket, Central Chaengwattana, Central Eastville, Mega Bangna, Central Chonburi, Ratchaphruek, Central Si Racha, Robinson Saraburi, Central Festival Chiangmai, Siam Square One, Central Chanthaburi, and Central Festival Hatyai; 1 surgery center located at Siam Square; 4 laser centers and 3 nail shops located at The Mall Ngamwongwan, Fashion Island, and The Mall Thapra. The Company chooses its locations in major department stores or shopping centers for transportation conveniences and easy access to customers.

#### 1.2.2.2.3 Industry Overview

##### Global Aesthetics Industry Overview

In an age when the world pays attention to the health care trends, health businesses consistently grow in popularity. Data from the World Bank reveals that health expenditure has a clear rising trend. In 2019, health expenditure per capita was 1,121.80 USD, with the compound annual growth rate (CAGR) increasing from the year 2000 by 4.35%.



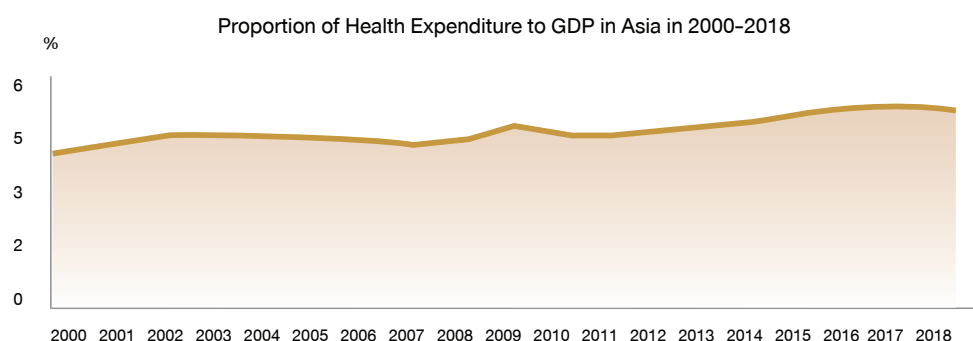
Source: World Bank

<https://data.worldbank.org/indicator/SH.XPD.CHEX.PC.CD>

- One of the important categories of health care is aesthetics because consumers want a good image in addition to good health. According to a survey conducted by the Society of Aesthetic Plastic Surgeons, in 2020, the global aesthetics industry reached 15.00 trillion baht in value. The most popular cosmetic surgery in 2020 were liposuction for body shaping (15.10% of all surgeries) and eyelid surgery (12.10%), followed by rhinoplasty (8.40%) and abdominoplasty (7.60%).
- The top five most popular non-surgical cosmetic treatments are Botox injections (43.20% of all non-surgical cosmetic procedures), hyaluronic acid injection (28.10%), hair removal (12.80%), non-surgical fat removal (3.90%), and laser skin regeneration (3.60%).
- In addition, data from Common Thread Collective shows that the aestherics industry has grown from 483 billion USD in 2020 to 511 billion USD in 2021, with a CAGR of 5.00%, and is expected to reach 716 billion USD and 785 billion USD in value in 2025 and 2027, respectively.

### Regional Aesthetics Industry Overview

Data from the World Bank reveals that the percentage of health expenditure to the gross domestic product (GDP) has a rising trend. In 2018, health expenditure per GDP was 5.39%, compared to no less than 4.00% in 2000 – 2018.

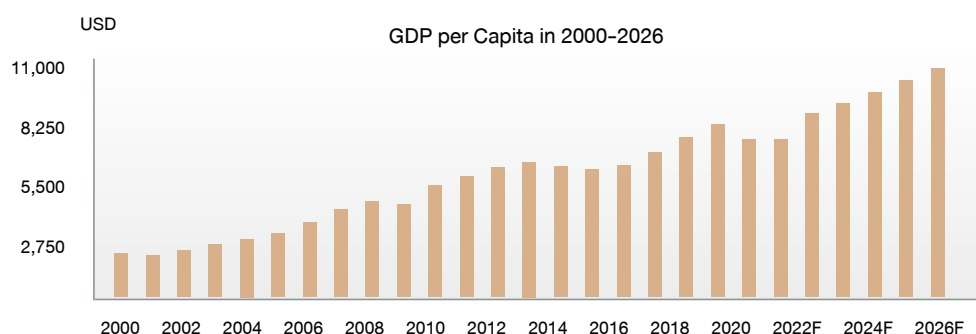


Source: theglobaleconomy  
[https://www.theglobaleconomy.com/rankings/health\\_spending\\_as\\_percent\\_of\\_gdp/Asia/#Thailand](https://www.theglobaleconomy.com/rankings/health_spending_as_percent_of_gdp/Asia/#Thailand)

### Overview of Thailand's Aesthetics Industry

Thailand was one of the top 15 countries in 2020 for the most cosmetic treatments. An overview of Thailand's aesthetics industry reveals a year-on-year growth. According to a study by Grand View Research, Thailand's aesthetics market value was 1.52 billion USD in 2021 and is projected to grow at a CAGR of 9.70% between 2022 and 2030. The aesthetics clinic group that offers a full range of services, including skin care and surgery, is expected to grow more than the group that focuses only on providing skin care as the population has increased buying power. This can be observed from the income per capita of the country's population, which shows a clear increase, with the CAGR in 2000 to 2020

valued at 6.26%. This income growth has also resulted in consumers demanding more complicated services than just skin care, which is in line with the growing trend of anti-aging and surgical services, especially in the working age group which is paying more attention to healthcare and aesthetics. Moreover, aesthetic values have changed. Consequently, cosmetic surgery has become rather common. Nowadays cosmetic surgery is not as complicated as before because there are more medical specialists and advanced technology.



Source: World Bank

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

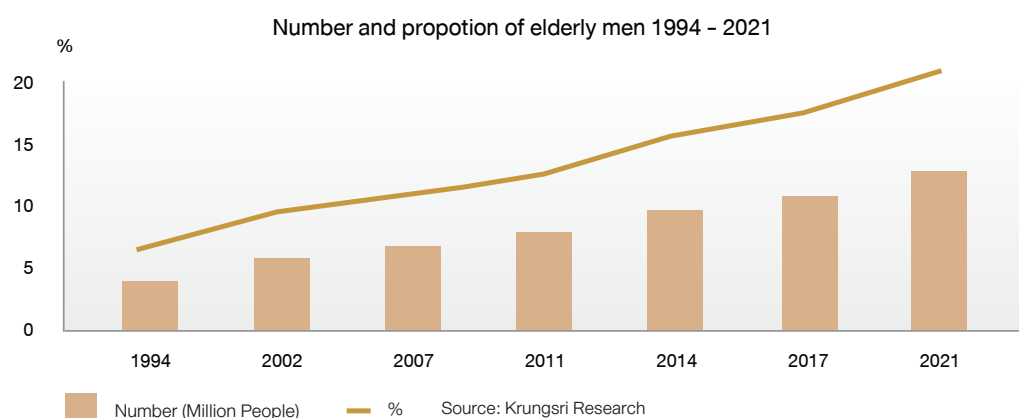
According to the ASEAN Academy of Facial Plastic and Reconstructive Surgery, it was found that the market value of the surgical business in Thailand grows continuously, and was valued at 3.00 billion baht in 2017, and increased to 3.60 billion baht in 2018, and 3.96 - 4.30 billion baht in 2019. In 2020, the growth rate decreased by 10.90%, similar to the growth rate in 2021 which decreased by 10.00% due to the COVID-19 pandemic. On the other hand, in 2022, the growth rate was projected to recover by as much as 15.00-20.00% per year.

The Tourism Authority of Thailand (TAT) stated that the number of both Thai and foreign plastic surgery patients has increased as Thailand is the third largest aesthetics center in Asia, which can generate income from tourists who use cosmetic and surgical services because Thailand has reputable surgery services and has similar standards to hospitals in Europe. Hospitals, medical clinics, and beauty salons are experiencing increasing growth rates partly due to the increasing popularity and acceptance of plastic cosmetic surgery around the world. The Company sees an opportunity for the growth of the plastic surgery business in Thailand. Therefore, a surgical center was opened at Siam Square, to meet the growing needs of both Thais and foreigners.

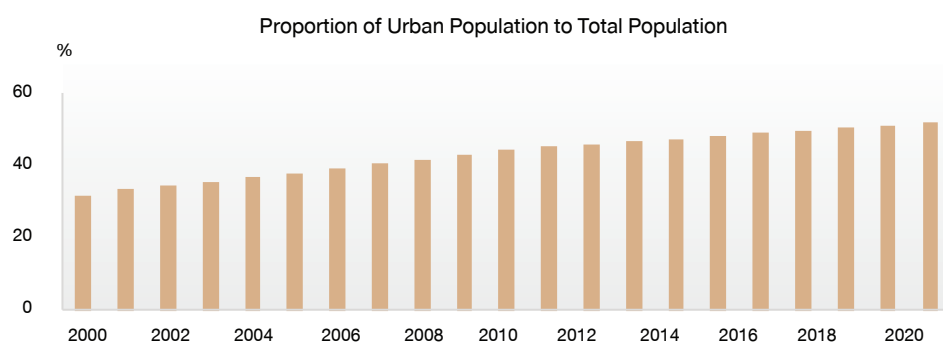
However, the growing aesthetics industry has made aesthetics clinics face increased competition as the growth of the aesthetics industry has attracted more interest from new entrepreneurs to invest in the industry, especially in the field of skin care and surgery. In addition, existing entrepreneurs are expanding and developing more, including aesthetics clinics and hospitals that specialize in aesthetics and cosmetics surgeries. Furthermore, hospitals have begun to open more dermatological centers, cosmetic surgery centers, and anti-aging centers, many of which have similar service models and equipment, resulting in the aesthetics clinic market having an increased number of service providers.

The aesthetics industry has a number of supporting factors that are driving its continued expansion. These include aging society, urbanization, wellness tourism, and men's increased interest in self-care.

According to the National Statistical Office, in 2021, there were 13,358,751 elderly people (60 years and older) or 20% of the total population, including 5,974,022 (45%) elderly men and 7,384,729 elderly women (55%). As for the trends of elderly people, it was found that Thailand has a rapidly and consistently increasing number and percentage of elderly people, which increased from 7% in 1994 to 20% in 2021. Moreover, a survey using the aging index, an indicator that compares the structure of replacement of the aged population (aged 60 years and over) by the youth population (aged less than 15 years), shows that Thailand's aging index over the past 20 years has increased by nearly six times. During 1994–2017, the aging index was lower than 100, indicating that the elderly population was less than the youth population. On the contrary, in 2021, the aging index was 121 (more than 100), meaning that there were 121 elderly people per 100 youths. Additionally, the Office of the National Economic and Social Development Council projects that Thailand will completely become an aged society by 2021 (people aged 60 years and over will make up 20% of the total population), and the percentage is expected to reach 32% by 2040. In general, the proportion of elderly people with health problems is at approximately 60%. The Thailand Development Research Institute (TDRI) estimates that by 2032, the proportion of health expenditure in the case of an aged society will increase by more than three times compared to normal cost estimates, reflecting that the increased proportion of elderly people will increase health expenditures exponentially.



As for the factors of urbanization, information from the World Bank reveals that the ratio of urban population to total population has been steadily increasing over the past two decades, with the ratio of urban population to total population increasing to 31% in 2000 and increasing to 51% in 2020. In addition, the United Nations expects Thailand's urbanization rate to increase from 50.40% in 2015 to 60.4% in 2025. When combined with government policies such as infrastructure investment, the establishment of special economic zones and the Eastern Economic Corridor (EEC) project, there is an increased chance for entrepreneurs to expand their services to these areas.



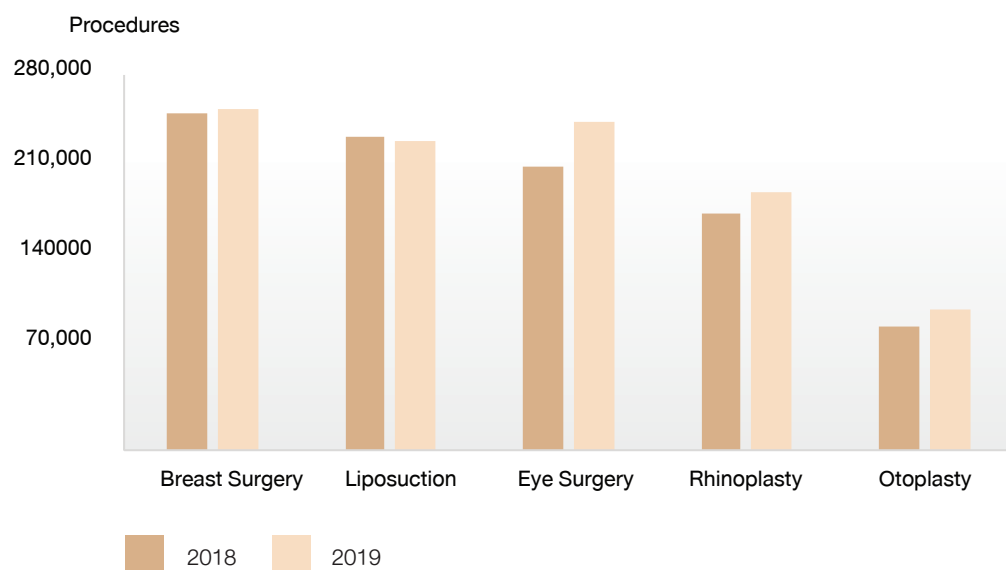
Source: Statista <https://www.statista.com/statistics/455942/urbanization-in-thailand/>

Government policies aimed at promoting Thailand as an international health hub since 2003 are consistent with the “wellness tourism” trend which has been popular with tourists worldwide. McKinsey & Co. estimates that the wellness tourism market in Asia is likely to grow at 5–10% per year from now until 2030. One of the services that the government sector is developing in excellence to attract foreign tourists is aesthetics. Recently, the TAT has created the plan to make Thailand the “Medical and Wellness Resort of the World” by 2024 in: (1) Telemedicine for overseas Thais to attract Thais living abroad to receive health and aesthetic services in Thailand, with the expectation to generate 80 thousand baht per person in revenue; (2) Global Health Insurance Companies, with a focus on civil servants in Myanmar, Laos, Cambodia and the Middle East receiving more treatment in Thailand; (3) Online Health, with a focus on health and aesthetics tourists from Myanmar, China and the Middle East via the online marketplace system; (4) Hotelistic (Hotel + Holistic) services, providing health services such as toxic screening, de-toxing, and health checks to tourists in hotels (in collaboration with wellness business); and (5) Agent/Media Outreach, creating an image for Thailand to be the top of mind destination for medical and wellness services of the world. Trends in healthcare focus has resulted in entrepreneurs proactively marketing to enter the comprehensive health center business. The Company has studied and developed additional wellness products and services to meet the needs of customers.

In addition, the government has continued to issue support measures to accelerate the development of Thailand as an international wellness hub (2017 - 2026), especially for cosmetic services, anti-aging medicine, surgery, dentistry and infertility treatment. Key measures include: (1) Extending the visa for staying in Thailand to receive medical treatment in the CLMV group and China to 90 days from the original 30 days for patients and no more than four of their companions, as well as preparing to expand to include patients from Japan, the US, Sweden, Denmark, and Norway; (2) Extending the long-stay visas to foreigners in 14 countries to 10 years from the original one year; (3) 30-day visas on arrival for wellness tourists; and (4) Dental and health check-up packages for foreigners. These factors support the continued growth of the business and have relatively good profitability rates. Information from the International Confederation for Plastic Reconstructive and Aesthetic Surgery reveals that Thailand the highest proportion of foreign patients requiring cosmetic treatment at 33.20%, followed by Mexico and Turkey at 22.50% and 19.20%, respectively. This is due to a study by Grand View Research that suggests that Thailand is the top destination for high-quality treatment and affordable medical care compared to medical expenses in other countries in Asia, such as Singapore and Malaysia, which cost three times and two times more than Thailand, respectively. Consequently, most foreign patients from the US, Australia and Europe who want to receive cosmetic treatment choose to receive treatment in Thailand.

In today's era when cosmetic surgery is becoming more widespread and accepted by all genders and ages, more men are starting to use beauty-related products and aesthetic services. Information from Prachachat Business reveals that the market for male cosmetic products in Thailand is valued at about 35,000 million baht due to Thai men paying more attention to their health and creating a good image for themselves in addition to the popularity of famous foreign singers, especially Korean and Japanese singers who are very popular in Thailand. Consequently, men are giving importance to good appearance and physical attributes that are apparent to the society. As a result, the aesthetics market in the men's sector has grown in the past several years. In 2014 – 2018, cosmetic services such as aesthetics clinics and surgical clinics became more popular among Thai men, especially skin care services which are gaining in popularity in almost every age groups, including adolescents, the working age, and adults, due to their paying attention to apparent physical attributes. The Kasikorn Research Center projected that the value of the non-surgical and surgical aesthetic service market for the entire country will reach about 65,000 million baht (value of only clinics and not including hospitals), which is expected to include men who will play more important roles as customers in this business. Moreover, according to the statistics of the International Society of Aesthetic Plastic Surgery, the number of men undergoing cosmetic surgery is increasing, including for breast surgery, eye surgery, rhinoplasty, and otoplasty, especially eye surgery which has a clear rising trend. The Company sees an opportunity from the group of men who have begun to take care of their image, and so has launched a new service to expand the male customer base.

### Statistics of Surgery Performed on Men in 2018 – 2019 Sorted by the Top 5 Most Popular Cosmetic Surgeries



Source: International Society of Aesthetic Plastic Surgery  
<https://www.isaps.org/medical-professionals/isaps-global-statistics/>

There are a variety of popular procedures, including: (1) Botox injections. According to Grand View Research, Botox injection holds the largest market share in the non-surgical aesthetic service category in 2020 and is projected to grow significantly. Since there are more beauty clinics offering Botox injections nowadays, consumers can access the service more easily. In addition, the injection into the skin has immediate results after injection and takes a short time to recover, so it is very popular. Other non-surgical cosmetic treatments, including skin tightening and excess fat removal, are expected to have a CAGR of 17.00%; and (2) Surgery. According to Grand View Research, eyebrow lift, breast lift, neck lift, lip surgery, and thigh lift account for up to 33% of the market share in 2020 due to advancements of medical procedures. In addition, it was found that eye surgery has a CAGR of 14.00% because most of the Thai population does not have double eyelids and has smaller eyes. For more visible eyes, more people are turning to eye surgery. The Company provides both Botox injections and surgery. Examples of services include lip surgery, breast surgery, liposuction, etc.

Data from the International Society of Aesthetic Plastic Surgery indicates that between 2016 and 2020, the aesthetics industry has been growing steadily. The CAGR is 12.01% for brow lift procedures, 22.19% for facial fat grafting, 14.85% for rhinoplasty, 5.08% for eyelid surgery, 58.78% for rejuvenation procedures, and 20.70% for total injectable procedures.



The Dermatological Society of Thailand said that the aesthetics industry has been growing relatively high in recent times due to the increasing acceptance by society and increased numbers of doctors and service providers, and due to the economic recovery after the COVID-19 pandemic and the end of the government's lockdown order during the COVID-19 pandemic. Moreover, both domestic and international consumers pay attention to health and aesthetics, allowing the business to grow exponentially, resulting in increased service course sales in the energy-based devices group (lasers) and the injectables group (fillers, Botox), etc. Additionally, revenue from surgery centers has increased. The Company, therefore, plans to continuously expand its branches to accommodate such megatrends.

### 1.2.2.3 Product and Service Procurement

#### Medical Personnel Recruitment

Because medical personnel are the key to the aesthetics and skin care business, the Company recruits medical personnel through various channels, such as the Company's website and referrals among doctors. As of 31 December 2022, the details for the Company's medical personnel are as follows:

Medical Personnel	As of 31 December 2022
	Number (Persons)
1. Doctors	92
2. Nurses	50
<b>Total</b>	<b>142</b>

The Company has a rigorous selection and hiring process for medical personnel in order to obtain medical personnel with qualifications and professional licenses that are certified by the relevant authorities. The Company will regularly conduct background checks through the Medical Council and inspect the documents of all doctors from relevant departments before hiring, to prevent the falsification of documents for unauthorized practice of medicine.

#### Procurement of Pharmaceuticals and Medical Supplies

The Company places importance on pharmaceuticals and medical supplies, which are important factors. The Company uses pharmaceuticals and medical supplies that are approved by the Food and Drug Administration of Thailand and the US FDA, which are nationally and internationally recognized organizations. In addition, with good and long-standing relationships with business partners, the Company is the leading operator that can use new pharmaceuticals and medical supplies to treat customers so that customers can be satisfied by receiving services and so that they can receive services with the highest efficiency. The Company standardized storage for pharmaceuticals and medical supplies in all branches, and regularly inspects the quality and age of pharmaceuticals and medical supplies so that customers will only receive services from quality products.

### **Procurement of Medical Tools and Equipment**

The Company places great importance on medical tools and equipment as it is a leader in advanced and comprehensive aesthetic technological innovations that meet international standards. This has resulted in the Company receiving first offers from business partners to try medical tools and equipment. In addition, the Company's medical team specializes in the use of modern medical instruments. The Company selects service tools that have been recognized and reviewed by the US FDA and the Food and Drug Administration (FDA) of Thailand and that have been tested to be safe for Thai and Asian skin, to always provide customers with satisfactory service.

## **1.2.2.4 Operating Assets**

### **1.2.2.4.1 Details of Operating Assets**

#### **1.2.2.4.1.1 Procurement of Facilities for Business Operations**

The location of each branch of the comprehensive aesthetics clinic business is important in providing services to customers. Therefore, the Company considers various factors by choosing locations in department stores or major shopping centers with transportation conveniences for easy access by customers. The Company provides a good, clean, and safe environment, with beautiful decoration designs, which are all factors that influence customers' decisions to use the services.

#### **1.2.2.4.1.2 Compliance with Applicable Laws, Licenses and Certificates**

The Company operates a medical clinic which has complied with the relevant laws and regulations, namely the Health Facility Act, which requires the licensee to comply with important rules such as the following:

- Having approved plans for the establishment of medical facilities.
- Having medical facilities that comply with the characteristics prescribed in the Ministerial Regulations.
- Having tools, instruments, medical supplies or vehicles according to the types and quantity specified in the Ministerial Regulations.
- Having practitioners in the medical facility according to the specified profession and quantity.
- Having medical facility names that comply with the Ministerial Regulations.
- Criteria, methods, conditions and expenses for advertising or announcements about medical facilities, B.E. 2562.

This includes obtaining important permits or registrations, including the following:

- Health Establishment License (Sor. Phor. 7)
- Medical Facility Performance License (Sor. Phor. 19)
- Harmful-to-Health Establishment License
- License to Practice Medicine
- License to Sell Schedule-2 Active Substances
- License to Sell Schedule-3 Active Substances
- License to Sell Schedule-4 Active Substances
- License to Distribute Schedule-2 Narcotics

At present, the Company's medical clinics operate as medical facilities that do not accept overnight patients. To operate each branch of the medical clinics, the Company will submit applications for the approval of a plan for the establishment of a medical facility that does not accept overnight patients (Sor. Phor. 1), a plan for the establishment of a medical facility that does not accept overnight patients (Sor. Phor. 2), a request for the license to operate a medical facility (Sor. Phor. 5), and a letter of intention to become an operator in a medical facility of a practitioner (Sor. Phor. 6) to the subcommittee on medical facilities. Subsequently, the subcommittee on medical facilities will inspect the readiness of each clinic branch, covering the inspection of the standards for medical clinics and the inspection of the general medical facility characteristics, such as having a convenient and safe location in a stable building with compartmentalized treatment rooms that are private and safe for customers, etc., as well as inspection of the type and quantity of the necessary tools, equipment, pharmaceuticals and medical supplies for medical facilities.

Each medical clinic branch must have practitioners in the medical facility for healthcare professionals. At present, the Company has doctors in every position of each medical clinic.

Furthermore, the Company complies with the criteria for obtaining approval for advertisements or announcements about medical facilities by applying for approval of the audio or footage used in advertising or announcements from relevant authorities, and using only messages that can be declared service in a medical facility without needing to apply for approval in accordance with the operating manual for the approval of advertisements or announcements about healthcare facilities specified by the Department of Health Service Support. The Company's main advertising formats can be divided.

As of 31 December 2022, the Company has 43 branches throughout Thailand, divided into 35 medical clinics, 1 surgery center, 4 laser centers, and 3 nail shops that have been licensed and certified by various agencies with details as follows:

### Medical Clinics

No.	Medical Clinic Branch	Location	Area (sq. m.)	Opening Date	Health Establishment License (Sor. Phor. 7) Expiration Date	Medical Facility Performance License (Sor. Phor. 19) Expiration Date	Issuing Authority
1.	Siam Paragon	Siam Paragon, 4 <sup>th</sup> Fl., Rama 1 Rd., Pathumwan, Pathumwan, Bangkok	207.00	8 March 2022	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
2.	The Mall Ngamwongwan	The Mall Ngamwongwan, 6 <sup>th</sup> Fl., Ngamwongwan Rd., Bang Khen, Mueang Nonthaburi, Nonthaburi	150.00	1 January 2014	31 December 2029	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
3.	The Mall Bangkapi	The Mall Bangkapi, 1 <sup>st</sup> Fl., Ladprao Rd., Klong Chan, Bang Kapi, Bangkok	98.00	1 April 2014	31 December 2027	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
4.	Seacon Square	Seacon Square, 3 <sup>rd</sup> Fl., Srinagarindra Rd., Bang Bon, Prawet, Bangkok	127.98	1 April 2014	31 December 2027	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
5.	Major Ratchayothin	Major Cineplex, G Fl., Phahonyothin Rd., Lat Yao, Chatuchak, Bangkok	215.70	1 January 2014	31 December 2026	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
6.	Central Khon Kaen	Central Plaza Khon Kaen 2nd Fl., Si Chan Rd., Nai Mueang, Mueang Khon Kaen, Khon Kaen	193.91	1 January 2014	31 December 2027	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
7.	Central Rama 9	Central Plaza Grand Rama 9, 8 <sup>th</sup> Fl., Huai Khwang, Huai Khwang, Bangkok	209.88	1 January 2014	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
8.	Central Udon Thani	Central Plaza Udon Thani, 3 <sup>rd</sup> Fl., Prachaksinlapakhom Rd., Mak Khaeng, Mueang Udon Thani, Udon Thani	101.78	26 December 2018	31 December 2028	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
9.	Central Rama 3	Central Plaza Rama 3, 4 <sup>th</sup> Fl., Sathupradit Rd., Chongnonsi, Yannawa, Bangkok	152.02	15 April 2013	31 December 2032	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
10.	The Mall Korat	The Mall Nakhon Ratchasima, 2 <sup>nd</sup> Fl., Mitaphap Rd., Meaung Nakhon Ratchasima, Nakhon Ratchasima	108.65	14 November 2018	31 December 2028	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health

No.	Medical Clinic Branch	Location	Area (sq. m.)	Opening Date	Health Establishment License (Sor. Phor. 7) Expiration Date	Medical Facility Performance License (Sor. Phor. 19) Expiration Date	Issuing Authority
11.	Central Bangna	Central Plaza Bangna, 3 <sup>rd</sup> Fl., Bang Na Nuea, Bang Na, Bangkok	149.28	16 September 2013	31 December 2023	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
12.	The Promenade	The Promenade Shopping Center, 4 <sup>th</sup> Fl., Ramintra Rd., Kannayao, Kannayao, Bangkok	228.00	22 September 2021	31 December 2030	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
13.	Central Pattaya	Central Festival Pattaya Beach, 4 <sup>th</sup> Fl., Pattaya Sai 2 Rd., Nong Prue, Bang Lamung, Chonburi	112.68	3 March 2014	31 December 2023	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
14.	Central Pinklao	Central Plaza Pinklao, 3 <sup>rd</sup> Fl., Boromarajonani Rd., Arun Amarin, Bangkok Noi, Bangkok	103.50	12 April 2014	31 December 2025	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
15.	Central Rama 2	Central Plaza Rama 2, 3 <sup>rd</sup> Fl., Rama 2 Rd., Samae Dam, Bang Khun Thian, Bangkok	141.58	5 September 2014	31 December 2024	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
16.	Future Park Rangsit	Future Park Rangsit, Phahonyothin Rd., Prachathipat, Thanyaburi, Pathum Thani	248.61	25 January 2015	31 December 2024	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
17.	The Mall Bangkhae	The Mall Bangkhae, 2 <sup>nd</sup> Fl., Phet Kasem Rd., Bang Khae Nuea, Bang Khae, Bangkok	224.00	25 February 2015	31 December 2027	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
18.	Central Ladprao	Central Plaza Ladprao, 6 <sup>th</sup> Fl., Phaholyothin Rd., Chatuchak, Chatuchak, Bangkok	217.76	9 April 2015	31 December 2024	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
19.	Central Rayong	Central Plaza Rayong, 2 <sup>nd</sup> Fl., Bang Na-Trad Rd., Choeng Noen, Mueang Rayong, Rayong	192.78	27 May 2015	31 December 2024	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
20.	Central Westgate	Central Plaza Westgate, 2 <sup>nd</sup> Fl., Sao Thong Hin, Bang Yai, Nonthaburi	94.75	28 August 2015	31 December 2025	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
21.	Central Ayutthaya	Central Plaza Ayutthaya, Asian Rd., Khlong Suan Phlu, Phra Nakhon Si Ayutthaya, Phra Nakhon Si Ayutthaya	144.41	30 November 2021	31 December 2030	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health

No.	Medical Clinic Branch	Location	Area (sq. m.)	Opening Date	Health Establishment License (Sor. Phor. 7) Expiration Date	Medical Facility Performance License (Sor. Phor. 19) Expiration Date	Issuing Authority
22.	The Mall Thapra	The Mall Thapra, 3 <sup>rd</sup> Fl., Ratchadapisek (Taksin-Thapra) Rd., Bukkhalo Thonburi, Bangkok	137.00	4 September 2018	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
23.	Central Phuket	Central Festival Phuket, 4 <sup>th</sup> Fl., Wichit, Mueang Phuket, Phuket	105.83	1 May 2019	31 December 2028	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
24.	Central Chaengwattana	Central Plaza Chaengwattana, 3 <sup>rd</sup> Fl., Chaengwattana Rd., Bang Talat, Pak Kret, Nonthaburi	117.47	3 September 2019	31 December 2028	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
25.	Central Eastville	Central Festival Eastville, 3 <sup>rd</sup> Fl., Pradit Manutham Rd., Lat Phrao, Lat Phrao, Bangkok	88.54	15 February 2020	31 December 2028	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
26.	Mega Bangna	Mega Bangna, 1 <sup>st</sup> Fl., Bang Na-Trad Rd., Bang Kaeo, Bang Phli, Samut Prakan	254.93	1 March 2020	31 December 2029	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
27.	Central Chonburi	Central Plaza Chonburi, 1 <sup>st</sup> Fl., Sukhumvit Rd., Samet, Mueang Chonburi, Chonburi	99.25	17 May 2020	31 December 2029	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
28.	Ratchaphruek	The Crystal SB Shopping Center Ratchaphruek, 2 <sup>nd</sup> Fl., Ratchaphruek Rd., Mahasawat, Bang Kruai, Nonthaburi	68.93	17 December 2020	31 December 2030	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
29.	Central Si Racha	Central Plaza Si Racha, 2 <sup>nd</sup> Fl., Sukhumvit Rd., Si Racha, Si Racha, Chonburi	104.58	27 October 2021	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
30.	Robinson Saraburi	Robinson Saraburi Shopping Center, 2 <sup>nd</sup> Fl., Mittraphap Rd., Taling Chan, Mueang Saraburi, Saraburi	62.50	30 March 2022	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
31.	Central Festival Chiangmai	Central Festival Chiangmai, 4 <sup>th</sup> Fl., Chiangmai-Lampang Superhighway Rd., Fa Ham, Mueang Chiangmai, Chiangmai	192.69	16 March 2022	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
32.	Central Chanthaburi	Central Chanthaburi Shopping Center, 1 <sup>st</sup> Fl., Trairat Rd., Chanthanimit, Mueang Chanthaburi, Chanthaburi	71.89	26 May 2022	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health



No.	Medical Clinic Branch	Location	Area (sq. m.)	Opening Date	Health Establishment License (Sor. Phor. 7) Expiration Date	Medical Facility Performance License (Sor. Phor. 19) Expiration Date	Issuing Authority
33.	Central Festival Hatyai	Central Festival Shopping Center, 4 <sup>th</sup> Fl., Kanchanavanich Rd., Hat Yai, Hat Yai, Songkhla	58.77	1 June 2022	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
34.	The Emporium Department Store	The Emporium, B1 Fl., Sukhumvit Rd., Khlong Tan, Khlong Toei, Bangkok	140	17 October 2022	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
35.	Central Ramintra	Central Ramintra, 3 <sup>rd</sup> Fl., Ramintra Road, Anusawari, Bang Khen, Bangkok	122.64	11 January 2023	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health

### Laser Centers

No.	Medical Clinic Branch	Location	Area (sq. m.)	Opening Date	Health Establishment License (Sor. Phor. 7) Expiration Date	Medical Facility Performance License (Sor. Phor. 19) Expiration Date	Issuing Authority
1.	Siam Square One (L.A.B.X)	Siam Square One, 388, 6 <sup>th</sup> Fl., Rama 1 Rd., Pathumwan, Pathumwan, Bangkok	140.00	25 May 2022	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
2.	Central Rama 9 One (L.A.B.X)	Central Plaza Grand Rama 9, 5 <sup>th</sup> Fl., Huai Khwang, Huai Khwang, Bangkok	60	1 August 2022	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
3.	Central Westgate (L.A.B.X)	Central Plaza Westgate, 2 <sup>nd</sup> Fl., Sao Thong Hin, Bang Yai, Nonthaburi	94.12	10 August 2022	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health
4.	Silom Complex (L.A.B.X)	Silom Complex Shopping Plaza, 3 <sup>rd</sup> Fl., Silom Rd., Silom, Bang Rak, Bangkok	82.97	11 November 2022	31 December 2031	31 December 2023	Bureau of Sanatorium and Art of Healing, Ministry of Public Health

### Surgery Centers

No.	Medical Clinic Branch	Location	Area (sq. m.)	Opening Date	Health Establishment License (Sor. Phor. 7) Expiration Date	Medical Facility Performance License (Sor. Phor. 19) Expiration Date	Issuing Authority
1.	Siam Square Surgery Center	Rama 1 Rd., Pathumwan, Pathumwan, Bangkok	672.00	8 April 2022	31 December 2031	31 December 2024	Bureau of Sanatorium and Art of Healing, Ministry of Public Health

### Nail Salons

No.	Nail Salon Branch	Location	Area (sq. m.)	Opening Date	Health Establishment License (Sor. Phor. 7) Expiration Date	Medical Facility Performance License (Sor. Phor. 19) Expiration Date	Issuing Authority
1.	The Mall Ngamwongwan	The Mall Ngamwongwan, 2 <sup>nd</sup> Fl., Ngamwongwan Rd., Bangkhen, Mueang Nonthaburi, Nonthaburi	55.00	16 August 2020	23 September 2022	22 September 2023	Nonthaburi Municipality
2.	Fashion Island	Fashion Island Shopping Mall, 2 <sup>nd</sup> Fl., Ramintra Rd., Khannayao, Kannayao, Bangkok	60.32	19 March 2021	14 September 2021	License renewal is pending.	Khannayao District Office
3.	The Mall Thapra	The Mall Thapra, 3 <sup>rd</sup> Fl., Ratchadaphisek Rd. (Taksin-Thapra), Bukkhalo, Thonburi, Bangkok	40.00	10 December 2021	26 January 2023	25 January 2021	Thonburi District Office

#### 1.2.2.4.2 Operating Assets






##### Details of Operating Assets

As of 31 December 2021 and 2022, the Company has fixed operating assets with net book values after deducting accumulated depreciation and amortization as follows:

Type of Asset	Net Book Value after Accumulated Depreciation and Amortization Deduction (Million Baht)	
	31 December 2021	31 December 2022
1. Building & Equipment	345.32	535.82
2. Right-of-Use Assets	188.79	282.53
3. Other Intangible Assets	2.31	3.65
<b>Total</b>	<b>536.42</b>	<b>822.00</b>

#### 1.2.2.4.3 Service Marks

The Company has 2 registered service marks and has applied for the registration of four service marks with the Department of Intellectual Property which are pending approval as follows:

No.	Name	Service Marks	Status
1.	TKC CLINIC		Registered service mark.
2.	K Q ; KLINIQUE		Registered service mark.
3.	K Q ; COSMETIC BY THE KLINIQUE		Registration is pending.
4.	K Q ; BY THE KLINIQUE		Registration is pending.
5.	THE KLINIQUE		Service mark currently in use; registration is pending.
6.	L.A.B X		Service mark currently in use; registration is pending.

## 1.2.2.5 Undelivered Work

-None-

## 1.3 Shareholding Structure of the Company

## 1.3.1 List of Top 10 Shareholders as Shown in the List of Shareholders as of 17 March 2023

List of Shareholders	As of 17 March 2023	
	Amount (Shares)	%
1. Mr. Apiruj Thongwattana	70,421,220	32.01
2. TKQH Capital Management Co., Ltd. <sup>1</sup>	23,709,091	10.77
3. Mrs. Potchanan Sriaphai <sup>2</sup>	21,024,000	9.56
<b>Thongwattana Group</b>	<b>115,154,311</b>	<b>48.73</b>
4. Ekachai Medical Care Public Co., Ltd.	16,000,000	7.27
5. Mr. Rattapol Kittichaitrakul	15,754,780	7.16
6. Mr. Phaibun Seriwiwatthana	9,499,182	4.32
7. Mr. Chiradet Chongwatthanasinkun	5,806,000	2.64
8. Ms. Rawitsara Ngamrungsiri	5,590,000	2.54
9. Thai NVDR Company Limited	5,031,737	2.29
10. Mr. Kachen Benjakul	3,245,842	1.48

Remarks: 1 TKQH Capital Management Co., Ltd. ("TKQH") is a juristic person founded according to the laws of Thailand to invest in various companies (holding company) with Mr. Apiruj Thongwattana holding 99.99% shares in TKQH.

2 Mrs. Potchanan Sriaphai is the mother of Mr. Apiruj Thongwattana

### 1.3.2 Restrictions on the transfer of shares that will come into effect on the date the Company completes its initial public offering:

-None-

### 1.4 Amount of Registered and Paid-up Capital

As of 31 December 2022, the Company's registered capital is 110,000,000 million baht, divided into 220,000,000 ordinary shares with a par value of 0.50 baht each, and its paid-up capital is 110,000,000 baht, divided into 220,000,000 ordinary shares with a par value of 0.50 baht each.

### 1.5 Issuance of Other Securities

-None-

### 1.6 Dividend Payout Policy

- The Company has a dividend payment policy of not less than 40% of the net profit according to the separate financial statements, after deducting taxes and legal reserves and other reserves (if any). However, such dividend payments are subject to change, depending on performance, financial position, liquidity, working capital needs in operations, investment plans and future business expansion, market conditions, suitability and other factors related to the Company's operations and administration under the condition that the Company must have sufficient cash for business operations and that such operations must be in the best interest of the shareholders as deemed appropriate by the Board of Directors and/or shareholders of the Company. The resolution of the Board of Directors approving the dividend payout must be proposed for approval at the Meeting of Shareholders, unless it is an interim dividend payout, which the Board of Directors has the authority to approve the payment of such interim dividend and then report it at the next General Meeting of Shareholders.
- Dividend payout must not be from any type of money other than profits. In the event that the Company still has accumulated losses, it is prohibited to pay dividends. Dividends shall be paid in proportion to the number of shares, and must be approved by the Meeting of Shareholders.

Annual Dividend Payout	2020	2021	2022
Net Profit per Share (baht/share)	0.90	0.81	1.21
Dividend per Share (baht/share)	1.57	0.36	1.30
Par Value (baht/share)	0.50	0.50	0.50
Dividend Payout Ratio (%)	174%	44%	108%

## 2. Risk Management

### 2.1 Risk Management Policy and Plan

The Company recognizes that risk management is an important factor in driving steady and stable growth of the business and is part of good corporate governance, which is an important basis that will contribute to the Company's achievement of strategic objectives and goals. Identifying and managing risks aids the Company in making better alternative decisions and helps it to see opportunities and mitigate the impact of potential and impactful events on stakeholders.

### 2.2 Risk Factors for the Company's Business Operations

In operating its business, the Company will naturally face risks similarly to other businesses. Such risk factors are not all risk factors of the Company. There may be other unknown risk factors, or risk factors that the Company considers to be insignificant at the present, which may, in the future, have a significant impact on the business, revenue, profits, assets, liquidity or funding sources of the Company. On the other hand, forecasts of operating results, business policies, changes in laws related to the Company's business operations, government policies and other projections of future events do not guarantee the occurrence of such events, and the actual results may differ significantly from the forecasts.

#### 2.2.1 Business Risks

##### 2.2.1.1 Risks of Fierce Competition in the Aesthetics Business

The aesthetics business is a highly competitive business. This includes competition with private hospitals, and existing and new healthcare facilities entering the aesthetics market, which have risen in number and are competing in the market to access target customers. However, the aesthetics business continues to have a high growth rate as consumers are increasingly interested in caring for their skin and appearance, and there is a need for faster and positive results. This has led to the rising popularity of receiving facial care, skin care and body care services from aesthetics salons or aesthetics clinics.

The Company is aware of such competitive risks. In order to give the Company a competitive advantage and reduce the potential impact of such risks, therefore, the Company has a policy to make a difference by focusing on creating a brand that consumers can recognize, focusing on providing a full range of services with cutting-edge innovations from Europe and the United States, developing the capabilities of personnel to meet the needs of consumers, and increasing the number of branches by opening branches nationwide to support consumer needs and to enable consumers to access the Company's services.

##### 2.2.1.2 Risks from Changing Consumer Behaviors

As today's consumer behaviors are changing rapidly and there are more complex needs, if the Company is unable to effectively respond to the changing consumer needs and behaviors, it will lose the opportunity to generate revenue due to not being able to attract new customers and not being able to retain the existing customer base. Therefore, the Company places great importance to understanding the needs and behavior of consumers. The Company's management team has attended training and seminars related to research in treatment technology to monitor changes in various treatment technologies to develop the Company's treatment technology. Additionally, the Company requires annual consumer needs surveys such as looking at marketing data and conducting customer surveys to plan marketing and develop existing services to respond to consumer needs in a timely and efficient manner. This is considered the goal of the Company's business operations.

### 2.2.1.3 Risks from Changes in Treatment Technology

The Company focuses on the quality of its tests and analyses, and provision of treatment services to its patients using only effective and safe medical devices that have been approved by the US FDA and the Food and Drug Administration (FDA). This is because it is considered the best safety standard. The Company has continuously invested in modern medical tools and equipment. However, the Company has considered data from operations since 2009 and found that the average frequency of changes in medical equipment technology depends on the medical device and is on average about 5-12 years. The medical equipment chosen by the Company continues to provide effective treatment.

Regardless, medical devices that use new technologies may cost more. As a result, it may affect the value of the Company's investment, such as the cost of providing new medical equipment as well as the relatively high maintenance costs. To reduce the impact of the risks from technological changes, the Company has various investment approval procedures by establishing a policy for medical equipment procurement, conducting analyses on the payback period for key medical devices based on references from manufacturers and distributors of similar medical devices, and preparing annual medical device procurement budgets, which requires approval from the Board of Directors. The Company will consider the price of medical equipment requiring investment and the payback period. In the past, the Company spent 20-150 million baht per year on medical equipment. Each year's investment depends on the situation and consumer needs. For example, during Covid-19, the Company had lower investments in medical devices than usual. In addition, at the Meeting of the Board of Directors No. 6/2565 on 28 September 2022 had additional resolutions that if the Company were to proceed with the purchase of medical devices with a total purchase limit of 10 million baht or more, a feasibility study must be conducted on the project based on the payback period and the investment in such medical devices.

### 2.2.1.4 Risks from Patient Care, Including Symptoms or Complications from Surgery or Procedures

Since each patient has different physical conditions, some patients may experience varying degrees of side effects caused by treatments, and some patients may experience symptoms or complications from surgery or procedures. The Company is aware of such risks, and has taken corrective measures in case of an emergency. The Company has a contingency plan to coordinate with partner hospitals, such as those in the Ekachai Medical Public Co., Ltd.'s Group, and the nearest hospitals for assistance. In addition, the Company regularly trains doctors both domestically and internationally to continuously improve their treatment skills, achieve the highest treatment efficiency, and reduce potential side effects and complications.

### 2.2.1.5 Risks of Medical Malpractice Claims

The Company focuses on providing quality treatment and meeting patient expectations. However, because each patient has different expectations and treatment results varies with each patient, if the Company is unable to properly meet the expectations of patients, it will face risks of treatment results that do not meet the expectations of patients. As a result, patients may criticize through social media and file complaints with relevant agencies, as well as take legal action. Therefore, the Company is at risk of litigation because patients or related people are dissatisfied with treatment results. Otherwise, there may be an impact related to the treatment provided by the Company's doctors and specialists, for which the Company and/or the doctors may have to pay compensation to the litigant. This may affect the Company's performance and reputation in the future.



Due to the aforementioned risks, the Company has continuously improved the quality of its services, as well as selected doctors and personnel with experience and expertise, in addition to evaluating the service quality regularly, particularly treatment results and satisfaction in receiving services and treatment from the Company. This is done in order to allow the recognition of the operational efficiency, and also as a way to prevent the risk of medical malpractice claims. In addition, the Company has a branch quality control system which focuses on maintaining the quality of medical services to the same standard through the training schedule provided to doctors on a regular basis. Most doctors attend training on a voluntary basis as they can gain additional work skills and expertise.

In addition, the Company has appointed a Risk Management Committee to assess and monitor the results of such risk management, as well as to issue preventive measures to reduce potential risks systematically and effectively.

As of 31 December 2022, the Company has no medical malpractice lawsuits that significantly affect the Company.

#### **2.2.1.6 Risks of Dependence on Medical Personnel**

At present, the aesthetics business in Thailand has a continuously rising growth rate as consumers become more focused on healthcare and cosmetics. One important factor in the business of providing medical services is having knowledgeable personnel. As a result, providers of medical services have an increased demand for specialized personnel. The Company has a plan to manage enough doctors to provide services by scheduling the work of doctors to have an adequate and thorough rotation of doctors in each branch. However, after the initial public offering, the Company intends to use a portion of the proceeds from such funding to expand its business, increase the number of branches for business growth, and enhance performance for the Company. As a result, the Company is at risk for having a shortage of medical personnel. To reduce such risks, the Company has determined the level of remuneration and benefits that would incentivize its personnel. It also provides ongoing education and training, activities to enhance the quality of life, projects aimed at strengthening employee engagement, and various forms of benefits to be on par with other entrepreneurs in order to retain the Company's personnel, in addition to a strategic plan to advance their careers. Furthermore, the Company is well-known and respected in the field of skin care, cosmetic surgery, and health rejuvenation clinics, and is confident that there are many medical specialists who want to work with the Company.

#### **2.2.1.7 Risks of Mainly Depending on Department Stores for Business**

The Company has implemented its strategy by opening clinics in well-known areas and areas that are easily accessible to customers, mostly opening in national-level department stores or shopping centers because the Company sees that this will enhance the brand's image and hinder competitors' market entry due to limited space in leading department stores. Due to the nature of such business operations, the Company is at risk of dependence on the department stores for business operations, because in the event of new disease outbreaks or recurrence of the Covid-19 pandemic, the government sector may issue stricter measures or enforce lockdown measures and temporarily close department stores, resulting in impact to services to consumers. For this reason, clinics located in shopping malls would be greatly affected. However, after the easing of measures, department stores or shopping centers could be opened under the precautionary measures prescribed by the government. The Company would be able to resume normal operations and service customers continuously. In the future, the Company plans to expand its investment in opening new stand-alone branches outside department stores in order to reduce some dependence on department stores for business.

### 2.2.1.8 Risks Associated with Branch Lease Renewal

The Company is primarily engaged in providing skin care, cosmetic surgery and health rejuvenation services, and is currently expanding its aesthetics business by opening its first nail salon in 2020. As of 31 December 2022, the Company has 43 branches (excluding the main office), divided into 35 medical clinics under the name “THE KLINIQUE”, three nail salons under the name “Nail Palettes”, four laser centers under the name “L.A.B.X”, and one surgery center. Most of the branches are located in leading department stores throughout Thailand, and are mostly in short-term leases of 1 – 3 years. Therefore, the Company may be at risk of failure to renew the lease or at risk of rising rental rates and service charges. However, in the past since the Company's establishment, the lessors have never terminated the Company's leases, and most leases give the Company the right to renew the lease at the end, and have clear rental adjustment rates. In addition, the Company's lease agreements are for branches of many leading department stores. As a result, the Company is confident that it will be able to renew its leases and continue to operate its business since the Company is a high-potential tenant and is a flagship store among aesthetic service providers of each department store, in addition to having branches in many branches of the lessors.

### 2.2.1.9 Risks from Compliance with Announcements, Regulations and Laws

The Company operates medical clinics that do not accommodate overnight patients under the supervision and regulation by the Ministry of Public Health and other relevant government agencies. The Company is obliged to comply with the announcements, regulations, requirements and laws governing business operations and protecting public safety, such as announcements of the Medical Council and the Ministry of Public Health, regulations of the Medical Council and Ministerial Regulations on characteristics of medical facilities and nature of services provided by medical facilities, Medical Profession Act, Consumer Protection Act, Medical Facility Act, Food and Drugs Act, etc. Furthermore, the Company must obtain health establishment licenses and medical facility performance licenses as prescribed by medical facility laws, including any changes in the interpretation of current laws, regulations, requirements and announcements, or any new laws or regulations that have the potential to be more strict and may impact the Company's operations.

In any case, the Company recognizes the importance of complying with the related announcements, regulations and laws. Therefore, the Company places importance on complying with relevant announcements, procedures, regulations, rules, and laws. The Company has a policy for its personnel to monitor, inspect, attend training and seminars to gain knowledge and receive news from the government related to operating a medical facility, so that the Company can comply with relevant announcements, procedures, regulations, rules, and laws correctly.

### 2.2.1.10 Risks Associated with Withholding Tax Remittance in the event that the Revenue Department Assesses the Personal Income Tax of Doctors are different from the Company's Guidelines

The Company has entered into a written agreement under the “Contract for the Use of Clinics for the Art of Healing” with medical specialists who treat patients in medical facilities. The purpose of the contract is to allow doctors to use the Company's facilities, equipment, pharmaceuticals and medical supplies to treat patients, while sharing the profits with the Company. These doctors are not employees of the Company, but are doctors who have assigned the Company the task of collecting medical fees from patients and compiling the expenses for the doctors. The Company will provide the necessary facilities and equipment for medical treatment.

If the Revenue Department's guidelines for similar agreements between hospitals and doctors are considered, the treatment fees that the doctors receive from patients are considered income in the form of compensation to freelancers under Section 40(6) of the Revenue Code. Once the Company collects the treatment fees or medical personnel fees from the patients and repays said payments to the doctors, the Company will not have to deduct the withholding taxes from the doctors.

However, in practice, there are still different interpretations of tax laws regarding the classification of such medical compensation. Therefore, the Company may be liable for withholding tax and tax increases in the event that the revenue department has a different diagnosis of the doctors' withholding tax issue. In order to reduce the impact of tax risk factors, the Company has specified in the contract between the Company and the medical personnel that the other party shall be responsible for the costs that may arise from additional tax assessments arising from the withholding taxes of each doctor which may take place for the Company.

## 2.2.2 Management Risk

### 2.2.2.1 Risk of Major Shareholders Holding More Than 50% of the Company's Shares

As of 31 December 2022, the Company had 115,154,311 shares held by the Thongwattana family group, representing approximately 71.97% of the total number of shares sold by the Company at present. After the initial public offering, the Thongwattana family group's proportion will be reduced to 52.35% of the total number of shares sold by the Company. As a result, the Thongwattana family group is the majority shareholder who can control the majority of the resolutions at the shareholders' meetings, except for matters concerning the laws or regulations of the Company which requires a vote of at least three-quarters of the shareholders' meeting, such as capital increase, capital reduction, sale or partial or total transfer of business, etc. Therefore, other shareholders may not be able to gather votes to check or balance issues proposed by the majority shareholders.

However, recognizing such risks, the Company has established a third-party Board of Directors, including three independent audit directors out of a total of seven board members, to check and balance the work of the Board of Directors and executives of the Company. All audit directors are qualified and socially acceptable, and thereby increase the efficiency and transparency of management through the mechanism of the internal control system, and act as a counterbalance to the powers of the Board of Directors. In addition, the Board of Directors recognizes the importance of policies related to the principles of good corporate governance, and will comply with good corporate governance guidelines strictly. Moreover, the Company has set the scope of authority and the table of authority to approve items for each level in the appropriate scope or limit. In addition, the Board of Directors has a policy to operate in the best interests of shareholders. The scope of authority is established for the Board of Directors, the Executive Committee, and the Audit Committee, and if it is necessary to make transactions with potentially conflicted persons, the Company will strictly comply with the approval procedures and rules of the Stock Exchange of Thailand regarding connected transactions, whereby the potentially conflicted persons will not have the right to vote on such transactions.

### 2.2.2.2 Risks from Dependence on Key Personnel

The Company was founded in 2009 with the main executive, Dr. Apiruj Thongwattana, who has experience and reputation in the aesthetics industry to continuously create credibility, confidence and good relationship with the Company's customers. Therefore, a change in key management may result in the Company facing risks in conducting business.

The Company is aware of the potential risks and determines the risk mitigation guidelines by clearly identifying the scope of authority, responsibilities and approval powers in each position and division. Administrative and management powers are systematically decentralized through the established approval power chart, the framework is set for creating replacement company personnel by sending personnel to be trained in various courses training courses to increase knowledge and capacities, and various duties and responsibilities are assigned to knowledgeable and skilled personnel, and the compensation is appropriately considered to incentivize performance and reduce dependence on any one employee. The Company has a policy to recruit knowledgeable and competent personnel to join the Company in accordance with the business plan, Therefore, the Company is confident that it will be able to reduce the risk of dependence on key executives and build a sustainable Company.

#### **2.2.2.3 Risks of Dependence on Key Partner**

The Company purchases pharmaceuticals, medical supplies and medical equipment from a partner. Purchases from such partner accounted for 40.92%, 31.27%, 38.50% and 53.29% of the Company's total purchases for 2019, 2020, 2021, and 2022. As the aforementioned partner is a world-class company with expertise in the sale of health products such as medicinal products and quality medical equipment, and is the sole distributor of medicines, medical supplies and medical equipment used by the Company to provide services, the partner has always had good operational potential and a comprehensive network, allowing them to respond quickly and efficiently to the Company's needs.

Recognizing the risks of dependence on its main partner, the Company has established guidelines for the procurement of pharmaceuticals, medical supplies and medical equipment from other renowned partners that offer products matching in quality, which have been accepted and inspected by the Food and Drug Administration (FDA) of Thailand to reduce dependence on such key supplier and to diversify the potential risks of shortages of pharmaceuticals, medical supplies and medical equipment.

#### **2.2.2.4 Risks Associated with Unregistered Service Marks**

The Company is in the process of registering the service mark currently in use with the Department of Intellectual Property (consider additional details about Service Marks in Section 1.2.2.4.3, Structure and Operations of the Company), putting the Company at risk in terms of its right to sue. However, if the Company is not approved to register the service mark "THE KLINIQUE" which is currently in use, it will not affect the Company's operations as customers and service users understand and are well aware of the Company's brand.

However, if any person uses a service mark that is identical to or similar to the Company's registration, and it results in other people mistaking the mark for that of the Company, the Company has the right to sue for defaming and damaging the Company, such as breach of the Civil Code or false sales offenses under the Criminal Code.

### **2.2.3 Investment Risk**

#### **2.2.3.1 Risks on Investment by Securities Holders**

Following the initial public offering, the price of the Company's common stock may fluctuate due to a number of factors, some of which is uncontrollable, for example:

- 1) Changes in socioeconomic conditions that affect industries related to the Company.
- 2) Fluctuations in stock prices in the SET due to the Covid-19 pandemic.
- 3) Changes in the Company's performance estimates and analysts' trading recommendations.
- 4) Differences between the Company's financial performance and the expected performance of investors and analysts and the Company's actual financial performance and operating results.
- 5) Changes in conditions, regulations and laws affecting industries related to the Company and/or general economic conditions.

The factors cited above, as well as other factors not listed above, may affect the market prices and demand for the Company's common stock, causing fluctuations, which may restrict or prevent investors from trading the Company's common stock at the anticipated price, or it may be traded at a price significantly lower than the offering price. This could have a negative impact on the Company's liquidity.

#### **2.2.3.2 Risks Associated with Existing Shareholders Residing Outside Thailand as the Company may not be able to Issue New Securities in the Future to Existing Shareholders in Proportion to Their Shareholding.**

Although there is no requirement for a public limited company to offer newly issued securities to existing shareholders upon issuance and offering of new securities, a public limited company may offer newly issued securities from time to time by allocating them to existing shareholders in proportion to their shareholding. Such securities include newly issued ordinary shares and other types of securities that may be issued by the Company, such as warrants, warrants to purchase transferable subscription rights (TSR) and convertible debentures. In the event that the Company offers newly issued securities or grants any other rights to existing shareholders, the Company may have restrictions on the offering or granting of newly issued securities to existing shareholders residing outside Thailand as the laws in some countries prohibit companies from offering or granting subscription rights to the shareholders in such countries. For example, the Company may not offer or grant subscription rights to U.S. Persons unless (a) the Company has prepared a registration statement in accordance with the U.S. Securities Act, or (b) it is an offering of newly issued securities with an exemption from the U.S. Securities Act.

Compliance with securities laws or other regulatory provisions in certain countries may prevent certain investors from subscribing to newly issued securities offered by the Company to existing shareholders in proportion to their future shareholdings, and may result in a decrease in their shareholding. The Company is not obliged to apply for the registration of the Company's securities in any other country or territory outside Thailand in order to give foreign investors the right to subscribe for newly issued securities to existing shareholders in proportion to their future shareholding.

### 3. Sustainable Business Development

#### 3.1 Sustainability Policy and Management Goals

The Company recognizes the importance of developing and driving the business towards sustainability by adhering to and giving importance to the duties and responsibilities toward society and stakeholders, including shareholders, customers, partners, employees, communities and the surrounding society to create a commitment toward business operations and toward being a good corporate citizen with ethics and good corporate governance principles for the benefit of the society and environment. This includes sustainable growth in line with the Sustainable Development Goals (SDGs) of the United Nations and effectively generating returns for shareholders, while taking into account the impact of business operations on everyone connected to the Company in all aspects.

The Company has guidelines that are in line with Gender Equality and Empowering all Women and Girls, by not discriminating against gender when servicing and being open to all genders and ages. In terms of personnel, the Company is an equal opportunity employer. Recruitment is based on individual knowledge and abilities, which is in line with subtarget, End all Forms of Discrimination Against All Females Everywhere to ensure Women's Full and Effective Participation and Equal Opportunities for Leadership at all levels of decision-making, Adopt and Strengthen Policies, Enforceable Legislation for the Promotion of Gender Equality and the Empowerment of All Women and Girls at All Levels.

The Company also has an approach that is in line with Build Resilient Infrastructure, Promote Inclusive and Sustainable Industrialization and Foster Innovation, by developing its IT systems to create a reliable database, and bringing IT systems to customers through the verification of personal data and service usage data via the SMS system for transparency and data security, as well as reducing paper usage in such processes. This is consistent with Upgrade Infrastructure for Sustainability with Increased Resource-use Efficiency and Greater Adoption of Clean and Environmentally Friendly Technologies and Industrial Processes; and Support Technology Development, Research and Innovation in Developing Countries, Including Providing a Policy Environment That Leads to Industrial Diversity and Adds Value to Commodities.

In order to achieve these goals, the Company has established a corporate social responsibility and sustainability policy in line with the business direction and strategies to reflect its intention and commitment to drive the business with consideration to environmental and social issues covering respect for human rights and good corporate governance as follows:

##### 3.1.1 Good Corporate Governance:

The Company provides a management system in accordance with the principles of good corporate governance with transparent, equitable and fair management to build reliability and confidence among shareholders, investors, stakeholders and all relevant personnel to assure them that the Company is competitive and able to adapt to various changing factors. At the same time, the Company considers the business code of ethics and long-term social and environmental impact in order to create sustainable values for the organization.

##### 3.1.2 Fair Business Practices:

The Company adheres to fair business practices that create confidence in those involved, which will have a positive impact on the Company in the long run, to maintain investor and public confidence in the Company and for the sustainable growth of the Company without unfair business practices.

### **3.1.3 Respect for Human Rights and Fair Treatment of Workers**

The Company places great importance on human rights, which represents the Company's socially responsible business practices. Hence, policies and guidelines of the Company have been established to comply with the laws, regulations and relevant requirements, and should also cover respect to human rights.

### **3.1.4 Responsibility Toward Customers and Consumers**

The Company takes into account the highest customer satisfaction, communication of the impact of goods or services on customers, and maintenance of personal data of customers who purchase goods and services from the Company, as well as consumers who use the products and services produced by the Company at a fair price, with quality and with responsibility toward customers and consumers.

### **3.1.5 Community and Social Development**

The Company is a company that belongs to society without being separated from society. Therefore, the Company shall be responsible for developing and returning profits to the community and society as a whole in order for the Company to grow sustainably in accordance with the development of society. The Company considers it a duty and core policy to focus on community and social activities with a focus on the development of the society, community, and environment, and the preservation of religion, improvement of quality of life and encouragement of community engagement in creating and conserving natural resources, as well as supporting education for youth and public interest activities for disadvantaged communities to create strong and independent communities.

### **3.1.6 Environmental Conservation**

The Company cares about the safety and hygiene of its personnel and the communities surrounding the establishment. The Company aims to promote and instill awareness in terms of quality, occupational safety, and the environment, so that they are part of the daily life of the Company's personnel for the benefit of everyone, including the community and society as a whole. The Company encourages the proper use of resources and reduction of waste, and has established policies that comply with environmental laws, regulations and requirements related to the Company's business operations and characteristics. This reflects the Company's commitment to reducing negative environmental impacts such as energy, water, garbage, waste, pollution, and management to reduce greenhouse gas problems.

### **3.1.7 Innovation and Dissemination of Innovations from Corporate Social Responsibility**

The Company adopts the concept of social responsibility and invents business innovations that creates benefits and competitiveness to the business and society to encourage other entrepreneurs and the public to pay more attention to innovation and social responsibility.

### **3.1.8 Preparation of Social and Environmental Reports**

The Company will collect data in compliance with social and environmental responsibility guidelines to facilitate the dissemination and use of such information to promote better social and environmental policies and practices in the future. In addition, the Company will disclose information in compliance with social and environmental responsibility guidelines to benefit all stakeholders for the integrity and transparency of its operations.



### 3.1.9 Greenhouse Gas Management Policy Establishment

The Company recognizes the importance of climate change and supports the management of greenhouse gases for the benefit of the organization, society and environment of the country, bringing the organization into a low-carbon society in response to Thailand's policy on greenhouse gas reduction, and in line with government policies and agreements under the United Nations Framework Convention on Climate Change (UNFCCC).

### 3.1.10 Managing Impact on Stakeholders in the Business Value Chain

#### 3.1.10.1 Business Value Chain

The Company operates its business with an emphasis on the participation of stakeholders while taking into account the sustainability management of activities throughout the value chain. The Company has created guidelines for promoting the sustainability of the value chain alongside sustainable development throughout the business value chain, including economic development, social development and maintenance of the balance of the environment. Main activities in the Company's value chain are as follows:

Main Activities	Description
1. Research and Development	- The Company studies and develops services to meet the needs of current and future customers. This includes looking for new, efficient and effective and environmentally friendly medical devices, such as using the high-performance, lower-energy Thermage FLX to replace the existing Thermage CPT model, etc.
2. Procurement	- The Company places great importance on purchasing quality, standardized tools and products at reasonable prices from transparent sources by inspecting the quality of the products and equipment, and evaluating the credibility of business partners to ensure the ability to develop sustainable business practices.
3. Service Delivery	- The Company offers quality and standardized skin and body care services and procedures by reliable personnel certified by relevant authorities. - The Company has a distribution channel by opening service branches in shopping centers to provide consumers with convenient access to services. In addition, customer data is stored in a quality storage system that is interconnected between branches, thus allowing consumers to have flexibility in accessing services in all branches.
4. Marketing	-The Company markets by communicating through famous and widely known people through both online and offline marketing channels in order to reach a wide range of customers.
5. After Sales Service	- The Company places the utmost importance on service satisfaction, and gives customers the opportunity to contact the Company to provide feedback after the service to enable the Company to meet the needs of customers in the future.

In addition, the Company operates its business with support activities alongside its main activities to promote the efficiency of its core activities and drive the Company's business operations continuously and efficiently as follows:

Support Activities	Description
1.Human Resource Management	<ul style="list-style-type: none"> <li>- The Company procures human resources by taking into account the appropriateness of the duties, as well as setting the remuneration at an appropriate level.</li> <li>In addition, personnel are trained and developed to increase knowledge and capabilities to enable operations with the highest efficiency.</li> </ul>

### 3.1.10.2 Analysis of Stakeholders in the Business Value Chain

The Company has a policy of grouping stakeholders throughout the value chain both inside and outside the Company to determine ways to meet the expectations of stakeholders as follows:

Stakeholder Group	Expectations of Stakeholders	Company's Response to Expectations
Shareholders, Investors and Analysts	<ul style="list-style-type: none"> <li>- The Company has good operating performance and financial position with increased profitability.</li> <li>- The Company has good corporate governance, legal compliance and is free of corruption.</li> <li>- The Company's data is accurate, complete, up-to-date, and transparent.</li> <li>- Risk management is appropriate and efficiency.</li> <li>- Dividend is paid out when the Company reaches maturity.</li> <li>- Equal treatment of all shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company builds competitiveness and develops its potential for business growth as well as continued profitability.</li> <li>- The Company regularly prepares business strategic plans.</li> <li>- The Company has transparent corporate governance under the principles of good corporate governance and strictly follows the code of business ethics.</li> <li>- The Company has a clear and appropriate dividend payment policy.</li> <li>- The Company manages risks carefully, systematically and efficiently.</li> <li>- The Company discloses information accurately, completely and transparently.</li> </ul>

Stakeholder Group	Expectations of Stakeholders	Company's Response to Expectations
Employees	<ul style="list-style-type: none"> <li>- Listening to employees' opinions, including responding and finding solutions to problems that arise from work.</li> <li>- The remuneration received is appropriate and fair.</li> <li>- Career opportunities and advancement, including job security</li> <li>- Treating all employees equally and respecting human rights</li> <li>- Safety and working environment.</li> <li>- The equipment used in operations is sufficient and in proper working conditions.</li> <li>- Management of personnel and development of skills through seminars, trainings or related activities to develop the skills of personnel in the organization.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company listens to the opinions, suggestions and problems from employees about work, and seeks solutions to such problems effectively.</li> <li>- The Company pays fair remuneration for all the position and capabilities of its employees.</li> <li>- The Company regularly evaluates its performance under a standardized evaluation process.</li> <li>- The Company treats all employees fairly and respects human rights.</li> <li>- The Company has guidelines and procedures for administering and managing occupational safety, health and environment to be appropriate and safe.</li> <li>- The Company organizes training to encourage employees to continuously develop their knowledge and abilities to enhance their work skills and promote career advancement.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- The service quality meets the required standards.</li> <li>- Appropriateness and fairness of service prices.</li> <li>- Obtaining accurate, complete and up-to-date information about services.</li> <li>- Quick and effective resolution when problems arise.</li> <li>- Maintaining confidentiality of customer information obtained through business operations.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company has a quality management system to provide services to customers, from providing accurate and up-to-date information to listening to customer feedback regularly, and solving problems that arise in a timely manner.</li> <li>- The Company has a fair service pricing policy to set appropriate prices for the Company's service quality.</li> <li>- The Company strictly adheres to the ethics in maintaining customer information confidentiality.</li> <li>- The Company has a policy to receive complaints from customers systematically.</li> </ul>

Stakeholder Group	Expectations of Stakeholders	Company's Response to Expectations
Trade Partners	<ul style="list-style-type: none"> <li>- Compliance with contracts and joint business operations in a transparent, fair and equitable manner.</li> <li>- Fair and prompt remuneration according to agreement schedules.</li> <li>- Maintaining the confidentiality of partners' information obtained from business operations.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company complies with business contracts and trade conditions according to agreement with its partners and treats all partners equally.</li> <li>- The Company strictly adheres to the ethics for maintaining the confidentiality of partners' information.</li> </ul>
Society and Communities	<ul style="list-style-type: none"> <li>- Full and strict compliance with relevant laws and regulations.</li> <li>- Reduction of potential negative impacts on communities, society and the environment.</li> <li>- Participation in supporting the well-being and creating a good quality of life for society and communities.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company adheres to being a good citizen and complying with all applicable laws and regulations.</li> <li>- The Company considers natural resource options with minimal social and environmental damage.</li> <li>- The Company has a policy to survey the Company's processes to determine whether they pose a risk or have a negative impact on society and the environment.</li> <li>- The Company intends to return a portion of its profits for activities that will contribute to society and the environment on a regular basis.</li> </ul>

## 3.2 Environmental Sustainability Management

### 3.2.1 Environmental Policies and Guidelines

#### 3.2.1.1 Environmental Stewardship

The Company has established policies that comply with laws, regulations and environmental law that related to the operations and nature of the Company. This reflects the Company's commitment to reducing negative environmental impacts in aspects such as energy, water, waste, pollution, and management to reduce greenhouse gas problems. To summarize, the environmental stewardship guidelines are as follows:

#### Guidelines

1. The Company promotes safety as a priority by establishing requirements and standards for occupational safety, health and environment quality with measures not less than those prescribed by law in accordance with international standards. The Company's personnel must study and strictly comply with relevant laws, policies, requirements and standards on related occupational safety, health and environment quality.
2. The Company controls and prevents various forms of losses due to accidents, fire, work-related injury or illness, lost or damaged property, security breach, improper operation and errors, as well as to maintain a safe working environment for the Company's personnel and regularly rehearse security plans. It is the responsibility of the management and employees to report accidents and incidents in accordance with established procedures.
3. The Company will provide emergency control and prevention plans in all areas of operation, and an organizational emergency and crisis management plan to be prepared for the management of various emergencies that may occur, such as fires, gas, chemical or waste leaks and the preparation for other crises that may disrupt business operations and tarnish the reputation and image of the organization.
4. The Company will provide public relations and media to create knowledge and understanding and disseminate information to the Company's personnel, employees of contractors, as well as relevant stakeholders so that they know and understand policies, regulations, procedures, guidelines and precautions in terms of occupational safety, health and environment quality, until they are correctly implemented to prevent harm to health, property and the environment, as well as performance data and results of environmental management, especially key aspects of business operations such as the management of energy, water, waste, pollution, etc.
5. The Company is committed to contributing to social responsibility in terms of quality, and occupational safety, health and environment seriously and continuously, maximizing the use of natural resources by recognizing the importance of the environment and the safety of relevant stakeholders, as well as promoting social activities to preserve the environment and improve the quality of life of people in the community in accordance with the principles of sustainable development.

6. If any work is unsafe or fails to comply with quality, occupational safety, health and environmental requirements and standards, or if the operation is found to have a serious environmental impact, the Company's personnel shall temporarily cease their operations as much as possible in order to notify their associates, supervisors and responsible agencies to take corrective action or plan for further corrections. It is strictly forbidden to continue the work.

7. The Company will review environmental protection policies and practices from time to time to monitor events related to environmental stewardship in accordance with the current global situation.

### **3.2.1.2 Establishing a Greenhouse Gas Management Policy**

1. Establish greenhouse gas management as part of the Company's strategic plan to promote sustainable growth of the Company.
2. Promote the development of activities or projects to create a corporate culture towards a low-carbon society of the Company.

Most of the Company's branches are in department stores, where the Company has no control over the management process. However, the Company has a surgical center where the Company can control the various management processes by itself. The Company is currently in the process of collecting the carbon footprint data of medical instruments used in the OR, as it is the Company's most severe carbon footprint activity, which is expected to commence operations by 2023. Moreover, the Company will use the information obtained to further consider the greenhouse gas reduction policy in the surgery center. So that the Company can track and manage carbon footprint effectively in the future.

## **3.2.2 Environmental Performance**

### **3.2.2.1 Energy Consumption**

The Company places importance on proper use of electricity without wastefulness. Furthermore, the Company communicates and educates employees in the organization to ensure that all employees recognize the value of electricity and use electricity with maximum efficiency. In addition, the Company regularly reviews medical devices and related equipment to maximize efficiency and selects electrical appliances with electricity-saving labels to help reduce energy consumption. Most of the Company's branches are located in department stores, so the Company has limited control over the management of processes due to the Company's lack of control beyond the scope of its branch area. Nevertheless, the Company expects to be able to store enough data for energy consumption measurement by 2024.

### **3.2.2.2 Water Consumption**

The Company communicates the value of water to employees and uses water economically to prevent wasteful water use. In addition, the Company also has a wastewater management system of the service process, whereby the wastewater with chemical impurities caused by the product washing process is treated by indoor treatment ponds to reduce water pollution. Most of the Company's branches are located in department stores, so the Company has limited control over the management of various processes due to the Company's lack of control beyond the scope of its branches. Nevertheless, the Company expects to be able to store enough data for water consumption measurement by 2024.

### 3.2.2.3 Garbage, Waste and Pollution Management

The Company encourages employees to reduce office material and equipment use and to reuse or recycle in order to reduce potential waste due to office materials and equipment. The Company also sorts waste within the organization for waste disposal in an appropriate place to minimize pollution. In the garbage part is infected. The Company has hired a government-authorized agency to collect infectious waste for further management. Most of the Company's branches are in department stores, so the Company has limited control over the management of various processes due to the Company's lack of control beyond the scope of its branches. Nevertheless, the Company expects to be able to store enough data for the implementation of garbage, waste and pollution management measures by 2024.

### 3.2.2.4 Management to Reduce Greenhouse Gas Problems

The Company is aware of global warming and the growing severity of climate change. Therefore, the Company is fully committed to cooperating and promoting various activities to help in mitigating global warming. The Company focuses on communicating to employees to understand and realize the impact of global warming and jointly create a corporate culture towards a low-carbon society. In addition, the Company selects low-carbon-labeled appliances and campaigns to save electricity, which is one of the resources with the highest greenhouse gas emissions from medical equipment process. The Company has a policy to choose medical devices that save more energy and focuses on machines that consume less power while maintaining effective performance.

In addition, the Company is in the process of starting carbon footprint samples for the medical equipment used in the operating room (OR) as surgery is one of the activities that produces the Company's largest carbon footprint. In other areas, because most of the Company's branches are in department stores, the Company has limited control over the management of various processes. Nevertheless, the Company expects to be able to store enough data for the implementation of greenhouse gas measures by 2024.

## 3.3 Social Sustainability Management

### 3.3.1 Social Policies and Guidelines

#### 3.3.1.1 Community and Social Development

The Company exists in and is inseparably connected to society. Therefore, the Company is committed to development and returning profits to the community and society as a whole, so the Company can grow sustainably in accordance with social development. The Company considers it a duty and core policy to focus on community and social activities with focus on the development of society, community and environment, fostering religion, improving quality of life and encouraging community engagement in addition to creating and conserving natural resources, as well as supporting education for youths and public benefit activities for disadvantaged communities to be strong and self-reliant communities. In summary, the essence of the guidelines for community and social development is as follows:

#### Guidelines

1. The Company aims to understand and communicate with society the status and facts of the Company's operations, the Company's responsibility to the community and society as a whole, and the Company's responsibility to the environment without concealing facts that may be revealed, while cooperating in providing information to investors, shareholders and interested parties in a timely manner.



2. The Company is committed to contributing to corporate social responsibility in terms of quality, safety, occupational health and the environment seriously and continuously in optimal use of natural resources. The Company also recognizes the importance of the environment and the safety of relevant stakeholders in addition to promoting social activities to preserve the environment and improve the quality of life of people in the community in accordance with the principles of sustainable development.
3. The Company takes into account alternatives to utilizing natural resources with minimal damaging impact on society, environment and quality of life of citizens with support of reduced energy and resource consumption.
4. The Company continuously instills a sense of corporate social and environmental responsibility in its personnel at all levels, giving importance to transactions with partners who share the same intentions as the Company regarding corporate social and environmental responsibility in order to be a leader in promoting the efficient use and conservation of energy for the benefit of future generations.
5. The Company regularly returns a portion of its profits for activities that will contribute to society and the environment. The activities to be performed must be appropriate with true benefits for community, society and the environment. If a choice is made to donate, the information on the recipient of the donation must be checked to ensure that the donation is used effectively and efficiently for charitable purposes. Furthermore, donations must be documented.

### 3.3.2 Social Performance

#### 3.3.2.1 Assisting Employees with Inflation

Due to the coronavirus (Covid-19) outbreak, which has affected the livelihoods of low-income employees, who already have low incomes, and the rapidly rising inflation situation since the beginning of 2022, the Company has provided a cost-of-living assistance program for employees at the salary level less than or equal to 25,000 baht for a total of 1,830,000 baht. The Company has policy for fair remuneration to employees in which the Company pays remuneration including the cost of living and various types of benefits consistent with labor law and on time, as scheduled. In addition, the Company adheres to the concept of equal remuneration for equal work between males and females.

#### 3.3.2.2 Staff Training

The Company realizes the importance of personnel development. To promote skills and competency of employees. The Company has organized training courses for employees to enhance their skills and potential in work for employees according to each role they are responsible for and there is a procedure to ensure that each employee has the opportunity to attend the training completely which 100% of employees have participated in 10-hour training sessions, for example training courses for employees in the position, sales consultant, receptionist, person assistant physician and nurses, etc.

#### 3.3.2.3 Safety, Occupational Health and Working Environment

Due to the coronavirus (COVID-19) outbreak, the Company has realized the importance of continuously developing and improving the efficiency of safety operations to reduce the risk of illness and taking proper care of the quality of life of workers or employees. Thus, important measures have been taken to prevent and reduce the risk of spread of COVID-19.

#### 3.3.2.4 Maintaining Customer Personal Information

The management is aware of the importance and preservation of customers' personal information, so there are measures in place to reduce the risk of leakage of sensitive information. Thus, the Company has conducted employee training in relation to the Personal Data Protection Act B.E. 2562 (2019) to enable the Company to comply with the law properly and take care of personal data effectively. In addition, the Company provides measures to effectively store and maintain customers' personal information.

#### 3.3.2.5 Improving Customer Satisfaction

The Company schedules annual assessments of consumer needs, such as viewing marketing information and conducting customer surveys to plan marketing and developing existing services in response to consumer needs in a timely and efficient manner to better handle complaints, so the Company has established policies and procedures for systematically handling customer complaints to build and maintain good relationships with customers in addition to building long-term bonds between customers and the Company.

#### 3.3.2.6 Preserving Religion, Culture and Traditions

The Company places great importance on the continuation of Thai religion, culture and traditions. Thus, the Company gives donations and supports the preservation of religion and merit-making on important religious occasions.





### 3.3.2.7 Medical Donations

The Company is committed to driving development to enhance the quality of life and create well-being for society. In 2022, the Company contributed 100,000 baht to the Bhadra Maharajanusorn Foundation under the patronage of Princess Chulabhon Walailak Akhararatchabhumari Krom Phra Srisavangavadhana to provide modern medical equipment to help and treat lacking patients at Chulabhorn Royal Academy. And in the same year, the Company donated 100,000 baht to the Ramathibodi Foundation to support the "Development of the Dermatology Unit fund" of the Department of Dermatology, Department of Internal Medicine, Faculty of Medicine, Ramathibodi Hospital. The project aims to promote the health of Thai people in order to support medical development and facilitate patient access to effective treatment.



## 4. Management's Discussion and Analysis (MD&A)

### Summary of 2022 Financial Performance

Income Statement	2021	%	2022	%	%YoY
Unit : THB mm (unless stated otherwise)					
Revenue from Sales and Service	949.93	99.8%	1,639.03	99.5%	72.5 %
Cost of Sales and Service	391.16	41.1%	716.07	43.5%	83.1 %
<b>Gross Profit</b>	<b>558.77</b>	<b>58.7%</b>	<b>922.97</b>	<b>56.0%</b>	<b>65.2%</b>
Selling Expenses	282.64	29.7%	459.55	27.9%	62.6%
Administrative Expenses	125.04	13.1%	215.22	13.0%	72.1%
EBITDA	234.43	24.6%	397.75	24.2%	69.6%
Net Profit (Loss)	129.26	13.6%	205.57	12.5%	59.0%
<b>Number of branches as of 31 December</b>	<b>30</b>		<b>40</b>		<b>33.3%</b>

As of 31 December 2022, the company has a total of 40 branches (35 The KLINIQUE Clinics, 4 L.A.B.X Clinics, and 1 Surgery Center) increasing from 30 clinics at 31 December 2021.

### Revenue

#### Cash Sales by brand

Cash Sales	2021	%	2022	%	%YoY
Unit : THB mm (unless stated otherwise)					
THE KLINIQUE	914.43	100.0%	1,663.93	95.0%	82.0%
THE KLINIQUE SURGERY CENTER	-	-	51.03	2.9%	-
L.A.B.X	-	-	36.03	2.1%	-
<b>Total</b>	<b>914.43</b>	<b>100.0%</b>	<b>1,750.99</b>	<b>100.0%</b>	<b>91.5%</b>

## Cash sales by department

Cash Sales	2021	%	2022	%	%YoY
Unit : THB mm (unless stated otherwise)					
Aesthetic Skin Department	785.21	85.9%	1,483.58	84.7%	89.9%
Body and Weight Management Department	46.76	5.1%	88.93	5.1%	90.2%
Wellness Department	74.66	8.2%	127.44	7.3%	70.7%
Plastic Surgery Department	7.80	0.9%	51.03	2.9%	554.1%
<b>Total</b>	<b>914.43</b>	<b>100.0%</b>	<b>1,750.99</b>	<b>100.0%</b>	<b>91.5%</b>

In 2022, the Company's total Revenue from Sales and Service is THB 1,639.03 mm increasing by 72.5% from 2021 due to branch expansion, additional investment in medical equipment, and improvement of the COVID-19 pandemic.

### Aesthetic Skin Department

The company's cash sales is mainly derived from the aesthetic skin department, with 89.9% growth from last year. Major contributions are from "THE KLINIQUE", a full-service medical aesthetic clinic targeted to serve the luxury segment. Energy based devices and Injectables are the key drivers of aesthetic skin sales.

In Q3/2022, the Company has launched a new brand of aesthetic clinic, L.A.B.X., to capture the demand in the premium segment with a focus on skin and aesthetics.

### Body and Weight Management Department

Cash sales increased by THB 42.18 mm or 90.2% growth from last year as a result of additional investment in medical equipment and improvement of the COVID-19 pandemic.

### Wellness Department

Cash sales increased by THB 52.78 mm or 70.7% growth from last year due to a growing number of customers and upcoming trend for health awareness from the inside. The Company has expanded the wellness zone in Siam Paragon branch in the end of December 2022 to accommodate this demand.

### Plastic Surgery Department

Cash sales increased by THB 43.23 mm or 554.1% growth from last year result from open new THE KLINIQUE SURGERY CENTER at Siamsquare at the end of Q2/2022.

**Same Store Sales Growth (SSSG)**

SSSG in 4Q/2022 increased by 16% from 3Q/2022 and SSSG for 2022 increased from 2021 by 65%.

**Gross Profit**

Gross profit is calculated based on revenue from sales and service deducted by cost of sales and service (including cost of medicine, doctor fee (DF), branch rental expenses, doctor's assistants fee, and depreciation of medical equipment). The Company's gross profit in 2022 is THB 922.97 mm, an increased of 65.1% from last year due to revenue growth from branch expansion. The gross profit margin for 2022 is 56.3% slightly lower than the gross profit margin in 2021 due to a higher doctor fee from the plastic surgery department as the Company has a policy to recruit only board-certified plastic surgeons. Cost of medicine has slightly increased from the depreciating Baht in 2H2022 and some landlords ceased giving discounts at the end of 2Q/2022 as the COVID-19 has improved.

**Selling General and Administrative (SG&A) Expenses**

The Company's SG&A (sales and receptionist expenses, marketing expenses, headquarter staff expenses, and credit card fees) in 2022 is THB 674.27 mm or a 65.3% increase from 2021. SG&A has increased following the branch expansion and special marketing expenses to create brand awareness for the Company's 2 new brands in the beginning of 3Q/2022 which ended in the middle of 4Q/2022. Percentage of SG&A to total revenue has decreased from 2021 due to a lower compensation scheme for sales and receptionists in the Company's new brands, L.A.B.X. and THE KLINIQUE SURGERY CENTER.

**Net Profit**

The Company recorded a net profit of THB 205.57 mm in 2022 or a 59.0% increase from last year with Q4/2022 have a highest profit since establishment of THB 60.70 mm due to overall growth in all departments and all brands as mentioned above.

## Statements of Financial Position

Statements of Financial Position	2021	%	2022	%	%YoY
Unit : THB mm (unless stated otherwise)					
Current Assets	202.44	24.5%	1,676.56	64.8%	728.7%
Non-current Assets	622.25	75.4%	912.69	35.2%	49.2%
<b>Total Assets</b>	<b>824.69</b>	<b>100.0%</b>	<b>2,590.25</b>	<b>100.0%</b>	<b>218.1%</b>
Current Liabilities	498.92	60.5%	705.40	27.2%	41.4%
Non-current Liabilities	165.26	20.0%	239.10	9.2%	54.4%
<b>Total Liabilities</b>	<b>664.18</b>	<b>80.5%</b>	<b>944.50</b>	<b>36.5%</b>	<b>44.5%</b>
Shareholder's Equity	160.50	19.4%	1,645.75	63.5%	925.4%
<b>Total Liabilities Shareholder's Equity</b>	<b>824.69</b>	<b>100.0%</b>	<b>2,590.25</b>	<b>100.0%</b>	<b>218.1%</b>

### Total Assets

As of 31 December 2022, the Company's total asset is at THB 2,590.25 increasing by 218.1% from 2021 due to additional equity from the IPO and cash from operations.

### Total Liabilities

As of 31 December 2022, the Company's total liabilities is at THB 994.50 mm or a 44.5% increase from 2021 due to increase in unearned revenue from growing cash sales and increase in right-of-use for rental contracts of the branch expansions.

### Total Shareholder's Equity

As of 31 December 2022, the Company's total shareholder's equity is at THB 1,645.75 mm, increasing by THB 1,485.25 mm. compared to 31 December 2021 due to additional equity from the IPO and increased retained earnings from 2022 profit.



## Cash Flow Statement

Cash Flow Statement	2021	2022	%YoY
Unit : THB mm (unless stated otherwise)			
Cash flows from operating activities	238.56	407.96	(71.0%)
Cash flows from investing activities	(51.37)	(1,226.44)	(2,287.5%)
Cash flows from financing activities	(120.57)	1,207.02	1,101.1%

For the year ending 31 December 2022, the Company has a THB 169.30 mm. increase in cash from operating activities or a 71.0% increase from 2021 due to growth in revenue and profit. Cash flow from investing activities changed by THB 1,175.07 mm. or a 2,287.5% change from 2021 mainly due to investment in short-term investments of THB 1,000 mm. Cash flow from financing activities increased by THB 1,327.58 mm. or a 1,101.1% growth from 2021 due to IPO proceeds of THB 1,470 mm.

### Key Financial Ratios

**Cash Cycle** : As the Company operates in a business which collects upfront cash or credit card payments from the customer and manages inventory and supplier payments afterwards, the Company's cash cycle in 2022 is at -30.57 days a notable improvement from -14.67 days in 2021.

**Interest-Bearing Debt to Equity (IBD-to-Equity)** : Majority of the Company's liabilities is unearned revenue which does not have interest charges and Right-Of-Use (ROU) arising from TFRS 16. Investor should therefore consider the Interest-Bearing Debt to Equity (IBD-to-Equity) ratio to reflect the Company's capital structure which excludes unearned revenue and ROU. IBD-to-Equity in 2022 is 0.14 times.

## 5. General Information and Other Relevant Information

### 5.1 General Information

Company Name	: The Klinique Medical Clinic Public Company Limited
Head Office Location	: 2922/296-298 Charn Issara Tower 2, 27th Floor, New Petchburi Road, Bangkok, Huai Khwang, Bangkok 10310
Telephone	: 0-2308-2034
Website	: <a href="http://www.theklinique.com">www.theklinique.com</a>
Financial Advisor	: DAOL Securities Public Company Limited
Head Office Location	: 9th, 18th, 39th and 52nd Floor, CRC Tower, All Seasons Place 87/2 Wireless Road, Lumpini Pathumwan, Bangkok 10330
Telephone	: 0-2351-1800
Website	: <a href="http://www.daol.co.th">www.daol.co.th</a>
Auditor	: D.I.A. International Auditing Co., Ltd.
Head Office Location	: 316/32 Soi Sukhumvit 22, Khlong Toei, Khlong Toei, Bangkok 10110
Telephone	: 0-2259-5300
Website	: <a href="http://www.diaaudit.com">www.diaaudit.com</a>
Internal Auditor	: I.A.P. Internal Audit Co., Ltd.
Head Office Location	: 37, 3rd Floor, Rattana Thibet Road, Bang Kraso, Mueang Nonthaburi, Nonthaburi 11000
Telephone	: 0-2408-4366
Legal Advisor	: Janephaisit Law Company Limited
Head Office Location	: 1 Soi Ramkhamhaeng 27 (Wat Phraya Krai Si 3), Hua Mak, Bang Kapi, Bangkok 10240
Telephone	: 09-5938-8858
Website	: <a href="http://www.jplaw.co.th">www.jplaw.co.th</a>

## 5.2 Other Relevant Information

### 5.2.1 Important Contracts Related to Business Operations

#### 5.2.1.1 Financial Contracts

As of 31 December 2022 and 31 December 2021, the Company had credit lines from two domestic financial institutions.

##### 1) Financial Institution No. 1

Counterparties	:	Financial Institution No. 1 (the "Bank") and the Company (the "Loan User")
Contract date	:	29 October 2020 and 1 March 2021
Types of Loans and Limits	:	Overdraft (O/D) loan amount of 10 million baht and a guarantee limit of 1 million baht.
Objective	:	For use as working capital for the business.
Interest Rate	:	Based on MOR and 1.50% per annum, respectively.
Guarantee/Collateral	:	Business collateral registration savings account.

##### 2) Financial Institution No. 2

Counterparties	:	2nd Financial Institution (the "Bank") and the Company (the "Loan User")
Contract Date	:	5 January 2021
Loan Type & Limit	:	Overdraft Loan (O/D) 10.00 million baht
Objective	:	For used as working capital for the business.
Interest Rate	:	Based on annual MOR rate
Collateral	:	Registered collateral business machinery registration.

#### 5.2.1.2 Property Risk Insurance Policy

Policy Type	:	All-Risk Insurance
Use of Establishment	:	Beauty clinics, offices and other related businesses.
Insurance Period	:	1 year (31 December 2022 – 31 December 2023)
Total Sum Insured	:	633.52 million baht, which covers 97.00% of the book value of all land, buildings, equipment and inventory as of 31 December 2022. However, inventories in the vendor's warehouse are guaranteed and maintained by the vendor.

## 5.3 Legal Disputes

As of 2 August 2022, the Court of First Instance ordered the Company, as Defendant 1, to indemnify the Plaintiff for copyright infringement of the images owned by the Plaintiff, totaling 2,100,000 baht from the damages claimed by the Plaintiff in the amount of 78,500,000 baht. In February 2023, the plaintiff filed a request for an extension of the factual appeal period to the court. At present, it is under the consideration of the Court of Appeal.

*Part* 2 *Corporate  
Governance*

## 6. Corporate Governance

### 6.1 Corporate Governance Policy

The Company recognizes the good corporate governance is essential in helping to promote the Company's operations toward efficiency and sustainable growth and make 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.

**Principle 1: Recognize the role and responsibilities of the Board of Directors as an organizational leader who creates sustainable value for the business.**

- (1) The Board of Directors understands its roles and recognizes its responsibilities as a leader to ensure that the organization is well managed. The Board has established a Board Charter which describes its roles and responsibilities clearly, including the performance of duties and governance of the Company's business in accordance with the law, objectives, regulations, resolutions of Board Meetings, and resolutions of Shareholders' Meetings with responsibility, caution, integrity, and honesty to preserve the rights and interests of all shareholders.
- (2) The Board is responsible for determining the objectives, vision, mission, policies, main goals, and business strategies of the Company, as well as supervising the administration and management of the Company in accordance with the policies, goals, plans and budgets set out for the best interests of the Company and its shareholders.
- (3) The Board has developed policies such as the corporate social responsibility policy, anti-corruption policy, and business ethics for ethical business practices that benefit society and the environment, as well as to enable the Company to adapt under changing factors to create sustainable value for the business. The Board will monitor to ensure that the company complies with established policies, including posting policies at the Company to inform the management and employees so that the policies are put into practice, and will communicate so that the policies are understood to facilitate implementation. In addition, the Board is also responsible for reviewing and amending policies in accordance with the circumstances.

(4) The Board is responsible for providing adequate systems and mechanisms to ensure that the Company's operations comply with laws, objectives, regulations, resolutions of Board Meetings, resolutions of Shareholders' Meetings, as well as the Company's policies.

(5) The Board has established subcommittee charters, which clearly define the powers, duties and responsibilities of the subcommittees. In addition, the Board is also responsible for updating the contents of the Board Charter and subcommittee charters to be consistent with changing current conditions, rules, regulations, and circumstances.

**Principle 2: Define the Company's main objectives and goals for sustainability.**

The Board has set the main objectives and goals of the organization in conducting business to ensure sustainability and consistency with the creation of value for the business, customers, all stakeholders and society as a whole. Moreover, The Board communicates with personnel at all levels to ensure adherence in the performance of duties in order to achieve those set goals and objectives, and to create an organizational culture.

In addition, the Board will promote the adoption of new technologies and innovations to ensure that the business operations effectively comply with the established policies, as well as require annual review of the objectives, goals, and strategic plans to ensure that they are in line with the economic conditions, the potential of the organization, and the main goals of the business, and will monitor the evaluation results closely.

**Principle 3: Strengthen effective committees.**

The Company has a policy to determine the Board structure according to the business and size of the Company and as required by law as follows:

(1) The Board consists of personnel with a wide range of qualifications in terms of knowledge, ability and experience that can benefit the Company.

(2) The Board consists of at least five (5) independent directors. The Board's independent director-to-total Board director ratio is at least one (1) out of every three (3) Board directors, but not less than three (3) independent directors, which will create a balance in determining and voting on various matters appropriately. All independent directors of the Company have the qualifications as specified in the Notification of the Capital Market Supervisory Board and the Regulations of the Stock Exchange of Thailand, as well as other applicable criteria, regulations and laws.

(3) The Nomination and Remuneration Committee will be responsible for proposing candidates who have the appropriate knowledge, expertise and experience and can perform duties that are beneficial to the Company's business at the Board Meeting and/or the Shareholders' Meeting (as the case may be) to consider the appointment of directors of the Company and subcommittees. After the Company is listed on the Stock Exchange of Thailand, the Company will disclose information about the directors and subcommittee directors, including their age, gender, educational background, experience, shareholding, number of years in office, number of meetings attended, both monetary and non-monetary remuneration of the Board, directorship in other listed companies, roles and responsibilities, and the report on the performance of the Board and subcommittees in the Company's annual report and/or on the Company's website.

(4) The Board members shall have a term of office not exceeding three (3) years in accordance with the relevant laws, and independent directors shall have a term of office not exceeding nine (9) years, unless there are reasons and necessities as the Board deems appropriate.

(5) Directors and executives of the Company may become directors or executives of companies in the group or other companies. However, it must not impede their performance as Company director and must comply with the requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand, as well as other relevant rules, regulations and laws. In addition, the directors/executives must attend no less than seventy-five percent (75%) of the total number of Board Meetings to be held in that year.

(6) The Chairman of the Board and the Chief Executive Officer (CEO) of the Company shall not be the same person in order to clarify the responsibilities during the formulation of the governance policy and the regular management. The Company has clearly defined the authority, duties and responsibilities involved in the CEO's performance.

(7) The Board has appointed subcommittees to support the Board's and the Company's operations, namely, the Audit Committee, Executive Committee, Nomination and Remuneration Committee, and the Risk Management Committee, as well as the charter of each subcommittee to clearly define the powers, duties and responsibilities of the subcommittees. It is also required for the charters to be reviewed to ensure consistency with the circumstances as follows:

(7.1) The Audit Committee consists of at least three (3) members to assist the Board in overseeing and monitoring the management, internal control, and compliance with relevant laws. This includes the preparation of financial reports to ensure that the Company's operations and disclosures are transparent and reliable. Details of the composition, qualifications, authority and responsibilities appear in the Audit Committee Charter.

(7.2) The Executive Committee consists of at least three (3) members to assist the Board in managing the Company's business in accordance with any policies, plans, regulations and directives, and defined goals under the framework provided by the Board. Details of the composition, qualifications, authority and responsibilities appear in the Executive Committee Charter.

(7.3) The Nomination and Remuneration Committee consists of at least 3 (3) members to be responsible for the recruitment of qualified persons to serve as Board directors, subcommittee directors and the CEO, including considering the remuneration policies and model, as well as the remuneration of Board directors, subcommittee directors and the CEO to propose their opinions to the Board and/or present them at the Shareholders' Meeting for further approval. Details of the composition, qualifications, authority and responsibilities appear in the Nomination and Remuneration Committee Charter.



(7.4) The Risk Management Committee consists of at least three (3) members to be responsible for formulating risk management policies throughout the organization based on the basic principles of good corporate governance and the COSO Enterprise Risk Management Framework (COSO ERM) to ensure that the Company's management has a risk management process in order to properly reduce impact on the Company's business. Details of the composition, qualifications, authority and responsibilities appear in the Risk Management Committee Charter.

(8) The Company has appointed a Company's Secretary to perform operations related to the Board Meetings and Shareholders' Meetings, as well as to support the work of the Board by providing advice on legal requirements and regulations relating to the performance of the Board' duties.

(9) In supervising the operations of the subsidiaries or associated companies of the Company (if any), the Company will consider sending representatives of the Company who have the appropriate qualifications and experience for the business in which the Company invests to become directors in such subsidiaries and associated companies, as well as to supervise such directors to report the performance of such subsidiaries and associated companies to the Board Meeting. The proportion of representatives of the Company who hold directorial positions in subsidiaries and associated companies must reflect the shareholding proportion of the Company and/or comply with the agreement between the shareholders of each subsidiary and associated company.

(10) The Company has stipulated in the Board Charter and subcommittee charters that each committee shall be responsible for evaluating the performance of the Board and subcommittees as a whole and individually on an annual basis, and requires the subcommittees to report the results of the assessment to the Board for consideration annually. The evaluation of the Board's performance will be disclosed in the annual report.

**Principle 4: Recruit and develop senior executives and personnel management.**

(1) The Nomination and Remuneration Committee is responsible for determining the qualifications and criteria for the nomination of suitable persons for the position of CEO, establishing the policy framework and remuneration model of the CEO to propose to the Board for approval, and considering the form, plan and process for the development of the CEO in accordance with the Company's business, economic conditions, technology, laws or rules relating to the Company's business, such as training for knowledge development and performance evaluation.

(2) For senior executives who hold positions under the CEO, the CEO has the authority to determine the criteria for recruitment of persons to occupy senior management positions and the policy framework and remuneration model of senior executives to be proposed to the Board for approval. This includes the authority to determine remuneration and evaluate the performance of such persons.

(3) The Board has established a succession plan to prepare for the succession of the CEO and senior executives with the aim of continuing the Company's business operations.

(4) The Board will oversee the determination of appropriate remuneration and evaluation structures, and the management and development of personnel to have appropriate knowledge, skills, experience and motivation, and ensure that human resource management is in line with the direction and strategy of the

business, encourage employees to participate in training to enhance their knowledge and abilities, and ensure fair treatment of employees in order to retain talented personnel.

(5) The Board will ensure that the Company has a provident fund to ensure that employees have sufficient savings to support retirement, as well as encourage employees to have knowledge and understanding of money management so that employees can have a good quality of life and work with the Company in the long run.

**Principle 5: Promote innovation and responsible business operations.**

The Board values and supports the creation of innovations that create value for the business while benefiting customers or related parties, and is socially and environmentally responsible, and ensures that the management allocates and manages resources efficiently and effectively with consideration to the impact on and development of resources in order to achieve the main objectives and goals of the business sustainably.

The Board will establish a framework for corporate information technology governance and management in accordance with the Company's needs, as well as ensure that information technology is used to increase business opportunities and improve operations and risk management so that the Company can achieve the main objectives and goals of the organization.

In addition, the Company has taken into account the rights of all stakeholders. The Company provides written business ethics for directors, executives and employees of the Company to use as a guideline for their performance as representatives of the Company as follows:

- Shareholders** : The Company will conduct its business with transparency and efficiency in order to create sustainable value for the business, and is committed to creating good performance and stable growth in order to maximize the benefits to shareholders in the long run, including disclosing information with transparency and reliability to shareholders, not committing any unlawful acts that infringe on or deprive the rights of shareholders, and treating all shareholders fairly and equally.
- Employees** : The Company will treat all employees equally, fairly, and with proper compensation, and will maintain the working environment by taking into account the quality of life and occupational safety, and strictly adhere to the labor laws. In addition, the Company places great importance on regular employee skill, knowledge and potential development, such as instructions, seminars and trainings, by giving every employee opportunity and making an effort to motivate highly knowledgeable employees to remain with the Company for further development of the organization. It has also established anti-corruption guidelines and instilled in all employees to comply with relevant laws and regulations, such as strictly prohibiting the use of inside information, etc.
- Partners** : The Company acts responsibly toward its customers by maintaining the quality and standards of products and services, as well as responding to the needs of customers as completely and comprehensively as possible to focus on long-term customer satisfaction. In addition, the Company takes into account the provision of accurate and complete information about products and services to customers, and provides channels for the Company's customers to report problems with inappropriate products and services so that the Company can prevent and solve problems related to the Company's products and services quickly, as well as maintain the confidentiality of customers and not use them illegally for the benefit of the Company or related persons.

- Customers** : The Company acts responsibly toward its customers by maintaining the quality and standards of products and services, as well as responding to the needs of customers as completely and comprehensively as possible to focus on long-term customer satisfaction. In addition, the Company takes into account the provision of accurate and complete information about products and services to customers, and provides channels for the Company's customers to report problems with inappropriate products and services so that the Company can prevent and solve problems related to the Company's products and services quickly, as well as maintain the confidentiality of customers and not use them illegally for the benefit of the Company or related persons.
- Creditors** : The Company will comply with the terms of the contract with creditors, including the repayment of principal, interest and collateral under the relevant contracts.
- Competitors** : The Company behaves in accordance with a good competitive framework, has ethics, and remains within the framework of the law. It also supports and promotes free and fair competition policies.
- Society and Community** : The Company cares about and gives importance to social safety, the environment and quality of life of people involved in the Company's operations, and encourages its employees to be conscious and responsible for the environment and society, to use modern and environmentally friendly medical equipment and technologies, and to reduce the consumption of resources, including controlling and reducing pollution arising from the service processes. The Company also ensures strict compliance with all relevant laws and regulations. In addition, the Company seeks to participate in various activities that create and preserve the environment and society, as well as promote the local culture of areas in which the Company operates.

In addition, stakeholders can inquire about details, file complaints or clues about illegal or unethical conduct in the Company's business operations through the channels specified by the Company. The information of complaints and clues submitted to the Company will be kept confidential by the person designated by the Company to investigate the information and find solutions (if any) and/or consider proposing important complaints with opinions to the Board for further consideration.

**Principle 6: Ensure that there is an appropriate risk management and internal control system.**

(1) To provide the Company with an effective risk management system, the Board has appointed a Risk Management Committee to assist the Board in formulating appropriate organization-wide risk management policies and ensuring that there is an efficient and effective overall risk management system or process that will manage the risk at an acceptable level. The Risk Management Committee has various powers and duties, including the following:

- (1.1) The identification of risks that the Company experiences or expects to incur and that affect the Company and determine the risk appetite of the Company.

(1.2) The establishment of a comprehensive external and internal risk management policy that is in accordance with the business strategy and direction and present it to the Board for approval. The policy must cover at least the following four risks:

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

(1.3) The formulation of risk management strategies and practices in accordance with the risk management policy to be able to assess, monitor and supervise the risk level to an acceptable level.

(1.4) Reporting to the Board on risks and risk management.

The powers, duties and responsibilities of the Risk Management Committee appear in the Risk Management Committee Charter.

(2) The Board has appointed an Audit Committee with the qualifications required by applicable laws and regulations to perform various functions, including the duty to review and/or consider financial reports, the adequacy of internal control systems, compliance with laws, independence of the Audit Department, selection of auditors, and disclosure of Company information.

(3) In addition to the authority of the Audit Committee to monitor conflicts of interest, the Company also has established a conflict-of-interest prevention policy to determine the course of action in case of conflicts of interest.

(4) The Company provides business ethics and internal data use policies to prevent illegal use of assets, information and opportunities of the Company, and has established a policy for connected transactions to prevent connected transactions that are inappropriate or not in line with relevant regulations.

(5) The Board has established a clear anti-corruption policy and communicated it to employees at all levels of the Company as well as external personnel to facilitate implementation. The Board will provide anti-corruption programs or guidelines, as well as support activities that promote and instill in all employees compliance with relevant laws and regulations. In addition, the Company has provided complaint channels and the processing of whistleblowing cases, and has established clear guidelines in the anti-corruption policy by providing various communication channels to allow employees and stakeholders to report clues or complaints to the Company conveniently and appropriately. Furthermore, the Company has established protection measures for whistleblowers or informants, witnesses, and persons who provide information in the investigation so that they will not suffer any dangers or injustice arising from their provision of clues and complaints, or their status as witnesses or informant of the Company.

(6) Directors and executives of the Company are responsible for reporting to the Company their interests or those of related persons who have interests in relation to the management of the Company's business. The Company has set out the duty to report the directors' interests in the Board Charter by requiring the directors to notify the Company without delay in the event that any director has an interest in any transaction with the Company or any changes in the shareholding in the Company.

**Principle 7: Maintain financial credibility and disclosure.**

- (1) The Board shall supervise the Company to have an accounting system, prepare financial reports and review financial statements in accordance with relevant rules and practices, and ensure that the Company discloses various information, including Company information, financial information and important general information accurately, adequately, in a timely manner and in accordance with relevant laws, regulations and requirements.
- (2) The Board is responsible for preparing annual reports, the One Report (Form 56-1), and financial reports of the Company in accordance with generally accepted accounting standards, and exercising careful discretion in such preparation, including requiring adequate disclosure of important information in the notes to the financial statements. The Audit Committee oversees the quality of the financial reports and provides opinions to the Board.
- (3) The Board is responsible for overseeing the adequacy of financial liquidity and the ability to repay the Company's debts by providing plans or corrective actions in case of issues. The Board requires management to regularly monitor and assess the financial position and liquidity of the business and report to the Board on a quarterly basis.
- (4) The Company will ensure that there are responsible agencies or persons for investor relations to contact and provide information to shareholders, investors, securities analysts or related entities, including any person to ensure proper equal and timely communication.
- (5) The Board will encourage the use of information technology in the dissemination of information. In addition to disseminating information in accordance with the rules prescribed through the channels of the Stock Exchange of Thailand, The Board will also provide disclosure of information in both Thai and English through other channels, such as the Company's website, and present up-to-date information.

**Principle 8: Support engagement and communication with shareholders.**

The Board recognizes and values the fundamental rights of shareholders, both as investors in securities and as owners of the Company, such as the right to buy, sell, and transfer the securities they hold, the right to receive a share of the profits from the Company, the right to receive adequate information, and the right to attend the Shareholders' Meetings to exercise the voting rights to appoint or remove directors, appoint auditors, and approve important transactions affecting the direction of the Company's business operations and matters affecting the Company, such as dividend allocation, determination or amendment of Memorandum of Association and Articles of Association of the Company and capital reduction or increase, and approve special transactions, etc.

The Company has a mission to promote and facilitate the exercise of shareholders' rights, including equal treatment of all shareholders, as follows:

- (1) The Company provides the date, time, place and agenda of the meeting with clarifications, reasons and opinions of the Board in each agenda item or accompanying the request for resolutions as specified in the invitation to the Shareholders' Meeting or in the agenda attachment in full and sufficient to make decisions of the shareholders. Meeting invitations are sent to the shareholders and the Stock Exchange of Thailand, and disseminated through the Company's website in accordance with the relevant rules, regulations and laws. This includes refraining from any action that limits shareholders' opportunities to study the Company's information.
- (2) The Company facilitates all shareholders to fully exercise their right to attend the meeting and vote, and refrains from any actions that limit the opportunity to attend the Shareholders' Meeting, such as using a convenient place to travel by attaching a map showing the venue of the Shareholders' Meeting in the meeting invitation, choosing a suitable date and time, and allocating sufficient time for the meeting so that attendance and voting are not complicated or too costly.
- (3) Prior to the Shareholders' Meeting, the Company will allow shareholders to submit opinions, suggestions and questions, or propose additional agenda items in advance by clearly defining the criteria for submitting questions and proposing agenda items in advance and notifying shareholders along with the submitted invitation letter to Shareholders' Meeting. Furthermore, the Company will publish such rules on the Company's website.
- (4) The Company establishes rules and procedures for minority shareholders to nominate candidates for directorship, as well as disseminate information for the consideration of qualifications and consent of nominees through the Company's website.
- (5) The Company encourages shareholders to use proxy forms which allow shareholders to determine the direction of voting, and nominates at least one independent director as an alternative to shareholders' proxies.
- (6) Before the start of the Shareholders' Meeting, the chairman of the meeting will inform the shareholders of the rules and regulations used in the meeting, the voting methods, the voting rights depending on the type of share, and the counting method for the vote of shareholders who must vote for each agenda item.
- (7) At the Shareholders' Meeting, the chairman of the meeting will allocate the time appropriately and the Company will give equal opportunities to all shareholders in commenting, suggesting or asking questions about relevant agendas freely before voting on any agenda.
- (8) The Company will encourage all directors and senior executives of the Company to participate in the Shareholders' Meeting to answer shareholders' questions.
- (9) The Company arranges for there to be a resolution at the Shareholders' Meeting for each item in case there are several agendas, such as the agenda for the appointment of directors.
- (10) The Company will encourage the use of ballots for transparency and accountability in counting voting results.
- (11) The Company shall appoint an independent person to assist in the counting or verification of votes for each agenda item and disclose it to the meeting and record it in the minutes of the meeting.

(12) After the Shareholders' Meeting is completed, the Company will prepare the minutes of the meeting that are recorded accurately and completely in a material way, and will record the important questions, comments and recommendations in the minutes of the meeting so that shareholders can review them. In addition, the voting results for each agenda item, including the minutes, will be published on the Company's website for shareholders to consider.

(13) The Company will send a copy of the minutes of the Shareholders' Meeting to the Stock Exchange of Thailand within 14 days from the date of the Shareholders' Meeting.

(14) The Company encourages the adoption of technology in the Shareholders' Meetings, as well as in counting votes and displaying results, so that meetings can be conducted quickly, correctly and accurately.

The Company will conduct an annual review of the corporate governance policy in accordance with the Company's circumstances and business.

## 6.2 Business Ethics

The Company recognizes the importance of good corporate governance and takes into account the rights of all stakeholders. Therefore, the Company has established a written business ethics, which is important as a good guideline for communicating with the Company's directors, executives and employees to adhere in their performance and business operations for their own benefits, the benefits of the Company and all stakeholders as representatives of the Company as follows:

**Treatment of Shareholders:** The Company will conduct its business with transparency and efficiency to create sustainable values. The Company is committed to creating good performance and stable growth in order to maximize the benefits to shareholders in the long run, including disclosing information with transparency and reliability to shareholders, not committing any unlawful acts that infringe on shareholder rights or deprive shareholders of their rights, and treating all shareholders fairly and equally.

**Treatment of Employees:** The Company treats all employees equally and fairly and gives them appropriate compensation, as well as maintains the working environment by taking into account the quality of life and safety at work, and strictly adhering to labor laws. In addition, the Company places great importance on regularly developing the skills, knowledge, ability and potential of employees, such as through instructions, seminars, and training, by giving every employee opportunity and making an effort to motivate highly knowledgeable employees to remain with the Company for further development of the organization. It has also established anti-corruption guidelines and instilled in all employees to comply with relevant laws and regulations, such as strictly prohibiting the use of inside information, etc.

**Treatment of Partners:** The Company has a process for selecting partners by allowing partners to compete on equal data and selecting partners fairly under transparent criteria for evaluating and selecting the Company's partners. In addition, the Company has prepared an appropriate and fair contract format for all parties and provided a monitoring system to ensure that the terms of the contracts are fully complied with and



prevent corruption and misconduct at all stages of the procurement process. The Company purchases products from partners according to trade conditions and complies with the contracts of partners strictly.

**Treatment of Customers:** The Company acts responsibly toward its customers by maintaining the quality and standards of products and services, as well as responding to the needs of customers as completely and comprehensively as possible to focus on long-term customer satisfaction. In addition, the Company takes into account the provision of accurate and complete information about products and services to customers, and provides channels for the Company's customers to report problems with inappropriate products and services so that the Company can prevent and solve problems related to the Company's products and services quickly, as well as maintain the confidentiality of customers and not use them illegally for the benefit of the Company or related persons.

**Treatment of Creditors:** The Company will comply with the terms of the contract with creditors, including the repayment of principal, interest and collateral under the relevant contracts.

**Treatment of competitors:** The Company behaves in accordance with a good competitive framework, has ethics, and remains within the framework of the law. It also supports and promotes free and fair competition policies.

**Treatment of Society and Community:** The Company cares about and gives importance to social safety, the environment and quality of life of people involved in the Company's operations, and encourages its employees to be conscious and responsible for the environment and society, to use modern and environmentally friendly medical equipment and technologies, and to reduce the consumption of resources, including controlling and reducing pollution arising from the service processes. The Company also ensures strict compliance with all relevant laws and regulations. In addition, the Company seeks to participate in various activities that create and preserve the environment and society, as well as promote the local culture of areas in which the Company operates.

**Stakeholding and Conflicts of Interest:** Directors, executives and employees are prohibited from committing any acts that are in conflict with the interests of the Company, whether through contact with the Company's commercial stakeholders such as partners, customers, and competitors, or from opportunities or information obtained from being an employee of the Company, for personal gain and conducting business that competes with the Company, or doing working other than the Company's work that affects their responsibilities and obligations to the Company.

**Anti-Corruption:** Directors, executives and employees are prohibited from committing any acts that are considered demands or acceptance of property or other benefits for themselves or others in a way that would incentivize them to perform or refrain from performing their duties in an unlawful way or in a way that may cause the Company to lose its legitimate interests. In addition, directors, executives and employees are prohibited from giving or offering assets or other benefits to third parties in order to incentivize that them to act or refrain from any act in an unlawful way or in a way that is in conflict with their positions and duties.

**Use of Inside Information:** Directors, executives and employees are prohibited from using inside information that is material to the trading of the Company's securities and that affects changes in the price of the Company's securities which have not yet been publicly disclosed for the benefit of themselves and related

parties. In addition, directors, executives and employees who are in units that are informed of inside information, including those holding executive positions in accounting or finance at the manager level and higher or an equivalent level, must refrain from purchasing and/or selling securities of the Company for one month prior to the Company's disclosure of information about its performance results and financial position or material information that have effects on changes in the price of securities until the Company has publicly disclosed such inside information.

All directors, executives and employees of the Company must pay attention to business ethics. In the event of any violation of business ethics, Company employees are required to reports such unethical practices and misconduct.

In the event of any violation or non-compliance with or compulsion to do anything contrary to these business ethics, employees can submit complaints to supervisors according to rank and/or to the Audit Department. Moreover, Stakeholders can inquire about details, file complaints or clues of unlawful acts or non-compliance with business ethics as mentioned above via the channels provided by the Company.

#### **Whistleblowing and Complaint Channels**

Internal and external stakeholders can report clues or file complaints to the Company through the following channels

##### **By e-mail:**

apiruj.t@theklinique.com	Mr.Apiruj Thongwattana,	CEO
secretary@theklinique.com	Ms.Nattakan Pankha,	Company Secretary

##### **By mail:**

"Secretary of The Klinique Medical Clinic Public Co., Ltd."  
 2922/296-298, Charn Issara Tower 2, 27th Fl., 27th Floor, New Phetchaburi Road,  
 Bang Kapi, Huai Khwang, Bangkok 10310

##### **By the Company's website:**

[www.theklinique.com](http://www.theklinique.com)

The information of complaints and clues submitted to the Company will be kept confidential by the person designated by the Company to investigate the information and find solutions (if any) and/or consider proposing important complaints along with their opinions to the Board for further consideration.

### **6.3 Controlling the Use of Inside Information**

The Company has policies and procedures to prevent directors and executives from using the Company's inside information which has not been publicly disclosed for personal gain, including trading securities, as follows:

- (1) The Company establishes guidelines for data retention and prevention of the use of inside information in writing for fairness to shareholders, customers, partners and all stakeholders in accordance with the laws and principles of good corporate governance.

- (2) The Company prohibits directors, executives and employees from using inside information that is material to the trading of the Company's securities and that affects changes in the price of the Company's securities which have not yet been disclosed to the public to benefit themselves and related parties.
- (3) The Company requires that directors, executives, including those holding executive positions in accounting or finance at the manager level and higher or an equivalent level, and employees who are in units that are informed of inside information must refrain from purchasing and/or selling securities of the Company for one month prior to the Company's disclosure of information about its performance results and financial position or material information that have effects on changes in the price of securities until the Company has publicly disclosed such inside information.
- (4) The Company requires directors and executives, including those holding executive positions in accounting or finance at the manager level and higher or an equivalent level, to prepare and submit a report on their holdings of the Company's securities, including those of their spouses and children who are minors, to the Company Secretary within 30 working days after taking office. In addition, directors and senior executives must report on every purchase or sale of the Company's securities to the Securities and Exchange Commission within three working days as required by the Securities and Exchange Act.
- (5) The Company requires directors and executives to prepare and submit a report on their interests to the Company Secretary.
- (6) The Company requires directors and executives to report on changes in their securities holdings and their interests to the Board Meeting. The Company Secretary will prepare the report to the Board Meeting every year, and disclose information about changes in securities holdings of the directors and executives during the year in the annual report.
- (7) The Company gives importance to preventing the use of inside information for exploitation or degradation of the Company's interests or for causing conflicts of interest by including requirements in the good corporate governance policy, business ethics and code of conduct, employment contract and work-related regulations.
- (8) The Company gives importance to the confidentiality of customers by not using such information for the benefit of the directors, executives, employees and related persons, unless the information must be disclosed as required by law.
- (9) The Company places importance on the security of information in the information system by controlling and/or preventing access to the Company's data by third parties and assigning the right to access the information to employees at various levels according to their authority and responsibilities.
- (10) Cases where a third party is engaged in ad hoc work involving information that is not publicly disclosed and is under negotiation, where the inside information is considered confidential and may affect the movement of the price of the Company's securities, such third party must enter a confidentiality agreement until the information is disclosed to the Stock Exchange of Thailand and the Securities and Exchange Commission.
- (11) Directors, executives, employees, and those who violate the policy on inside information will be subject to disciplinary and/or legal action, as the case may be.

#### 6.4 Key Changes and Developments in Governance Policies, Guidelines and Systems

The Board Meeting No. 3/2065 on 6 June 2022 reviewed the level of authority approved amendments to 10 policies as follows:

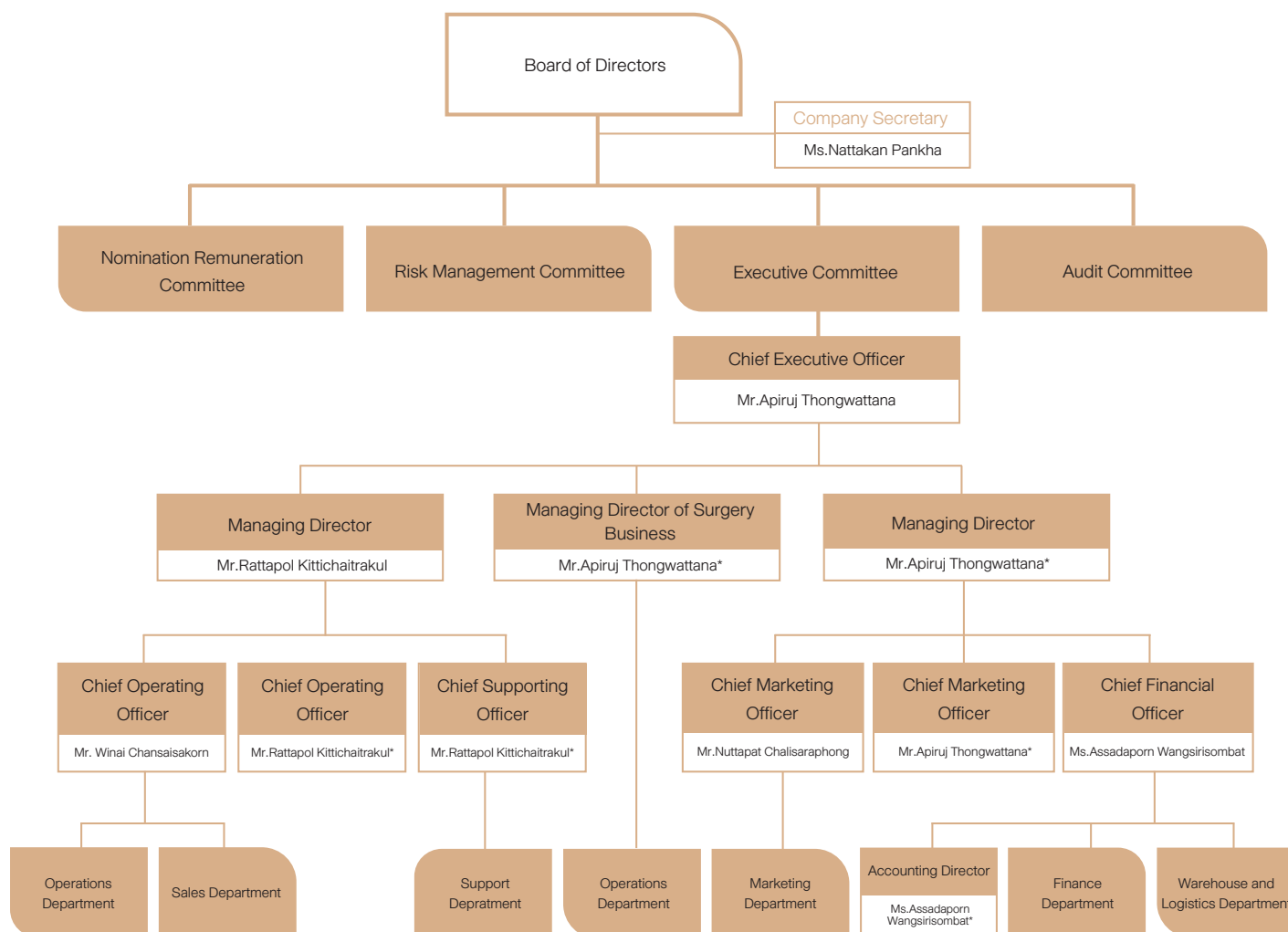
1. Business Ethics
2. Good Corporate Governance Policy
3. Nomination Policy for Directors, Audit Directors, Executive Directors, and Executives
4. Succession Planning Policy
5. Internal Control and Internal Audit Policy
6. Anti-Corruption Policy
7. Whistleblowing Policy
8. Connected Transactions Policy and Protocol of the Company in Case of Connected Transactions
9. Investment Policy and Governance of Subsidiaries and Associated Companies
10. Dividend Payment Policy of the Company

#### 6.5 Implementation of Good Corporate Governance Principles for Listed Companies in 2017

The Company recognizes the fact that good corporate governance is essential in helping to promote efficiency and sustainable growth. Therefore, the Company has established a good corporate governance policy based on good corporate governance principles for listed companies in 2017. The Company will review and update the manual for good corporate governance and business ethics to keep it up-to-date, respond to changes, and ensure consistency with strategies.

## 7. Corporate Governance Structure and Information of Committees, Sub-Committees, Executives, Employees and Others

### Organizational Structure as at 31 December 2022



Note: <sup>/1</sup> The Company has hired I.A.P. Internal Audit Co., Ltd. ("IAP") as the Company's internal auditor until 2023.

\* Acting.

#### 7.1 Committees

The Company's organizational structure as of 31 December 2022 consists of the Board of Directors, Audit Committee, Executive Committee, Risk Management Committee, and Nomination and Remuneration Committee. These committees are composed of qualified persons under Section 68 of the Public Limited Companies Act, B.E. 2535 (1992), and according to the Notification of the Capital Market Supervisory Board No. Thor. Chor. 39/2559, Re: Application for and grant of permission to offer newly issued shares dated 30 September 2016 in all respects as follows:

## Board of Directors and Subcommittees

### 7.1.1 Board of Directors

The Board of Directors plays an important role in shaping the policies, vision, strategies, and direction of the business for the best interests of the Company and has responsibility toward shareholders to perform their duties. The Board must perform their duties with integrity, caution, prudence and fairness to all stakeholders under the principles of good corporate governance, as well as monitor and supervise the management to achieve the Company's goals within the framework of the Company's policies, laws, objectives, articles of association, resolutions of the Board Meeting and resolutions of the Shareholders' Meeting.

As of 31 December 2022, the Board consists of 7 directors in accordance with the relevant laws and the Company's Articles of Association, including 4 non-executive directors (57% of the total number of directors) and 3 executive directors (43% of the total number of directors). Additionally, the Board consists of 3 independent directors (43% of the total number of directors), which is not less than one-third of the total number of directors and meets the requirements of relevant laws. All 7 directors are knowledgeable and capable.

(Please consider the relevant information and additional details of the Board in Addendum 1, Details about the Directors, Executives, Controlling Persons, Persons Assigned the Highest Responsibilities in Accounting and Finance, Persons Assigned Direct Control of Accounting, and the Company Secretary.)

The Board as of 31 December 2022 consists of seven directors as follows:

1	Mr. Praphan Phichaiwatkomol	Chairman of the Board / Independent Director / Chairman of the Audit Committee / Chairman of Nomination and Remuneration	
	Mr. Kornarit Thongsomkaew	Director / Independent Director / Audit Director Nomination and Remuneration Director	2
3	Mr. Viboon Pojanalai	Director / Independent Director / Audit Director Nomination and Remuneration Director	
	Mr. Apiruj Thongwattana	Director	4
5	Mr. Suthipong Tangsajjapoj	Director	
	Mr. Rattapol Kittichaitrakul	Director	6
7	Mr. Weerasak Sinsapphaiboon	Director	

#### Remarks :

1. All directors have completed training in the Director Accreditation Program (DAP), Thai Institute of Directors (IOD).
2. Mr. Apiruj Thongwattana has controlling authority and serves as the CEO.
3. Mr. Suthipong Tangsajjapoj is a director nominated by Ekachai Medical Public Co., Ltd.

Ms. Nattakan Pankha serves as the Company Secretary.

### Authorized Directors

The directors authorized to sign on behalf of the Company are Mr.Apiruj Thongwattana, Mr.Rattapol Kittichaitrakul, and Mr.Weerasak Sinsapphaiboon, whereby two out of these three directors are to jointly sign and affix the Company seal.

Details of the attendance of the Board Meeting in 2021 and in 2022 are as follows:

List of Board Members	Number of Attendance/Total Number of Meetings after Assuming Position	
	2021	2022
1. Mr.Praphan Phichaiwatkomol <sup>1</sup>	6/6	9/9
2. Mr.Kornarit Thongsomkaew <sup>2</sup>	6/6	9/9
3. Mr.Viboon Pojanalai <sup>3</sup>	6/6	9/9
4. Mr.Apiruj Thongwattana	6/7	9/9
5. Mr.Prateep Vanichkawgul <sup>4</sup>	6/6	6/7
6. Mr.Chalermchai Thongwattana <sup>5</sup>	7/7	6/6
7. Mr.Suthipong Tangsajjapoj <sup>6</sup>	-	9/9
8. Mr.Rattapol Kittichaitrakul <sup>7</sup>	6/6	2/2
9. Mr.Weerasak Sinsapphaiboon <sup>8</sup>	-	1/1

- Remarks
1. Mr.Praphan Phichaiwatkomol was appointed as a director on 19 January 2021.
  2. Mr.Kornarit Thongsomkaew was appointed as a director on 11 January 2021.
  3. Mr.Viboon Pojanalai was appointed as a director on 19 January 2021.
  4. Mr.Prateep Vanichkawgul was appointed as a director on 11 January 2021 and resigned as a director on 15 November 2022.
  5. Mr.Chalermchai Thongwattana resigned as a director on 14 November 2022.
  6. Mr.Suthipong Tangsajjapoj was appointed as a director on 30 November 2021.
  7. Mr.Rattapol Kittichaitrakul resigned as a director on 30 November 2021 and was appointed as a director on 15 November 2022.
  8. Mr.Weerasak Sinsapphaiboon was appointed as a director on 15 November 2022.

### 7.1.2 Information about the Roles and Responsibilities of the Board of Directors

The Board Meeting No. 3/2565 held on 6 June 2022 resolved to define the authority, duties and responsibilities of the Board as follows:

#### Scope, Authority and Responsibilities of the Board of Directors

1. Perform duties with responsibility, caution, honesty and care to protect the Company's interests and comply with the laws, objectives, Articles of Association, resolutions of the Board, and resolutions of the Shareholders' Meeting.



2. Determine the Company's vision, policies and direction and supervise the management to comply with the Company's policies efficiently and effectively to maximize the economic value for shareholders and sustainable growth.
3. Set policies, goals, plans, and business strategies.
4. Control, govern and supervise the management to effectively comply with the established policies.
5. Continuously monitor the Company's performance in accordance with the Company's operational plan.
6. Be accountable to shareholders on a regular basis, operate in the interests of shareholders, and ensure accurate and complete disclosure of material information to investors with standardization and transparency.
7. Evaluate the performance and remuneration of directors and senior executives.
8. Be responsible for the operation and performance of the management's duties with intention and caution.
9. Supervise the establishment of clear and measurable business goals to guide the setting of operational goals by considering the feasibility and reasonableness.
10. Supervise business operations and operate ethically.
11. Ensure that management has an appropriate and effective risk management system.
12. Consider and judge matters of importance such as policies, business plans, large investment projects, administrative authority, acquisition or disposition of property, and any other items required by law
13. Determine the authority and level of approval for transactions and Company work-related actions for committees or individuals as appropriate and in accordance with the relevant laws by preparing a manual of authority.
14. Provide an accounting system, reliable financial reporting and auditing, as well as ensure the appropriateness of internal controls.
15. Ensure that the Company has an adequate, appropriate and effective internal control and audit system to ensure that transactions are approved by the competent authority, and that the accounting is reviewed and done accurately, as well as ensure the establishment of various systems that can prevent misuse of the Company's assets.
16. Hold the Annual General Meeting of Shareholders within 4 months from the end of the Company's fiscal year.
17. Approve the nomination of the auditor and consider the annual audit fee to be presented to the shareholders for approval.
18. Approve the financial report audited and/or reviewed by the auditor and approved by the Audit Committee.
19. Consider and approve the payment of interim dividend to shareholders, when it is deemed that the Company is reasonably profitable to do so, and report such dividend payment to the next Shareholders' Meeting.
20. Report on the responsibilities of the Board in preparing financial reports in conjunction with the auditor's report in the annual report, and cover important matters in accordance with the code of conduct for directors of listed companies of the Stock Exchange of Thailand.

21. Have the power to appoint, assign or recommend to subcommittees or working groups to consider or act on any matter that the Board deems appropriate.
22. Appoint subcommittees such as an audit committee, an executive committee or any other subcommittees, and determine the authority and duties of such subcommittees to assist and support the performance of the duties of the Board.
23. Appoint the Company Secretary in accordance with Securities and Exchange Act, as well as determine the scope of authority and responsibilities of the Company Secretary to prepare and maintain documents and other matters as required by law, and to assist in the activities of the Board and the Company, including Board Meetings, Shareholders' Meetings, as well as provide advice to the directors on their conduct and operation in accordance with relevant laws and regulations on a regular basis. In addition, ensure that the directors and the Company disclose information accurately and completely.
24. Supervise the performance of various subcommittees in accordance with the charters.
25. Have the power to consider and approve any matters necessary and related to the Company or deemed appropriate for the benefit of the Company within the framework of the law, including the following:

1. Approve and update the Company's vision, mission, and policies.
2. Approve short-term and long-term strategic plans, as well as approve action plans.
3. Approve the establishment and improvement of the Company's organizational structure.
4. Approve the dividend payment policy.
5. Approve investments in various projects, entry into important contracts of the Company and companies in the group, acquisition or disposition of property, and any other items required by law within the framework of the law.
6. Appoint directors who resigned during the year and appoint subcommittees
7. Determine the list of authorized directors of the Company.
8. Approve major changes to accounting policies and compliance with new account standards.

26. Appoint one or more directors or other persons to act on behalf of the Board. The authorized person must not have the authority to approve items in which such person or potentially conflicted person ("potentially conflicted person" shall have the meaning set forth in the Notification of the Securities and Exchange Commission) may have a stake or any other conflict of interest with the Company.

Except for the following matters, which can only be done with the prior approval of the Shareholders' Meeting:

- Matters required by law to be resolved at the Shareholders' Meeting.
- Transactions in which directors have an interest and are subject to the laws or regulations of the Stock Exchange which require approval from the Shareholders' Meeting.
- In addition, the following cases must be approved by the Board Meeting and the Shareholders' Meeting by a vote of not less than three-quarters of the total number of shareholders attending the meeting with voting rights:
  - Sale or transfer of all or part of the Company's business to a third party.
  - Acquisition or transfer of business of other public companies or other private companies to the Company.

- Creation, amendment or termination of contracts relating to the lease of all or part of the Company's business; assignment of another person to manage the Company's business or merging with a third party with the purpose of sharing profits and losses.
- Issuance of new shares to pay the Company's creditors in accordance with the debt-to-capital conversion program.
- Decreasing the Company's registered capital by reducing the number of shares or reducing the value of shares.
- Capital increase, capital reduction, issuance of debentures, merger or dissolution of the Company.
- Any other matters as required by law.

Any matters in which the directors have an interest or conflict of interest with the Company, the directors who have such interests or conflicts of interest are not entitled to vote on such matters.

27. Supervise the Company to comply with the laws governing securities and exchange and stock exchange requirements, such as connected transactions and acquisition or disposition of assets, in accordance with the rules of the Stock Exchange of Thailand, or as announced by the Securities and Exchange Commission, the Capital Market Supervisory Board, or laws relating to the Company's business.

28. The Board must conduct a self-assessment and evaluate its overall performance. In addition, the Board also has scope of duties to supervise the Company to comply with the Securities and Exchange Act and exchange and stock exchange requirements, such as connected transactions and acquisition or disposition of assets, in accordance with the rules of the Stock Exchange of Thailand, or as announced by the Securities and Exchange Commission, the Capital Market Supervisory Board, or laws relating to the Company's business.

### 7.1.3 Audit Committee

The Audit Committee as of 31 December 2022 consists of three members as follows:

1	Mr. Praphan Phichaiwatkomol	Independent Director and Chairman of the Audit Committee
2	Mr.Kornarit Thongsomkaew	Independent Director and Audit Director
3	Mr.Viboon Pojanalai	Independent Director and Audit Director

Ms.Nattakan Pankha serves as the Audit Committee Secretary.

All three members of the Audit Committee are qualified to be audit directors in accordance with the criteria set by the Stock Exchange of Thailand, and Mr.Viboon Pojanalai is the person with knowledge in accounting and finance. (Please refer to appendix 1 Detail of directors, Executive, Controlling Person and Company Secretary.)

In 2021 and 2022, the number of Audit Committee meetings and the number of attendance by each audit director are as follows:

List of Audit Committee Members	Number of Attendance/ Total Number of Meetings	
	2021	2022
1. Mr.Praphan Phichaiwatkomol	4/4	4/4
2. Mr.Kornarit Thongsomkaew	4/4	4/4
3. Mr.Viboon Pojanalai	4/4	4/4

#### 7.1.3.1 Information about the roles and responsibilities of the Audit Committee

The Board Meeting No. 3/2565 held on 6 June 2022 resolved to define the authority, duties and responsibilities of the Audit Committee as follows:

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

1.Review financial reports to ensure accuracy, adequacy and reliability in accordance with required accounting standards and financial reporting standards by coordinating with external auditors and executives responsible for preparing quarterly and annual financial reports.

2. Review the internal control system and the internal audit system to be appropriate and effective, including considering the independence of the Internal Audit Department, as well as approving the appointment, transfer, and dismissal of the head of the internal audit unit. In addition, recommendations may be given for any review or audit of items deemed necessary and important, as well as on the improvement of important and necessary internal control systems to the Board by reviewing them together with external auditors and the Internal Auditor.

3. Review compliance with the Securities and Exchange Act, B.E. 2535 (1992), including announcements, regulations and/or requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand and other laws relating to the Company

4. Consider, select and nominate an independent person to act as an auditor and propose the remuneration of such person in order to conduct audits on the accounts, control systems and financial statements of the Company. The Audit Committee has the authority and responsibility to propose remuneration and supervise the work of the audit firm or any other audit operation or services to Board's director.

Each auditor and audit firm will report directly to the Audit Committee. The Audit Committee has the authority to approve the conditions and preliminary charges for audit services and other services offered by the auditor.

The Audit Committee will make recommendations to the Board to propose to shareholders at the Annual General Meeting of Shareholders to approve the appointment of auditors and audit fees.

5. Discuss with the management and auditors as appropriate about the issues and limitations of the audit, including actions of the management toward such issues or limitations and the policy on the management and assessment of the Company's risks. This includes significant financial risks and the management's measures to control and mitigate such risks. In addition, the Audit Committee must resolve any conflicts between the management and auditors relating to financial reports, as well as attend meetings with auditors without attendance by the management at least once a year.
6. Promote and ensure the independence of auditors. The Audit Committee shall discuss with the auditor about the independence of the management and the Company, including any relationship or service between the auditor and the Company, as well as any other relationship that may affect the objectivity of the auditor.
7. Review the Company's financial reports, accounting standards and accounting policies, and make significant changes to accounting standards, principles or practices, including important accounting decisions that affect the Company's financial reports, as well as options, reasonableness and consequences of such decisions.
8. Consider connected transactions or transactions that may have conflicts of interest in accordance with the laws and regulations of the Stock Exchange to ensure that such transactions are reasonable and in the best interests of the Company.
9. Review and approve or ratify any transaction between the Company and related parties which are required to be disclosed in accordance with the Securities and Exchange Commission Act.
10. Review the Company's internal audit plan in accordance with generally accepted methods and standards.
11. Review the Company's risk management system to be appropriate and effective.
12. Report the performance of the Audit Committee to the Board at least four times a year
13. Provide opinions on the appointment, removal, and evaluation of the performance of officers of the Internal Audit Department.
14. In performing duties within the scope of duties, the Audit Committee shall have the power to invite the management, executives or employees of related companies to give their opinions, attend meetings or submit documents deemed relevant or necessary.
15. Have the authority to hire consultants or professional auditing experts or third parties in accordance with the Company's regulations to provide opinions or provide advice if necessary.
16. Prepare the corporate governance report of the Audit Committee and disclose it in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee.
17. Prepare the Audit Committee's report and disclose it in the Company's annual report. Such must be signed by the Chairman of the Audit Committee and must contain at least the following information:
  1. Opinion on the accuracy, completeness and reliability of the Company's financial reports.
  2. Opinion on the adequacy of the Company's internal control system.

3. Opinion on compliance with securities and exchange laws, regulations of the Stock Exchange, or laws relating to the Company's business.
  4. Opinion on the suitability of the auditor.
  5. Opinions on transactions that may have conflicts of interest.
  6. Number of audit committee meetings and attendance of each audit director.
  7. Overall opinions or observations received of the Audit Committee in the performance of their duties in accordance with the charter
  8. Other items that shareholders and general investors should be aware of within the scope of duties and responsibilities assigned by the Board.
18. The Audit Committee conduct a self-assessment and report the results of the assessment together with any obstacles that may prevent the achievement of the objectives of the Audit Committee's establishment to the Board every year.
19. Review and revise the Audit Committee's Charter and present it to the Board for approval if necessary.
20. Conduct a fact-check as notified by the auditor regarding suspicious circumstances of the directors, managers or persons responsible for the Company's operations who have committed an offence under the Securities and Exchange Act. Furthermore, the Audit Committee shall report the preliminary audit results to the Securities and Exchange Commission and the auditor within thirty days from the date of notification from the auditor.
21. In the event of a discovery of or suspicion about transactions or actions that may have a significant impact on the Company's financial position and operating results, such as transactions that cause conflicts of interest, corruption or irregularities, or significant flaws in the internal control system, violations of securities and exchange laws, etc., the Audit Committee shall report to the Board for correction within the period deemed appropriate by the Audit Committee. If the Board or executives do not take action, the amendment shall be made within the time as the Audit Committee deems appropriate. Any member of the Audit Committee may report such transactions or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand
22. Ensure that the Company has channels for receiving whistleblowing and complaints about inappropriate financial statements or other issues. This ensures that whistleblowers have an independent review process and appropriate follow-up operations
23. If necessary, the Audit Committee can consult with external consultants or professional auditing experts, whereby the Company is responsible for the expenses according to Company regulations.
24. Perform other duties as assigned by the Board within the scope of duties and responsibilities of the Audit Committee.

#### 7.1.4 Risk Management Committee

The Risk Management Committee as of 31 December 2022 consists of 4 members as follows:

01	Mr.Apiruj Thongwattana	Chairman of the Risk Management Committee
02	Mr.Rattapol Kittichaitrakul <sup>1</sup>	Risk Management Director
03	Mr.Weerasak Sinsappaiboon <sup>2</sup>	Risk Management Director
04	Mr.Nuttapat Chalisaraphong	Risk Management Director

#### Remarks :

1. Mr.Rattapol Kittichaitrakul was appointed on 14 November 2022.
2. Mr.Weerasak Sinsappaiboon was appointed on 15 November 2022.

Ms.Nattakan Pankha serves as the Risk Management Committee Secretary.

In 2021 and 2022, the number of Risk Management Committee meetings and the number of attendance by each risk Management director are as follows:

List of Risk Management Committee Members	Number of Attendance/ Total Number of Meetings	
	2021	2022
1. Mr.Apiruj Thongwattana	2/2	3/3
2. Mr.Rattapol Kittichaitrakul	2/2	3/3
3. Mr.Prateep Vanichkawgul	2/2	3/3
4. Mr.Nuttapat Chalisaraphong	2/2	3/3
5. Mr.Adisak Ueatrakunphanit	2/2	3/3
6. Mr.Phuwadit Sirichaisakun	2/2	3/3

##### 7.1.4.1 Information about the Roles and Responsibilities of the Risk Management Committee

The Board Meeting No. 3/2565 held on 6 June 2022 resolved to define the authority, duties and responsibilities of the Risk Management Committee as follows:

1. Risk management policies and framework are to be presented to the Board for approval.
2. Define, review and develop corporate risk management framework policies.
3. Monitor risk identification and assessment processes.
4. Supervise and support the implementation of corporate risk management to be in line with business strategies and goals, as well as changing circumstances.
5. Report to the Board on major risks and risk management with the Audit Committee.



6. Consider the report on the risk management of the organization and provide feedback on potential risks, as well as determine the guidelines for determining control or mitigation measures and continuously developing the organization's risk management system to be effective.
7. Consider the report on the assessment of the likelihood of corruption and the impact of various types of corruption, such as the preparation of false financial reports, loss of property, corruption, management override of internal controls, changes in key reports, and acquisition or misuse of property, etc.
8. Report the results of corporate risk management to the Board. In addition, in the event of significant factors or events that may have a significant impact on the Company, they must be reported to the Board for acknowledgement and consideration as soon as possible.
9. Hold the meeting of the Risk Management Committee at least twice a year to consider, discuss and complete any actions in accordance with its responsibilities.
10. Perform any other duties as assigned by the Board.

#### 7.1.5 Nomination and Remuneration Committee

The Nomination and Remuneration Committee as of 31 December 2022 consists of 3 members as follows:



Ms. Nattakan Pankha serves as the Nomination and Remuneration Committee Secretary.

In 2021 and 2022, the number of Nomination and Remuneration Committee meetings and the number of attendance by each nomination and remuneration director are as follows:

List of Nomination and Remuneration Committee Members	Number of Attendance / Total Attendance	
	2021	2022
1. Mr. Praphan Phichaiwatkomol	2/2	2/2
2. Mr. Kornarit Thongsomkaew	2/2	2/2
3. Mr. Viboon Pojanalai	2/2	2/2

#### 7.1.5.1 Information about the Roles and Responsibilities of the Nomination and Remuneration Committee

The Board Meeting No. 3/2565 held on 6 June 2022 resolved to define the authority, duties and responsibilities of the Nomination and Remuneration Committee as follows:

##### **Nomination Authority, Duties and Responsibilities**

1. Determine the criteria and policies for the nomination of directors and subcommittees by considering the appropriateness of the number, structure and composition of the Board, and determining the qualifications of directors to propose to the Board and/or to propose for approval to the shareholders' meeting, as the case may be.
2. Consider the recruitment, selection and nomination of suitable persons to replace directors of the Company who have completed their term and/or to occupy vacant positions and/or to carry out additional appointments, as the case may be.
3. Consider nominating and selecting the Company's executives, especially the position of Managing Director or Chief Executive Officer
4. Supervise compliance with the Company's corporate governance policy, review the Company's good corporate governance policy every year, as well as propose amendments to the Company's corporate governance policy for the Board to consider.
5. Perform any other nomination-related duties as assigned by the Board.

##### **Remuneration Authority, Duties and Responsibilities**

1. Prepare rules and policies for determining the remuneration of the Board, subcommittees and executives to propose to the Board and/or to propose for approval to the Shareholders' Meeting, as the case may be.
2. Determine the necessary and appropriate remuneration, both monetary and non-monetary, of the Board's individual members. For the determination of the remuneration of the Board and the Company's executives, consider the appropriateness of their obligations, responsibilities, performance and comparison with companies in similar businesses and expected benefits from directors and the Company's executives to propose to the Board for consideration and presentation to the Board Meeting for approval.
3. Consider and approve the annual remuneration of directors.
4. Be responsible toward the Board and for providing clarifications, answers to questions about the remuneration of directors, subcommittees and senior executives of the Company at the Shareholders' Meeting.
5. Report on policies, principles, and reasons for remuneration of directors and executives in accordance with the regulations of the Stock Exchange of Thailand by disclosing them in the One Report Form (56-1) and the Company's annual report.
6. Perform any other operations related to remuneration as assigned by the Board. The management and departments shall report or present relevant information and documents to the Nomination and Remuneration Committee to support the performance of the Nomination and Remuneration Committee to fulfill the duties assigned to it.

### 7.1.6 Executive Committee

The Executive Committee as of 31 December 2022 consists of 3 members as follows:

01	Mr. Apiruj Thongwattana	Chairman of the Executive Committee
02	Mr. Rattapol Kittichaitrakul	Executive Director
03	Mr. Weerasak Sinsapphaiboon	Executive Director

Details of the number of Executive Committee meeting attendance in 2021 and 2022 are as follows:

List of Executive Committee Members	Number of Attendance / Total Number of Meetings	
	2021	2022
1. Mr. Apiruj Thongwattana	5/5	3/3
2. Mr. Prateep Vanichkawgul <sup>1</sup>	5/5	2/2
3. Mr. Chalermchai Thongwattana <sup>2</sup>	5/5	2/2
4. Mr. Rattapol Kittichaitrakul <sup>3</sup>	-	1/1
5. Mr. Weerasak Sinsapphaiboon <sup>4</sup>	-	1/1

#### Remarks:

1. Mr. Prateep Vanichkawgul resigned as director on 15 November 2022.
2. Mr. Chalermchai Thongwattana resigned as director on 14 November 2022.
3. Mr. Rattapol Kittichaitrakul was appointed on 14 November 2022.
4. Mr. Weerasak Sinsapphaiboon was appointed on 15 November 2022.

#### 7.1.6.1 Information about the Roles and Responsibilities of the Executive Committee

The Board Meeting No. 3/2565 held on 6 June 2022 resolved to define the authority, duties and responsibilities of the Executive Committee as follows:

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

1. Prepare and present policies, goals, business strategies, and annual plans, formulate business plans and executive authority of the Company for approval from the Board.
2. Be responsible for efficiently managing the Company's business in accordance with the direction, goals, policies, business strategy of the Company, operational plans and financial goals as approved by the Board.
3. Be responsible for the Company's operations in accordance with the law, objectives, Articles of Association of the Company, resolutions of the Shareholders' Meeting, and resolutions of the Board Meeting, as well as related procedures. In addition, establish the organizational structure and determine the position of the Company, as well as make revisions. After achieving this, report to the Board for acknowledgement, review and revision of the Executive Committee Charter and present it to the Board for approval.
4. Study the feasibility of investing in new projects and have the authority to consider and approve the Company to invest or jointly invest in models that the Executive Committee deems appropriate to carry out its business in accordance with the Company's objectives.
5. Monitor the performance and investment progress of each business and report the results, including problems or obstacles that arise, and guidelines for improvement to the Board.
6. Consider and approve the expenditure of funds for investments or operations, loans or credit application from financial institutions, lending, acting as a guarantor, mortgages, pledges, trades, registration of ownership of land or other property, as well as entering into legal proceedings, contracts, submissions, proposals, contacting, and juristic acts with government agencies in order to obtain the Company's rights and/or complete any actions related to such matters for the normal transactions of the Company and for the benefit of the Company's objectives within the specified limits. Such actions shall be subject to the Notifications of the Stock Exchange of Thailand, the Securities and Exchange Commission, the Capital Market Supervisory Board, or any other related laws.
7. Consider the company's profits and losses and recommend on how about dividend payment to the Board of Directors.
8. Approve the receipt or cancellation of credit limit to ensure that each limit does not exceed the specified amount.
9. Approve adjustments, destruction, and write-offs of fixed and intangible assets that are decommissioned, damaged, lost, destroyed, deteriorated or obsolete, and ensure that the book value does not exceed the amount specified in the approval authorization approved by the Board.

10. Approve price adjustments and destruction of deteriorated or outdated raw materials and/or inventories, which will result in a decrease in book value to ensure that the amount does not exceed the amount specified in the approval authorization approved by the Board.
11. Approve compromises and settlements of disputes by arbitration, resolution of grievances, litigation and/or any proceedings on behalf of the Company as defined in the approval authorization approved by the Board.
12. Have the power to invite executives or employees of relevant companies to clarify, give opinions, attend meetings or send documents as deemed relevant and necessary.
13. Establish an appropriate, effective and comprehensive risk management policy covering all types of business risks of the Company.
14. Ensure that financial reports are prepared for the auditor to audit and/or review before submitting to the Audit Committee and the Board, respectively.
15. Determine the organizational structure and management authority to cover the details of the selection, hiring, appointment, transfer, training and dismissal of Company employees who are Board members or senior executives by assigning an authorized person to sign employment contracts as specified in the approval authorization approved by the Board.
16. Supervise and approve matters relating to the Company's operations and possibly appoint or assign one or more persons to act on behalf of the Executive Committee as deemed appropriate. In addition, the Executive Committee can be abolished, change or modify such power.
17. Have the power to appoint consultants necessary for the Company's operations or to comply with relevant laws.
18. Report on key performance results of the Executive Committee to the Board on a quarterly basis in the agenda of the Chief Executive Officer's report.
19. Perform any other duties as assigned by the Board.

The delegation of authority and responsibilities of the Executive Committee shall not be characterized as a delegation of authority or subordinate authority that allows the Executive Committee or a delegate from the Executive Committee to approve items in which the person or potentially conflicted person (as defined in the Notification of the Securities and Exchange Commission)

has any interest or other conflicts of interest with the Company, unless it is an approval of transactions that are in accordance with the policies and criteria approved by the Board. This is in accordance with the Securities and Exchange Act, B.E. 2535 (1992), including announcements, regulations and/or requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand and other related laws.

## 7.2 Executives

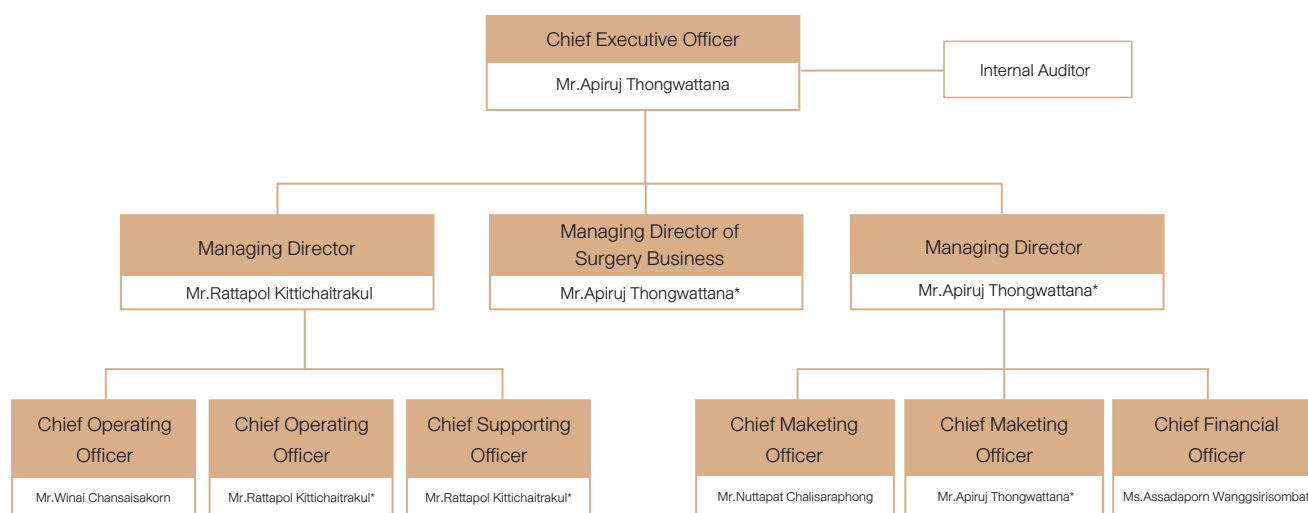
As of 31 December 2022, the Company has five executives in accordance with the Notification of the Securities and Exchange Commission No. Kor. Chor. 17/2551 dated 15 December 2008 (and as amended) as follows:

01	Mr. Apiruj Thongwattana	Chief Executive Officer
02	Mr. Nuttapat Chalisaraphong	Chief Marketing Officer
03	Mr. Rattapol Kittichaitrakul	Managing Director
04	Mr. Winai Chansaisakorn <sup>1</sup>	Chief Operating Officer
05	Ms. Assadaporn Wangsirirombat	Chief Financial Officer

### Remarks:

1. Mr. Winai Chansaisakorn was appointed Chief Operating Officer on 1 April 2022.
2. Ms. Assadaporn Wangsirirombat was appointed Chief Financial Officer on 16 December 2022.

As of 31 December 2022, the structure of the executives of the Company as defined by the SEC, Kor Jor 17/2551, dated 15 December 2008 (as amended) :



Remarks: The Chief Executive Officer is the highest executive of the Company.

\*Acting

The Board Meeting No. 2/2564 held on 19 January 2021 resolved to define the authority, duties and responsibilities of the Chief Executive Officer as follows:

### Authority, Duties and Responsibilities of the Chief Executive Officer

1. Be responsible, supervise, administer, operate and/or oversee the day-to-day management of the Company, as well as govern the overall operations to comply with the policies, business strategies, goals and operational

plans, and financial goals of the Company approved or assigned by the Board and/or resolutions of the Shareholders' Meeting.

2. Prepare a business plan and assign management authority to present to the Board for approval and report the progress of such approved plan to the Board.
3. Communicate the Company's vision, business direction, policies, strategies and operational plans.
4. Define organizational structure, management methods, including the selection, training, hiring and dismissal of employees, and determine the rate of wages, salaries, remuneration, bonuses and benefits for employees.
5. Be a liaison between the Board and the management to strengthen good relations.
6. Approve expenditures, including any remuneration under the plan or framework approved by the Executive Committee and/or the Board, and in accordance with the operational authority approved by the Board.
7. Monitor and report on the Company's position, and suggest alternatives and strategies that align with policies and market conditions.
8. Oversee and supervise the Company's operations, such as finance, risk management, internal control, operational work, support work, and resource work according to various plans and the Articles of Association of the Company, laws, regulations and requirements of relevant authorities.
9. Oversee the Company's overall human resources management.
10. Represent the Company in publicly promoting the organization, as well as have the authority to contact government agencies and other regulators.
11. Maintain communication with the public, shareholders, customers and employees for the Company's reputation and good image, support the provision of appropriate channels of communication with shareholders, and provide standardized and transparent disclosure of information.
12. Ensure good corporate governance.
13. Have the power to issue, amend, revise, and modify regulations, orders and requirements relating to the Company's work, such as hiring, appointing, removing, and disciplining the staff and employees, as well as determine their salaries and other payments, including relief and benefits.
14. Consider, negotiate and approve entry into legal contracts and/or any actions related to the Company's operations and/or day-to-day management within the limits approved by the Board in accordance with the Company's approval power chart.
15. The abovementioned authority of the Chief Executive Officer cannot be exercised if the Chief Executive Officer has any potential interests or conflicts of interest with the Company.
16. In exercising such authority, if there is any doubt or ambiguity in the exercise of the authority and duties prescribed herein, the matter shall be submitted to the Board for consideration.
17. Have any authority, duties and responsibilities as assigned or in accordance with the policies assigned by the Board and/or various subcommittees under the Company's regulations, securities laws, and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.
18. Have the power to delegate authority and/or assign other persons to perform specific tasks by using a proxy and/or delegation such authority within the scope of the power of attorney granted and/or in accordance



with the regulations, requirements or orders prescribed by the Board. The delegation of authority, duties and responsibilities of the Chief Executive Officer shall not be characterized as a delegation of authority or assignment of authority that would allow the Chief Executive Officer or a delegate of the Chief Executive Officer to approve any transaction in which the person or potentially conflicted person (as defined in the Notification of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have an interest or may benefit in any way, or may have any other conflict of interest with the companies of the Company (if any), unless the transaction is in accordance with the policies and rules approved by the Shareholders' Meeting or the Board. In exercising the above authority of the Chief Executive Officer, if there are any doubts or ambiguities in the exercise of the authority as prescribed herein, the matter shall be submitted to the Board for consideration.

#### **Authority, Duties and Responsibilities of the Managing Director**

1. Be responsible for overseeing the Company's operations and/or day-to-day management, including overseeing the overall operation in order to comply with the legal framework, objectives, Articles of Association, business ethics of the Company to ensure compliance with policies, business strategies, goals and operational plans, and the budget of the Company
2. Provide advice on marketing, sales promotion, product and service delivery in order to deliver quality products to the Company's customers.
3. Consider, negotiate and approve the entry into legal contracts and/or any actions related to the Company's operations and/or day-to-day management.
4. Consider and approve operations in various aspects of transactions, including marketing, human resource, procurement and general administration for the normal transactions of the Company. However, such approvals shall be subject to the conditions and limitations of the Company's announcement on the regulations of the Company's approval authority.
5. Consider and approve the operation of investment transactions in fixed assets such as land, plants or buildings, etc., where the value of each juristic act is subject to the conditions and limitations according to the announcement on the Company's approval authority.
6. Appoint consultants as necessary for the Company's operations and/or day-to-day management.
7. Appoint and/or assign one or more persons to take any action within the scope of the Managing Director's authority as the Managing Director deems appropriate, provided that the Managing Director may cancel, revoke or amend such authority.
8. Have the power to sign any documents relating to the operations necessary for or relating to the normal commercial transactions of the Company as specified in Sections 1 to 8 above.

However, any juristic actions that (a) may cause a conflict of interest with the Company, (b) may cause a conflict of interest of the Managing Director or potentially conflicted persons and stakeholders of the Company or its subsidiaries as defined in the laws and Notification of the Securities and Exchange Commission or the Notification of the Capital Market Supervisory Board or the Stock Exchange of Thailand, shall not be deemed to be within the scope of the Managing Director's authority to consider such proceedings at the Managing Director's own discretion. Such juristic acts must be presented for approval through the Audit

Committee to the Board and/or the Shareholders' Meeting (as the case may be) as stipulated in the Company's Articles of Association and in accordance with the law, except for the approval of transactions that are in accordance with normal business conditions with clearly defined boundaries.

### 7.2.1 Remuneration of Executives

The Company determines an appropriate remuneration of executives level in accordance with the Company's remuneration rules and policies by considering roles, obligations and responsibilities, related work experience, the Company's performance, and economic conditions that are comparable to the level practiced in the same industry. Remuneration to the Company's executives shall be in accordance with the rules and policies considered and approved by the Nomination and Remuneration Committee and the Board.

### 7.2.2 Monetary Remuneration

Remuneration of executives (excluding remuneration received by executives as from their positions as directors) consists of salaries and bonuses according to the following details:

Item	2021	2022
	Remuneration (Million Baht)	Remuneration (Million Baht)
Salary	6.72	10.73
Position Allowance	0.34	0.66
Provident Fund Contribution <sup>1</sup>	0.09	0.10
Retirement Benefits	0.01	0.14
Other Remuneration <sup>2</sup>	2.62	0.72
<b>Total</b>	<b>9.78</b>	<b>12.35</b>
<b>Number of Executives (Persons)</b>	<b>4</b>	<b>5</b>

#### Remarks:

1. The Company established a provident fund on 23 March 2017, which is managed by SCB Asset Management Co., Ltd. The management proposed to reduce salaries during the period of temporary closure of facilities in January, April to June, and July to August of 2021. The Company's contribution to the provident fund for employees is at the rate of 3% - 7%.
2. Other monetary remuneration consists of travel expenses and aid during the Covid-19 pandemic that the Company paid to executives and employees.

### 7.2.3 Other Remuneration

The Company pays other non-monetary remuneration to executives, including company cars according to position, annual health check-ups, and group insurance. In addition, the Board Meeting No. 3/2565 on 6 June 2022 resolved to approve the allocation of newly issued ordinary shares to directors, executives and employees of the Company not exceeding 9.00 million shares. This is in accordance with the requirements of the Notification of the Capital Market Supervisory Board No. 40/2557 on the sale of newly issued securities in the category of shares and warrants to purchase shares of the issuing companies dated 7 November 2014 (as amended), or other relevant rules.

### 7.2.4 Accrued Compensation or Benefits

-None-

### 7.2.5 Summary of Key Financial Approval Authority

Description	Board of Director	Executive Committee	CEO	Managing Director	Department Chief Officer (C-Level)
1. Joint Ventures (With and without Participation in Administration)	Approved	-	-	-	-
2. Strategic Plan and Annual Budget	Approved	-	-	-	-
3. Budget, Branch Expansion, Capital Expenditure	More than 25 million baht.	No more than 25 million baht.	-	-	-
4. Procurement of Pharmaceuticals and Medical Supplies outside the Inventory System	More than 20 million baht.	No more than 20 million baht.	No more than 10 million baht.	No more than 5 million baht.	-
5. Procurement of Pharmaceuticals and Medical Supplies in the Inventory System	More than 30 million baht.	No more than 30 million baht.	No more than 20 million baht.	No more than 10 million baht.	No more than 1 million baht.
6. Procurement of Service Tools and Equipment	More than 30 million baht.	No more than 30 million baht.	No more than 20 million baht.	No more than 10 million baht.	-
7. Procurement of Assets other than Service Tools and Equipment	More than 15 million baht.	No more than 15 million baht.	No more than 10 million baht.	No more than 5 million baht.	-
8. Medical Equipment Sales	More than 5 million baht.	No more than 5 million baht.	No more than 1 million baht.	No more than 1 million baht.	-
9. Approval of Sales Expenses, Advertising Costs, and Sales Promotion outside the Company's Set Budget	More than 5 million baht.	No more than 5 million baht.	No more than 2 million baht.	No more than 1 million baht.	No more than 200,000 baht.

### 7.3 Employees

In 2020, 2021 and 2022, the Company had a total of 574, 620 and 814 employees (excluding directors and executives), respectively, whom were paid salaries, bonuses and commissions, etc., according to details divided by line of work as follows:

Department	2020	2021	2022
	Number of Employees (Persons)	Number of Employees (Persons)	Number of Employees (Persons)
Sales Employees	227	230	314
Treatment Employees	153	162	216

Department	2020	2021	2022
	Number of Employees (Persons)	Number of Employees (Persons)	Number of Employees (Persons)
Nurses	27	30	50
Receptionists	79	84	105
Janitorial Employees	19	29	28
<b>Total Number of Branch Employees</b>	<b>505</b>	<b>535</b>	<b>713</b>
Main Office Employees	69	85	101
<b>Total Number of Employees</b>	<b>574</b>	<b>620</b>	<b>814</b>
Doctors	49	56	92

### 7.3.1 Employee Remuneration

The total remuneration of employees of the Company (excluding directors and executives) in 2021 – 2022 amounted to 284.89 million baht and 487.95 million baht, respectively, in the form of salaries, bonuses, commissions, provident funds and other employee benefits. In addition, in 2022, the management provided a cost-of-living assistance program for employees due to the Covid-19 pandemic which affected the livelihood of employees with low income. Moreover, due to the rapidly rising inflation situation since the beginning of 2022, the Company has provided a cost-of-living assistance program for employees at the salary level less than or equal to 25,000 baht in the total amount of 1,830,000 baht.

Remuneration Characteristics	2021	2022
Number of Employees	620	795
Salary	74,882,465	130,880,940
Commission Fee	158,056,250	268,418,968
Provident Fund Contributions	92,310	148,279
Shift Pay, Overtime Pay	1,187,580	2,391,650
Welfare and Others	50,668,595	86,112,439
<b>Total</b>	<b>284,887,200</b>	<b>487,952,276</b>
<b>Doctor's Fee</b>	<b>108,517,596</b>	<b>203,258,580</b>

### 7.3.2 Provident Fund

The Company has established a provident fund under the management of SCB Asset Management Co., Ltd. since 23 March 2017 with the objective of boosting employee morale and incentivizing employees to work with the Company in the long term. As of 31 December 2022, 30 employees, or 3.77% of all employees, have become members of the provident fund, with the Company contributing to the fund at the rate of 3% – 7%.

### 7.3.3 Labor Disputes

The Company has had no significant labor disputes in the past 3 years.

### 7.3.4 Personnel Development Policy

The Company has a human resource development policy with the objective of developing personnel in terms of knowledge and ability in performing tasks, and retaining knowledgeable personnel to work with the Company in the long term with career advancement. The Company regularly provides on-site and off-site training by creating a training plan for every year, surveying the training needs of each department's personnel and providing suitable training for each line of work. In 2022, an average of 10 hours of training for personnel development per employee was provided for all Company personnel.

## 7.4 Other Important Information

### 7.4.1 Person Assigned Direct Responsibility for Supervising Accounting, the Company Secretary, the Head of Internal Audit, and the Head of Corporate Compliance

- **Persons Assigned Direct Responsibility for Supervising Accounting**

Ms. Assadaporn Wangsirisombat is the Chief Financial Officer, who is assigned to be directly responsible for overseeing the Company's accounting, and has the responsibility to ensure the correct and efficient accounting transactions in accordance with accounting standards, regulations, requirements and rules of the Company. (Please see detail in specimen 1, Details of Directors, Executives, Controlling Persons and the Company Secretary.)

- **Company Secretary**

At the Board Meeting No. 9/2565 on 14 December 2022, it was resolved to appoint Ms. Natthakan Phankha to the position of Company Secretary in accordance with the provisions of Section 89/15 of the Securities and Exchange Act, B.E. 2535, (as amended) with the responsibility to be cautious and honest as well as comply with the laws, objectives, Articles of Association, resolutions of the Board Meetings, and resolutions of the Shareholders' Meetings. (Please see detail in specimen 1, Details of Directors, Executives, Controlling Persons and the Company Secretary.)

- **Head of Internal Audit**

The Board Meeting No. 1/2023 held on 28 February 2023, attended by all three members of the Audit Committee, resolved to approve the appointment of I.A.P. Internal Audit Co., Ltd. (I.A.P.), an independent internal control system auditor, to perform the duties of auditing and evaluating the Company's internal control system for the year 2023. I.A.P. Internal Audit Co., Ltd. (I.A.P.) has assigned Mr. Wattana Channakin and Mr. Umnad Ruechaikham to be the main internal auditors. Mr. Wattana Channakin is knowledgeable in the Company's operations, good corporate governance principles, risk management and internal control at the business level and in the whole. (Please see detail in specimen 3, Details of the Head of Internal Audit.)

- **Head of Corporate Compliance**

The Company has not established a corporate compliance department. However, the Company has established a Corporate Governance and Sustainability Management Committee to oversee compliance with the rules of the authorities that govern the Company's business operations and ensure the implementation of good corporate governance policies, business ethics, corporate social responsibility policies, and sustainability management policies.

#### 7.4.2 Head of Investor Relations and Contact Information

To ensure that the disclosure of important information of the Company is accurate, fast and transparent, the Company established the Company Secretary and Investor Relations Department and appointed Miss. Pornrawee Visutthapongchai to the position of Head of Investor Relations with the responsibility to act as a mediator in disclosing to the shareholders and investors the Company's key information, including financial information such as performance results, financial statements, and reports and analyses of the management, etc., to inform the shareholders and investors regularly, equally and completely in line with facts.

The Investor Relations Department can be contacted at:

Miss. Pornrawee Visutthapongchai

Email: investor@theklinique.com

#### 7.4.3 Auditor's Remuneration

- **Audit Fee**

For the fiscal years ending 31 December 2021 and 2022, the Company paid audit fees to DIA International Co., Ltd. in the amount of 1.9 million baht and 2.29 million baht, respectively.

The 2022 Annual General Meeting of Shareholders of the Company on 4 March 2022, appointed DIA International Co., Ltd., an auditor authorized by the SEC, as the Company's auditor for the 2022, and the audit fee was set at 2.29 million baht.

- **Non-Audit Fee**

For the fiscal year for the six-month period ending 30 June 2022, the Company paid 0.03 million baht in compensation to DIA International Co., Ltd. for supervising the destruction of expired products.

The persons or companies associated with the aforementioned auditors and audit firms are not associated with any person or company related to the Company in accordance with the accounting standards on disclosure of information about related persons or companies.



## 8. Corporate Governance Performance

### 8.1 Summary of the Board of Directors' Performance in the Past Year

#### 1. Nomination, Development and Performance Evaluation of the Board of Directors

##### 1.1 Nomination of Directors and Subcommittees

The Company has established the criteria and procedures for nominating directors as follows:

1. Provide opportunities for minority shareholders to nominate qualified persons to be elected as directors and receive nominations from major shareholders.
2. The qualifications of the candidates must comply with the relevant laws and regulations, namely, the Public Limited Companies Act, the Securities and Exchange Act, B.E. 2535 (1992), the Company's Articles of Association and the good corporate governance principles of the Company.
3. Consider the criteria for nominating directors of the Stock Exchange of Thailand.
4. Prioritize those who have specific skills, experience, professions and qualifications in a variety of areas that the Board is lacking and that are essential to business without limiting or discriminating against gender and race or any differences to ensure that the Board composition is complete and in the best interests of the Company.
5. Consider the appropriateness of knowledge, experience, and specific competencies in the main business or industry in which the Company operates, so that the Board has elements in business, strategy, law, finance, accounting, economics, international business, and information technology to integrate knowledge and abilities that are useful for the Company's operations.
6. Consider the dedication of the directors' time. If a previous director is to return to office for another term, it may be determined by the performance during the tenure, as well as by considering the number of companies that each director will hold to suit the nature or business conditions of the Company to ensure that the performance does not decrease.
7. When appointing an independent director, consider the independence of the independent director nominee in accordance with the rules of the SEC and the Company's definition of independent directors with the quality of being independent as defined in the good corporate governance manual and as disclosed on the Company's website.
8. Performance in the past year (if applicable).
9. Provide useful feedback and comments.

The Shareholders' Meeting appoints directors by majority vote in accordance with the following rules and procedures:

1. Each shareholder has one vote per share.
2. Each shareholder must use all available votes to elect one person or several directors, but cannot share their votes to anyone else, no matter how many.
3. The person who receives the highest number of votes in descending order shall be elected as a director equal to the number of directors to be elected at that time. In the event that another person receives an equal number of votes, but the number of directors to be elected has been exceeded, the chairman of the meeting shall cast the deciding vote.

## 1.2 Qualifications of Independent Directors

The Company has determined additional qualifications for independent directors as follows:

1. Holding no more than one (1) percent of the total voting shares of the Company, its parent company and subsidiaries, joint-venture companies, major shareholders or controlling persons of the Company, including the shareholdings of related persons of such independent directors.
2. Not being or having been an executive director, employee, staff, consultant who receives regular salary. or authority control of the Company, parent company, subsidiaries, associated, subsidiaries of the same level major shareholder or of authority control of the company unless he or she has vacated the aforementioned position for not less than 2 years prior to the date of his/her appointment as independent director; however, such prohibited characteristics do not include the case where independent directors used to be government officials or consultants of government agencies which are major shareholders or a controlling person of the company
3. Not being a person with a biological relationship or a legally registered parent, spouse, sibling, and child, including being a spouse of a child of another director, executive, major shareholder, controlling person, or person nominated as director, executive or controlling person of the Company or its subsidiaries.
4. Not having or having ever had a business relationship with the Company, its parent company and subsidiaries, joint-venture companies, major shareholders, or controlling persons of the Company in such a way as to impede the independent exercise of one's judgment, including not being or having been a significant shareholder or controlling person who has business relationships with the Company, its parent company and subsidiaries, joint-venture companies, major shareholders, or controlling persons of the Company, unless the person has been removed from such characteristics for at least two (2) years prior to the date of appointment as independent director. Such business relationships include commercial transactions that are normally conducted for business operations, renting or leasing a property, transactions relating to assets or services, or providing or receiving financial assistance through loaning or lending, guarantees, giving assets to be used as debt collateral, and other similar behaviors that would cause the Company or its contract parties to have a debt obligation to the other party of at least 3% of the Company's net tangible assets, or of twenty (20) million baht or more, whichever is lower. The calculation of such debt obligations shall be in accordance with the method of calculating the value of connected transactions in accordance with the Notification of the Capital Market Supervisory Board on the criteria for permitted connected transactions. However, in the consideration of such debt obligations, debt obligations incurred within one (1) year prior to the date of the business relationship with the same person shall be counted.
5. Not being or having been an auditor of the Company, its parent company and subsidiaries, joint-venture companies, major shareholders, or controlling persons of the Company, and not being a significant shareholder, controlling person, or partner of the audit firm associated with the auditors of the Company, its parent company

and subsidiaries, joint-venture companies, major shareholders, or controlling persons of the Company, unless the person has been removed from such characteristics for at least two (2) years prior to the date of appointment as independent director.

6. Not being or having been a professional service provider, including provider of legal or financial consultation services, who has received service fees in excess of two (2) million baht per year from the Company, parent company, subsidiaries, joint-venture companies, major shareholders, or controlling persons of the Company, and not being a significant shareholder, controlling person, or partner of such professional service provider, unless the person has been removed from such characteristics for at least two (2) years prior to the date of appointment as independent director.

7. Not being a director appointed to represent a company director, major shareholder, or shareholder who is related to major shareholders.

8. Not operating a business with the same conditions and in significant competition with the business of the Company or its subsidiaries, or not being a significant partner in a partnership, or a director who is involved with the management, employees, staff, consultants who receive regular salaries or hold more than one (1) percent of the total number of voting shares of another company which operates in the same conditions and in significant competition with the business of the Company or its subsidiaries.

9. Having no other characteristics that prevent independent opinions on the Company's operations.

After being appointed as an independent director in accordance with (1) to (9) above, an independent director may be assigned by the Board to make decisions on the operations of the Company, same-level subsidiaries, major shareholders or controlling persons of the Company in the form of collective decisions.

### 1.3 Qualifications of the Audit Committee

The Audit Committee consists of no less than three (3) independent directors for a period of three (3) years per term. Audit directors were appointed by the Board or Shareholders' Meeting. The Company has a policy to nominate audit directors/independent directors in accordance with the Notification of the Capital Market Supervisory Board No. Thor. Chor. 39/2559, Re: Application for and grant of permission to offer newly issued shares. Directors must have the following qualifications:

1. Holding no more than one (1) percent of the total voting shares of the Company, its parent company and subsidiaries, joint-venture companies, major shareholders or controlling persons of the Company, including the shareholdings of related persons of such audit directors.

2. Not being or having been a director who has been involved with the management, employees, staff, consultants who receive regular salaries, or controlling persons of the Company, its parent company and subsidiaries, joint-venture companies, subsidiaries of the same level, major shareholders, or controlling persons of the Company, unless the person has been removed from such characteristics for at least two (2) years prior to the date of appointment as independent director. Such prohibited characteristics do not include cases where an independent director has been a government official or advisor of a government agency who is a major shareholder or a controlling person of the Company.

3. Not being a person with a biological relationship or a legally registered parent, spouse, sibling, and child, including being a spouse of a child of another director, executive, major shareholder, controlling person, or person nominated as director, executive or controlling person of the Company or its subsidiaries.
4. Not having or having ever had a business relationship with the Company, its parent company and subsidiaries, joint-venture companies, major shareholders, or controlling persons of the Company in such a way as to impede the independent exercise of one's judgment, including not being or having been a significant shareholder or controlling person who has business relationships with the Company, its parent company and subsidiaries, joint-venture companies, major shareholders, or controlling persons of the Company, unless the person has been removed from such characteristics for at least two (2) years prior to the date of appointment as audit director. Such business relationships include commercial transactions that are normally conducted for business operations, renting or leasing a property, transactions relating to assets or services, or providing or receiving financial assistance through loaning or lending, guarantees, giving assets to be used as debt collateral, and other similar behaviors that would cause the Company or its contract parties to have a debt obligation to the other party of at least 3% of the Company's net tangible assets, or of twenty (20) million baht or more, whichever is lower. The calculation of such debt obligations shall be in accordance with the method of calculating the value of connected transactions in accordance with the Notification of the Capital Market Supervisory Board on the criteria for permitted connected transactions. However, in the consideration of such debt obligations, debt obligations incurred within one (1) year prior to the date of the business relationship with the same person shall be counted.
5. Not being or having been an auditor of the Company, its parent company and subsidiaries, joint-venture companies, major shareholders, or controlling persons of the Company, and not being a significant shareholder, controlling person, or partner of the audit firm associated with the auditors of the Company, its parent company and subsidiaries, joint-venture companies, major shareholders, or controlling persons of the Company, unless the person has been removed from such characteristics for at least two (2) years prior to the date of appointment as audit director.
6. Not being or having been a professional service provider, including provider of legal or financial consultation services, who has received service fees in excess of two (2) million baht per year from the Company, its parent company and subsidiaries, joint-venture companies, major shareholders, or controlling persons of the Company, and not being a significant shareholder, controlling person, or partner of such professional service provider, unless the person has been removed from such characteristics for at least two (2) years prior to the date of appointment as audit director.
7. Not being a director appointed to represent a Company director, major shareholder, or shareholder who is related to major shareholders.
8. Not operating a business with the same conditions and in significant competition with the business of the Company or its subsidiaries, or not being a significant partner in a partnership, or a director who is involved with the management, employees, staff, consultants who receive regular salaries or hold more

than one (1) percent of the total number of voting shares of another company which operates in the same conditions and in significant competition with the business of the Company or its subsidiaries.

9. Having no other characteristics that prevent independent opinions on the Company's operations.

10. Not being a director assigned by the Board to make decisions on the operations of the Company, its parent company and subsidiaries, joint-venture companies, same-level subsidiaries, major shareholders, or controlling persons of the Company.

11. Not being a director of a parent Company, subsidiary or same-level subsidiary, including only as listed companies.

12. Having sufficient knowledge and experience to perform duties as audit director. There must be at least one (1) audit director who has sufficient knowledge and experience in accounting and/or finance to be able to review the reliability of financial statements.

The rules and procedures for the appointment of the Audit Committee are in accordance with the rules and procedures for the appointment of Board directors. Audit Committee members who retire from office according to term may be re-appointed to their positions. In the event that an audit director position becomes vacant due to reasons other than the expiration of the term, the Board shall consider appointing a person who has complete qualifications to be an audit director to ensure that every audit director position is filled as required by the Board. The replacement director shall be in the position of audit director only for the remainder of the term of the replaced director and the Company must notify the Stock Exchange of Thailand as soon as an audit director resigns or is removed from office before the term expires.

#### **1.4 Nomination of Executive Committee**

The Board appoints executive directors by selecting from the directors or senior executives of the Company who manage matters relating to normal business operations and management of the Company and formulate policies, business plans, budgets, and management structure, including auditing and monitoring of the Company's performance in accordance with the policies set by the Board.

#### **1.5 Nomination of Top Executives**

The Nomination and Remuneration Committee shall consider the nomination of suitable persons for the position of Chief Executive Officer by considering the selection of a completely qualified and suitable person who has the knowledge, capabilities, skills and experience that are beneficial to the Company's operations, and understands the Company's business well and be able to manage the work to achieve the objectives and goals set by the Board. The Board shall approve the appointment of such Chief Executive Officer.

## 1.6 Attendance and Remuneration of Individual Board Members

### 1) Attendance

The Board Meeting attendance for 2021 and 2022 is as follows:

List of Board Members	Number of Attendance/Total Number of Attendance after Assuming Position	
	ปี 2021	ปี 2022
1. Mr. Praphan Phichaiwatkomol	6/6	9/9
2. Mr. Kornarit Thongsomkaew	6/6	9/9
3. Mr. Viboon Pojanalai	6/6	9/9
4. Mr. Apiruj Thongwattana	6/7	9/9
5. Mr. Prateep Vanichkawgul	6/6	6/7
6. Mr. Chalermchai Thongwattana	7/7	6/6
7. Mr. Suthipong Tangsajjapoj	-	9/9
8. Mr. Rattapol Kittichaitrakul	6/6	2/2
9. Mr. Weerasak Sinsapphaiboon	-	1/1

#### Remarks:

1. Mr. Praphan Phichaiwatkomol was appointed as a director on 19 January 2021.
2. Mr. Kornarit Thongsomkaew was appointed as a director on 11 January 2021.
3. Mr. Viboon Pojanalai was appointed as a director on 19 January 2021.
4. Mr. Prateep Vanichkawgul was appointed as a director on 11 January 2021 and resigned as a director on 15 November 2022.
5. Mr. Chalermchai Thongwattana resigned as a director on 14 November 2022.
6. Mr. Suthipong Tangsajjapoj was appointed as a director on 30 November 2021.
7. Mr. Rattapol Kittichaitrakul resigned as a director on 30 November 2021 and was appointed as a director on 15 November 2022.
8. Mr. Weerasak Sinsapphaiboon was appointed as a director on 15 November 2022.

## 2) Remuneration

The Extraordinary General Meeting of Shareholders No. 1/2564, held on 19 January 2021, and the 2022 Annual General Meeting of Shareholders held on 29 April 2022, resolved to determine the remuneration of directors of the Company in 2021 and 2022 as follows:

Meeting Allowance	Board of Directors	Audit Committee	Nomination and Remuneration Committee
Chairman (Per Person)	25,000 baht/time	25,000 baht/time	25,000 baht/time
Director (Per Person)	20,000 baht/time	20,000 baht/time	20,000 baht/time

The meeting allowance shall be paid according to the number of actual attendance of the meeting.

The Board shall receive non-monetary remuneration. The Board Meeting No. 3/2022 on 6 June 2022 approved the allocation of newly issued ordinary shares to directors, executives and employees of the Company not exceeding 9.00 million shares. This is in accordance with the requirements of the Notification of the Capital Market Supervisory Board No. Thor. Chor. 40/2557, Disposal of newly issued securities in the category of shares and warrants to purchase shares of the issuing company dated 7 November 2014 (and as amended), or other related rules. In addition, the Company has a policy to provide other remuneration to the Board in accordance with the agreement, such as service benefits from the Company in accordance with the Company's regulations as follows:

Other Remuneration	For Service Fees Not Exceeding 150,000 Baht	For Service Fees Exceeding 150,000 Baht, But Not Exceeding 250,000 Baht	For Service Fees Exceeding 250,000 Baht, But Not Exceeding 350,000 Baht
Directors and Their Families	Have the right to use free services from the Company in the amount of 150,000 baht/year.	Directors and their families will receive a 50% discount on the standard service price.	Directors and their families will receive a 25% discount on the standard service price.

### Remarks:

1. A director's family includes: The director's legal spouse and children. Such remuneration may change depending on the resolutions of the Annual General Meeting of Shareholders of the Company in each year.



The remuneration of directors in 2021 and 2022 is as follows:

2021							
Meeting Allowance	Board of Directors	Audit Committee	Executive Committee	Risk Management Committ	Nomination and Remuneration	Other Remuneration	Total
Mr. Praphan Pichaiwatkomol	150,000.00	100,000.00	-	-	-	-	250,000.00
Mr. Kornarit Thongsomkaew	120,000.00	80,000.00	-	-	-	-	200,000.00
Mr. Viboon Pojanalai	120,000.00	80,000.00	-	-	-	-	200,000.00
Mr. Apiruj Thongwattana	100,000.00	-	-	-	-	-	100,000.00
Mr. Suthipong Tangsajjapoj	-	-	-	-	-	-	-
Mr. Prateep Vanichkawgul	120,000.00	-	-	-	-	-	120,000.00
Mr. Chalermchai Thongwattana	120,000.00	-	-	-	-	-	120,000.00
Mr. Rattapol Kittichaitrakul	100,000.00	-	-	-	-	-	100,000.00
<b>Total</b>	<b>830,000.00</b>	<b>260,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,090,000.00</b>

Remarks:

1. Meeting allowance received as director and audit director.
2. Mr.Suthipong Tangsajjapoj was appointed as a director on 30 November 2021.
3. Mr.Rattapol Kittichaitrakul resigned as a director on 30 November 2021.

2022							
Meeting Allowance	Board of Director	Audit Committee	Executive Committee	Risk Management Committ	Nomination and Remuneration	Other Remuneration	Total
Mr. Praphan Pichaiwatkomol	225,000.00	100,000.00	-	-	50,000.00	-	375,000.00
Mr. Kornarit Thongsomkaew	180,000.00	80,000.00	-	-	40,000.00	-	300,000.00
Mr. Viboon Pojanalai	180,000.00	80,000.00	-	-	40,000.00	-	300,000.00
Mr. Apiruj Thongwattana	180,000.00	-	-	-	-	-	180,000.00
Mr. Suthipong Tangsajjapoj	180,000.00	-	-	-	-	-	180,000.00
Mr. Prateep Vanichkawgul	120,000.00	-	-	-	-	-	120,000.00
Mr. Chalermchai Thongwattana	120,000.00	-	-	-	-	-	120,000.00
Mr. Rattapol Kittichaitrakul	40,000.00	-	-	-	-	-	40,000.00
Mr. Weerasak Sinsapphaiboon	20,000.00	-	-	-	-	-	20,000.00
<b>Total</b>	<b>1,245,000.00</b>	<b>260,000.00</b>	<b>-</b>	<b>-</b>	<b>130,000.00</b>	<b>-</b>	<b>1,635,000.00</b>

Remarks:

1. Meeting allowance received as director and audit director.
2. Mr. Rattapol Kittichaitrakul was appointed as a director on 15 November 2022.
3. Mr. Weerasak Sinsapphaiboon was appointed as a director on 15 November 2022.

## 8.2 Monitoring to Ensure Compliance with Corporate Governance Policies and Practices

### 1. Compliance with the Laws, Rules and Regulations

The Company gives great importance to compliance with the laws and regulations related to the environment, and occupational health and safety at the local, national and regional levels, including compliance with international business ethics. All directors, executives and employees must act within the framework of the laws, regulation and procedures, and must not have knowledge, provide aid, or act in any way that is a violation of other relevant laws and regulations. The Company's guidelines for compliance with laws, regulations and procedures are as follows:

- Directors, executives and employees of the Company must study and understand the relevant laws and regulations both inside and outside the Company.
- Directors, executives and employees of the Company must comply with the laws, regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- Directors, executives and employees of the Company must not engage in unlawful behavior such as embezzlement, fraud and giving or accepting bribes, etc.
- If a director, executive or employee of the Company is aware of any work or action that they believe is illegal or unethical, such person must report such behavior to the supervisor as appropriate.
- The Company has a policy to fight against corruption of all forms and should encourage directors, executives and employees to adhere to and comply with the law, as well as raise awareness to jointly fight against all forms of corruption.

### 2. Conflict of Interest Prevention

The Company gives importance to the consideration of transactions transparently and in the interest of the Company. Therefore, it gives importance to the prevention of transactions that may be conflicts of interest, connected transactions or related transactions, and has the following key principles:

- Directors, executives and employees are to not engage in any acts that are in competition with the Company's business.
- Directors, executives and employees make decisions about conducting business in the best interests of the Company without the influence of personal needs or the needs of those who are related to them, biologically or otherwise, and must use fair and reasonable prices, as if making a transaction with a third party. If there are transactions that may have a conflict of interest, the employee must report such information to an authorized person in writing for consideration in accordance with the procedures before the Company enters into the transaction.
- Directors, executives and employees of the Company who have doubts or are unsure whether their operations have a conflict of interest are to report such matters immediately by disclosing the transactions with conflicts on interest with the Company along with the details to be submitted to an authorized person and a copy is to be submitted to the Company Secretary for processing according to the consideration process.

- Directors, executives and employees of the Company, including their family members, are to avoid financial involvement and/or relationships with other third parties, which will cause the Company to lose interests or cause conflicts of interest.
- Directors, executives and employees of the Company must avoid receiving banquets, gifts, presents, or gratuities from business associates, as such actions may cause unfairness in trade decisions.
- If there are gifts or gratuities that should not be accepted, the recipient is to return them immediately. If they cannot be returned, the recipient is to submit such items to the Company in order to use them to the maximum benefits.
- Directors, executives and employees of the Company must comply with the rules, procedures and information disclosure of connected transactions in accordance with the rules of the Stock Exchange of Thailand, the Securities and Exchange Commission and the Public Limited Companies Act.

### 3. Overseeing the Use of Inside Information

The Company gives importance to preventing the use of the Company's inside information. The Company's directors, executives, and employees are prohibited from using confidential and/or inside information of the Company that has not been made public to seek benefit for themselves or others, whether directly or indirectly, and whether or not they receive returns, and must not trade the Company's securities using inside information. The Company has established guidelines to prevent the use of inside information as follows:

- Educate directors and executives about their duties to prepare and submit reports on their holdings of the Company's securities, and those of their spouses or cohabiting partners, and minor children, including juristic persons in which the directors and executives, spouses or cohabiting partners, and minor children of such directors and executives collectively hold more than thirty (30) percent of the total voting rights of such entity, and such collective shareholding is the largest proportion in that entity, to the Securities and Exchange Commission (the "SEC"), in addition to reporting the acquisition or disposal of their own securities, and those of their spouses or cohabiting partners, minor children and juristic persons in which the directors and executives, spouses or cohabiting partners, and minor children collectively hold more than thirty (30) percent of the total voting rights of such entity, and such collective shareholding is the largest proportion in that entity, to the SEC.
- Designate directors, executives, and auditors to prepare and disclose reports on securities holdings and reports on changes in securities holdings of the Company to the SEC, and submit copies of those reports to the Company on the same submission date as the report to the SEC.
- Require directors, executives and employees of the Company who are informed of important inside information that affects or may affect the change in the price of securities to refrain from trading the Company's securities during the thirty (30) days before the financial statements or inside information is made public, and during the twenty-four (24) hours after the Company's inside information has been made public. Those involved in the inside information must not disclose such information to others until such information has been provided to the SET and/or to the public.

- Directors, executives and employees of the Company, including persons presumed to know or possess inside information, are prohibited from using the Company's inside information of which they are informed and that affect or may affect the changes in the price of the Company's securities which have not been made public for the purpose of buying, selling, offering, or soliciting others to buy, sell, offer to buy or offer to sell the Company's securities, whether directly or indirectly, and whether such acts are done for the benefit of themselves or others, or to disclose such facts to others, with or without benefits in return.
- Directors, executives and employees are prohibited from disclosing inside information of the Company and are not to use their positions in the Company or inside information or material information of which they are informed or acknowledged during their performance of work in the Company which has not been made public for wrongful exploitation or disclosure to third parties for the benefit of themselves or others, whether directly or indirectly, regardless of whether or not they receive benefits in return.
- Directors, executives and employees are obliged to comply with the inside information usage guidelines of the Securities and Exchange Act, B.E. 2535 (1992) (and as amended) and other relevant rules. If there is an act that violates the above-mentioned regulations, the Company shall consider it a disciplinary offence in accordance with the work regulations and procedures of the Company and shall consider appropriate punishment depending on the case, from verbal reprimand, written warning, probation, as well as termination.

#### 4. Anti-Corruption

The Company is committed to conducting its business with transparency and recognizes the importance of preventing all forms of corruption. Therefore, the Company has established an Anti-Corruption Policy in the code of conduct to provide clear guidelines for the Company and to preserve the best interests of all stakeholders of the Company, as well as to ensure that the Company's business operations comply with international standard practices, adheres to conducting business with transparency and fairness, and does not accept all forms of direct or indirect corruption. All personnel must strictly comply with the Company's anti-corruption policy. Details of the policy are as follows:

"Corruption" means all acts that are unlawful or intended to circumvent the law or violate generally accepted standards of moral conduct, including the abuse of power acquired or the misuse of existing assets in order to obtain profits, preferences, privileges, or for the benefit of oneself or the Company that causes damage to the interests of others. Corruption can occur in many ways, such as bribing officials by soliciting, offering, giving or accepting bribes which are money or items, having conflicts of interest, fraud, money laundering, embezzlement, concealment of facts, obstruction of justice, and biased trading, etc. Such corruption does not mean only the relationship between the private sector and government agencies. It also covers transactions between individuals or businesses within the private sector.

The Company's anti-corruption policy covers from all business operations to all relevant entities. The policy has an important principle, which is prohibiting directors, executives and employees of the Company and other related companies from directly or indirectly engaging in all forms of corruption, bribery and exploitation in various forms, such as offering, promising, soliciting, demanding, giving or accepting bribes, as well as behaviors that imply corruption. The anti-corruption guidelines and scope can be summarized as follows:

## 4.1 Requirements for Implementing the Plan

### 4.1.1 Communication

The Company has arranged for the anti-corruption policy to be announced at the main office and branch offices of the Company, as well as published on the Company's website. The Company has informed its employees to ensure correct compliance.

### 4.1.2 Leaders

The Board will consider the audit report to update or revise the anti-corruption policy annually by authorizing the Chief Executive Officer to create a plan to be used as a guideline for every department of the Company. The Company has conducted training for employees to emphasize the anti-corruption policy. However, from 2019 to 31 December 2022, the Company has never had complaints of corruption.

### 4.1.3 Financial Recording and Auditing

The Accounting Department is responsible for assigning specific account codes and storing documents related to transactions within the abovementioned scope and guidelines by storing them in separate folders for auditing convenience. Moreover, the Company has a policy to hire an internal auditor who has been approved by the Securities and Exchange Commission to develop and maintain appropriate mechanisms for financial transactions with accuracy and transparency, as well as internal mechanisms to monitor and control the financial reporting system in accordance with internationally accepted accounting standards. The Audit Committee of the Company will verify that the financial information is correct according to accounting standards and financial statements reflecting the Company's operations appropriately.

### 4.1.4 Human Resources

Compliance with anti-corruption policies requires that no employees be demoted, punished or receive a negative impact from the refusal to pay bribes, even if such action may cause the Company to lose business. However, if any director, executive or employee fails to comply with the anti-corruption policy, they shall receive the appropriate punishment, depending on the case, ranging from salary reduction and work suspension, to the maximum penalty of dismissal from work. The Company has provided a complaint channel via the Company's website. However, from 2019 to 31 December 2022, the Company has never had any complaints about bribery.

### 4.1.5 Monitoring and Review

The Company has a policy of hiring internal auditors to periodically monitor and review the appropriateness, adequacy and efficiency of the audit plan, and implement appropriate adjustments. The Secretary of the Audit Committee shall report the results of the audit and review of the audit plan to the Audit Committee of the Company annually. In case of an urgent issue, the Secretary of the Audit Committee shall report to the Board, Audit Committee, and Chief Executive Committee immediately. The Audit Committee shall assess the adequacy of the audit plan and disclose the audit in the annual report to inform shareholders. The Audit Committee conducts inquiries and closely monitors internal control processes to reduce risks from various work processes.

#### 4.1.6 Expression of Concerns and Recommendation of Guidelines

The Company provides an opportunity for employees and third parties to report clues via the comment box set up in front of the Company's office and via email. The Secretary of the Audit Committee is responsible for listening to opinions and recommending compliance with anti-corruption measures in accordance with the complaint channel via the Company website. However, from 2019 to 31 December 2022, the Company has never had any such complaints.

#### 4.1.7 Training

The Company provides orientation training for all new employees and annual training for directors, executives and employees in order to provide knowledge and understanding of the Company's anti-corruption policy. The Company requires its employees to have no less than 10 hours/person of training in their own line of work annually.

#### 4.1.8 Management and Responsibilities

The Chief Executive Officer is responsible for overseeing the effective implementation of the plan in accordance with clear lines of enforcement. The Human Resources Department reports performance to achieve the targets set annually.

### 4.2 Whistleblowing Policy

The Company has a policy to listen to opinions, suggestions, inquiries or complaints related to corporate governance or operational supervision from all stakeholders, whether from internal personnel or from external personnel, through the feedback box set up in front of the Company's office and email. on the Company's website to ensure efficient operation of the Company that is in line with good corporate governance and effective operational governance. The Company also places importance on listening to complaints from both internal and external parties, as well as preventing risks and increasing the efficiency of early warning mechanisms, which will lead to the prevention of potential damage to stakeholders and improve efficiency. The Company's operations are as follows:

#### Complaint Channels

1. Telephone: 02-308-2034
2. Mail addressed or directly submitted to:
  - 2.1 Chairman of the Audit Committee
  - 2.2 Chief Executive Officer
  - 2.3 Company SecretaryAddress: The Klinique Medical Clinic Public Co., Ltd.  
2922/296-298 Charn Issara Tower 2, 27th Fl., New Phetchaburi Road, Bang Kapi, Huai Khwang, Bangkok 10310
3. Send information via email to the Audit Committee or Company Secretary at:  
E-mail: [secretary@theklinique.com](mailto:secretary@theklinique.com)

If a whistleblower or complainant has a complaint relating to the Board, Company directors and senior executives, send the complaint directly to the Chairman of the Audit Committee. As of 31 December 2022, the Company has no complaints of corruption.

### **Procedures for Conducting Investigations into Bribery and Corruption**

1. When receiving a whistleblower report, the recipient of the complaint will conduct an investigation, gather facts or assign a trusted person or agency or investigation committee to investigate the facts. The investigating committee shall be appointed by the Chief Executive Officer on the occasion.
2. If the investigation finds that the information or evidence contained reasonable cause to believe that the accused has actually committed acts of corruption, the Company will give the accused the right to be informed of the allegations and give the accused the right to prove themselves by seeking additional information or evidence to show that they had nothing to do with the alleged acts.
3. If the accused has actually committed bribery and corruption, disciplinary action must be considered in accordance with the regulations prescribed by the Company, and if such action is illegal, it must be subject to legal penalties. Regarding disciplinary action in accordance with the Company's regulations, the decision of the Chief Executive Officer shall be final and a report is to be submitted to the Audit Committee.
4. Whistleblowers or complainants must act in good faith. If the Company finds that it was done by an employee of the Company dishonestly or with the intention of bullying, damaging, and discrediting others, the person shall be subject to disciplinary action in accordance with the prescribed regulations. However, if the person is an external person and the Company has been damaged, the Company will also consider prosecuting that person. If a complaint is an important matter, such as a matter that affects the Company's reputation, image or financial position, or that conflicts with the Company's business policies or involves senior executives and directors, etc., the Audit Committee is responsible for receiving matters, finding information and checking the provided facts to report to the Board for joint consideration and determination of penalties as deemed appropriate.

### **Punishment Process**

1. The Company will take disciplinary action against employees who violate compliance with this policy, including direct supervisors who ignore wrong doing or acknowledge wrong doing but fail to take corrective action correctly. There are disciplinary penalties up to the point of dismissal from work. Failure to recognize this policy and/or related laws cannot be used as an excuse for non-compliance.
2. Agents, business intermediaries, product/service distributors or contractors of the Company who violate the rules of this policy or provide inaccurate information when the Company's investigating officer inquires about actions that may conflict with this policy may be terminated.



### 8.3 Report on the Performance of the Audit Committee

#### 1.Meeting Attendance

In 2021 and 2022, the number of audit committee meetings and the number of times each audit committee member attends the meeting is as follows:

List of Audit Committee Members	Number of Attendance/Total Number of Meetings	
	2021	2022
1. Mr. Praphan Phichaiwatkomol	4/4	4/4
2. Mr. Kornarit Thongsomkaew	4/4	4/4
3. Mr. Viboon Pojanalai	4/4	4/4

#### Performance of the Audit Committee

The audit committee's performance in the 2021 and 2022 can be summarized as follows:

1. Review the quarterly financial statements and financial statements for 2021 and 2022 of the Company and its subsidiaries, after havign inquired about and listened to the clarifications from the management and auditor about the accuracy and completeness of financial statements and adequacy of disclosure, observations and innovations for developign auditing work. The Audit Committee is consistent with the auditor's opinion that the financial statements of the Company and its subsidiaries are accurately listed in accordance with financial reporting standards and that they are reliable and useful to the users of such financial statements.
2. Review and comment on related and connected transactions or transactions that may have conflicts of interest, as well as disclose such transactions in accordance with the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission .
3. Review the internal control system to ensure that the Company has an adequate and efficient internal control system by evaluating the results of the internal auditor's audit. In addition, the Company has directed the management to make improvements in accordance with the recommendations of the internal auditors in a timely manner. Based on such review, the Audit Committee is of the opinion that the Company's internal control system is appropriate and does not find any material deficiencies affecting the Company's financial statements.
4. Consider and approve the internal auditor's annual audit plan that has been developed and improved to be efficient and cover important tasks/departments. Review the internal audit report in terms of the Company's operations, with the process starting from planning, reporting and monitoring the implementation of the Company's internal auditor's recommendations to ensure efficiency

5. Consider and nominate an internal auditor and budget for internal audit services for 2022 and 2023 based on the performance, qualifications, skills, knowledge, ability and work experience, and propose the appointment of I.A.P. Internal Audit Co., Ltd., an independent internal control system auditor, to perform the duties as the Company's internal auditor for 2022 and 2023, as well as to propose and approve the internal audit services fee for 2022 and 2023.

6. Consider, nominate and appoint auditors and audit fees for 2022 and 2023 based on performance, qualifications, skills, knowledge and work experience, and propose the appointment of DIA International Co., Ltd., as the Company's auditor, as well as propose to approve the audit fees for 2022 and 2023.

7. Review the Company to comply with all applicable accounting standards, laws, regulations of the Stock Exchange of Thailand, and laws relating to the business of the Company completely and accurately and in accordance with the principles of good corporate governance.

## 8.4 Report on the Performance of the Executive Committee

### 1. Meeting Attendance

The attendance of the Executive Committee for 2021 and 2022 is as follows:

List of Executive Committee Members	Number of Attendance/Total Number of Meetings	
	2021	2022
1. Mr.Apiruj Thongwattana	5/5	3/3
2. Mr.Prateep Vanichkawgul	5/5	2/2
3. Mr.Chalermchai Thongwattana	5/5	2/2
4. Mr.Rattapol Kittichaitrakul	-	1/1
5. Mr.Weerasak Sinsapphaiboon	-	1/1

1. Mr.Prateep Vanichkawgul resigned as a director on 15 November 2022.
2. Mr.Chalermchai Thongwattana resigned as a director on 14 November 2022.
3. Mr.Rattapol Kittichaitrakul was appointed on 14 November 2022.
4. Mr.Weerasak Sinsapphaiboon was appointed on 15 November 2022.

### Performance of the Executive Committee

The performance of the Executive Committee in 2021 and 2022 can be summarized as follows:

1. Consider and prepare policies, directions, business strategies, goals and operational plan, and supervise the operation of the appointed working groups to achieve goals by considering business factors appropriately.
2. Govern, inspect and monitor the Company's business operations in accordance with the policies, business strategies, goals and operational plan to ensure that the Company operates efficiently and effectively in a conducive manner to business conditions and provide management advice to senior executives.
3. The Executive Committee has performed its duties and believes that the Company's operations are in accordance with the direction and business strategies set out and are effective in accordance with good corporate governance principles and practices in order for the Company to achieve established objectives, policies and work plans.

### 8.5 Report on the Performance of the Nomination and Remuneration Committee

The details of the meeting attendance of the Nomination and Remuneration Committee for 2021 and 2022 are as follows:

List of Nomination and Remuneration Committee Members	Number of Attendance/Total Number of Meetings	
	2021	2022
1. Mr.Praphan Phichaiwatkomol	-	2/2
2. Mr.Kornarit Thongsomkaew	-	2/2
3. Mr.Viboon Pojanalai	-	2/2

*Remarks: The Company set up the Nomination and Remuneration Committee at the Board Meeting No. 2/2564 on 19 January 2021. Hence, there was no meeting in 2021.*

### Performance of the Nomination and Remuneration Committee

The performance of the Nomination and Remuneration Committee for 2021 and 2022 can be summarized as follows:

1. Consider nominating qualified persons to serve as directors to replace directors who must retire from office according to term based on the necessary knowledge, abilities and skills.
2. Consider the remuneration of directors in accordance with the duties, responsibilities and remuneration guidelines of other companies in the same industry.

### 8.6 Report on the Performance of the Risk Management Committee

The attendance of the Risk Committee for 2021 and 2022 is as follows:

List of Risk Management Committee Members	Number of Attendance/Total Number of Meetings	
	2021	2022
1. Mr.Apiruj Thongwattana	-	3/3
2. Mr.Rattapol Kittichaitrakul	-	3/3
3. Mr.Prateep Vanichkawgul	-	3/3
4. Mr.Nuttapat Chalisaraphong	-	3/3
5. Mr.Adisak Ueatrakunphanit	-	3/3
6. Mr.Phuwadit Sirichaisakun	-	3/3

*Remarks: The Company set up the Risk Management Committee at the Board Meeting No. 2/2564 on 19 January 2021. Hence, there was no meeting in 2021.*

### Performance of the Risk Management Committee

The performance of the Risk Management Committee in 2021 and 2022 can be summarized as follows:

1. Monitor the implementation of the Company's risk management plan.
2. Assess risks from compliance with the Personal Data Protection Act.

## 9. Internal Control and Connected Transactions

### 9.1 Opinion of the Board of Directors on the Internal Control System

The Board of Directors recognizes the importance of the internal control system, and the Board of Directors has appointed an Audit Committee as an independent body to support and act on behalf of the Board of Directors to ensure that the Company has an appropriate and adequate internal control system to oversee the effective implementation of targets, objectives, laws and related requirements with the ability to protect assets from fraud and damage, including providing accurate, reliable financial accounts and reports, and disclosing information completely, adequately and in a timely manner.

At Board of Directors' Meeting No. 3/2022 held on 6 June 2022 and attended by all 3 members of the Audit Committee, the Board of Directors considered and assessed the adequacy of the Company's internal control system in accordance with the SEC internal control system adequacy assessment form. The Board of Directors considered the assessment of the adequacy of the internal control system, which has been reviewed by I.A.P. Internal Audit Co., Ltd., as well as inquiries from management and related agencies. The assessment of the Company's internal control system can be summarized in 5 areas in accordance with the guidelines of the Committee of Sponsoring Organizations of Treadway Commission (COSO) as follows:

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information and Communication
- (5) Monitoring Activities

The Board of Directors is of the opinion that the Company's internal control system is sufficient, appropriate and in line with the size of the business. All 5 parts of the internal control system are effective in preventing transactions with major shareholders, directors, executives or people related to the aforementioned. In addition, the Company provides sufficient personnel to implement the internal control system and monitor the operations in order to be adequately able to protect the Company's assets from illegal or unauthorized use by directors or executives, including connected transactions with people who have potential conflicts of interest and connected persons. Therefore, the Company has considered and approved the assessment of the adequacy of the Company's internal control system.

### 9.2 Internal Auditor's Report on the Internal Control System

The Company has hired I.A.P. Internal Audit Co., Ltd. to review and assess the adequacy of the Company's internal control system using the method of interviewing relevant executives and employees in line with the organizational structure, documentary examination, operational observation, verification of the identity of assets and liabilities, analysis and evaluation of the effectiveness of key internal control systems in accordance with the guidelines of COSO and the Association of Internal Auditors of Thailand. The internal auditor has conducted the audit of the internal control system and reported the results of the evaluation of the internal control system according to the information received in the year ending 31 December 2022 in the Internal Control System Audit Report dated 28 February 2023, which was reported to Audit Committee Meeting No. 1/2023 on 28 February 2023 for consideration

and acknowledgement.

The scope of internal control audit, including the organizational level and key processes of the Company, are as follows:

1. Assessment of Adequacy according to COSO guidelines.
2. IT General Control
3. Manual & Application Control

### Supervisor of Internal Audits

At Audit Committee Meeting No. 1/2021 on 31 March 2021, the appointment of I.A.P Internal Audit Co., Ltd. to perform the duties of internal auditor of the Company from 30 September 2020 onward was ratified. I.A.P. Internal Audit Co., Ltd. appointed Mr. Wattana Channakin, Managing Director, as the person primarily responsible for performing duties as the Company's internal auditor. The Audit Committee has considered the qualifications of I.A.P. Internal Audit Co., Ltd. and Mr. Wattana Channakin and deems the aforementioned to be suitable to perform the aforementioned duties due to their independence and experience in performing internal audit work for 7 years as well as participation in internal auditing training courses, namely the Chief Audit Executive Professional Leadership Program (CAE, Class 17) by Chulalongkorn University, Training Program for Internal Audit Certificate (IACP), by Federation of Accounting Professions under The Royal Patronage and the COSO 2013 Internal Control System Framework (Class 1/61), etc. Therefore, I.A.P. Internal Audit Co., Ltd. and Mr. Wattana Channakin are qualified and suitable for performing the aforementioned duties. Thus, consideration and approval of the appointment, removal or transfer of the Company's internal audit supervisor must be approved by the Audit Committee. The qualifications of the person holding the position of supervisor of the company's internal audit are shown in appendix 2 (Details of the Head of Internal Audit)

### 9.3 Relationship Characteristics

For the years ending 31 December 2021 and 2022, the Company conducted transactions with persons with potential conflicts of interest. The connected transactions occurring were transactions with directors, executives and/or shareholders of the Company, including transactions with persons potential conflicts of interest related to directors, executives and/or shareholders. The nature of the Company's relationships with persons who may have conflicts of interest can be summarized as follows:

Person with Potential Conflict of Interest	Relationship Characteristics
Mr.Apiruj Thongwattana	<ul style="list-style-type: none"> <li>• Director and Chief Executive Officer of the Company</li> <li>• Holding 32.01 % of paid-up capital as of 31 December 2022.</li> </ul>
Mr.Rattapol Kittichaitrakul	<ul style="list-style-type: none"> <li>• Managing Director of the Company</li> <li>• Shareholding in the Company at 7.16% of the paid-up capital as of 31 December 2022</li> </ul>

Person with Potential Conflict of Interest	Relationship Characteristics
Mr. Chalermchai Thongwattana	<ul style="list-style-type: none"> <li>• Father of Mr. Apiruj Thongwattana, who is a director and the Chief Executive Officer of the Company.</li> </ul>
Ms. Autchawee Thongwattana	<ul style="list-style-type: none"> <li>• Sister of Mr. Apiruj Thongwattana, who is a director and the Chief Executive Officer of the Company.</li> </ul>
Mrs. Potchanun Sriaphai	<ul style="list-style-type: none"> <li>• Shareholding in the Company at 9.56% of the paid-up capital as of 31 December 2022</li> <li>• Mother of Mr. Apiruj Thongwattana, who is a director and the Chief Executive Officer of the Company.</li> </ul>
Cosmo Beauty Laboratories (Thailand) Co., Ltd. (Cosmo)	<ul style="list-style-type: none"> <li>• The joint shareholders are Mr. Apiruj Thongwattana, Mr. Rattapol Kittichaitrakul and Mrs. Photchanan Siaphai who held 100% of the shares as of 31 December 2022.</li> <li>• Director: Mr. Apiruj Thongwattana</li> <li>• Cosmetics sales business.</li> </ul>
Sushi Seki Co., Ltd. (Sushi Seki)	<ul style="list-style-type: none"> <li>• The joint shareholders are Mr. Apiruj Thongwattana, Mr. Rattapol Kittichaitrakul with a combined shareholding of 82.50%.</li> <li>• Director: Mr. Apiruj Thongwattana</li> <li>• Japanese restaurant business.</li> </ul>

#### 9.4 Characteristics of Connected Transactions

The Company conducts connected transactions due to business operations with persons with potential conflicts of interest. The characteristics and value of the transactions can be summarized as follows:

Person with Potential Conflicts of Interest	Transaction Characteristics	Transaction		Necessity and Reasons
		2021	2022	
Mr.Apiruj Thongwattana	<b>Fixed asset Sales Transactions</b>			
	- KLINIQ sold of fixed assets to Mr.Apiruj Thongwattana	85,466.41	-	<p>The Company sold unused and non-operating assets, including speakers, unused air purifiers, etc. to Mr.Apiruj at book value plus profit.</p> <p><b>Opinion of the Audit Committee:</b></p> <p>The Audit Committee considered the appropriateness of the transaction, including the conditions for determining the selling price, and considered it reasonable as the property was unused. And to eliminate conflicts of interest, the Audit Committee is opinion that the Company should not conduct such transactions in the future.</p>
Mr.Rattapol Kittichaitrakul	- Debtor for the purchase of property at the end of the period.	-	-	
	<b>Fixed asset Sales Transactions</b>			
	- KLINIQ sold of fixed assets to Mr. Rattaphon Kittichaitrakul.	1,206,378.70	-	<p>In Q1 of 2021, the Company sold unused and non-operating assets of the Company, including unused cars, to Mr. Rattapol, based on the valuation of a skilled operator. And in Q4 of 2021, KLINIQ sold unused speakers and drawings to Mr. Rattapol at a book value plus profit.</p> <p><b>Opinion of the Audit Committee:</b></p> <p>The Audit Committee considered the appropriateness of the transaction, including the conditions for determining the selling price, and considered it reasonable as the was unused. And to eliminate conflicts of interest, the Audit Committee is opinion that the Company should not conduct such transactions in the future.</p>
	- Debtor of the purchase of fixed asset at the end of the period.	-	-	



Person with Potential Conflicts of Interest	Transaction Characteristics	Transaction		Necessity and Reasons
		2021	2022	
Mr.Rattapol Kittichaitrakul	<b>Sales Transactions</b> - KLINIQ sold products to Mr.Rattapol Kittichaitrakul of sale product - Debtor at the end of the period.	5,140.00       -	-       -	<p>Q2 of 2021 KLINIQ sold products to Mr.Rattapol Kittichaitrakul at market price.</p> <p><b>Opinion of the Audit Committee:</b></p> <p>The Audit Committee has considered the appropriateness of the transaction, including the conditions for determining the selling price, and considers that the transaction is reasonable and beneficial to the Company's business operations.</p>
Mr. Chalermchai Thongwattana	<b>Consultant Payment Transactions</b> - KLINIQ hired Mr. Chalermchai Thongwattana as an engineering consultant. -Consultant fees accrued at the end of the period.	120,000.00       -	-       -	<p>KLINIQ hired Mr. Chalermchai Thongwattana to offer advice and oversee engineering work at an agreed rate of remuneration. The contract was terminated in October 2021.</p> <p><b>Opinion of the Audit Committee:</b></p> <p>The Audit Committee has considered the transaction that occurred and rendered opinion that, to eliminate of conflicts of interest, the Company should not conduct such transactions in the future.</p>
Ms. Autchawee Thongwattana	<b>Consultant Payment Transactions</b> - KLINIQ hired Ms. Autchawee Thongwattana as a consultant to oversee online marketing. - Consultant fees accrued at the end of the period.	600,000.00       -	-       -	<p>KLINIQ hired Ms. Autchawee Thongwattana to oversee online marketing and engineering as agreed. However, the contract was terminated in October 2021.</p> <p><b>Opinion of the Audit Committee:</b></p> <p>The Audit Committee has considered the transaction that occurred and rendered opinion that, to eliminate of conflicts of interest, the Company should not conduct such transactions in the future.</p>

Person with Potential Conflicts of Interest	Transaction Characteristics	Transaction		Necessity and Reasons
		2021	2022	
Mrs. Potchanun Sriaphai	<b>Fixed asset Sales Transactions</b> - KLINIQ sold fixed assets to Mrs. Potchanun Sriaphai - Debtor for the purchase of fixed asset at the end of the period.	700,934.58	-	<p>In Q1 of 2021, the Company sold unused assets that are not products in the Company's business operations, namely unused cars, to Mrs. Potchanun. The price was based on the assessment of a skilled entrepreneur.</p> <p><b>Opinion of the Audit Committee :</b></p> <p>The Audit Committee considered the appropriateness of the transaction, including the conditions for determining the selling price, and considered it reasonable as the property was unused. And to eliminate conflicts of interest, the Audit Committee is of the opinion that the Company should not conduct such transactions in the future.</p>
Cosmo Beauty Laboratories (Thailand) Co., Ltd. (Cosmo)	<b>Rent and Service fee transactions</b> - Rent and service charges paid under sublease and subcontract Partial area of No. 2922/307 -308 Charn Issara Tower 2, 29th Floor, New Petchburi Road, Huai Khwang Subdistrict, Bang Kapi District, Bangkok, where KLINIQ headquarter is located.	350,330.19	112,589.77	<p>KLINIQ granted COSMO a partial sublease of space to be used as COSMO's headquarters at the rate of rent and service fees paid to Charn Issara Tower 2 plus a profit of 15%. The aforementioned sublease will expire in April 2023 and there will be no renewal of the agreement because COSMO is in the process of closing its operations. This will not happen again in the future.</p> <p><b>Opinion of the Audit Committee :</b></p> <p>The Audit Committee considered the suitability of the transaction, including the conditions, and found that the transaction was reasonable because KLINIQ charged rental and service fees at a rate that was no less than that paid by KLINIQ to Charn Issara Tower 2.</p>

Person with Potential Conflicts of Interest	Transaction Characteristics	Transaction		Necessity and Reasons
		2021	2022	
Sushi Seki Co., Ltd. (Sushi Seki)	<b>Rent and Service Fee Transactions</b> - Rent and service charges paid under sublease and subcontract for partial area of No. 2922/307-308 Charn Issara Tower 2, 29th Floor, New Petchburi Road, Huai Khwang Subdistrict, Bang Kapi District, Bangkok, where KLINIQ headquarters is located.	88,568.15	276,023.50	<p>KLINIQ sub-leased some space to Sushi Seki for use as the headquarters of Sushi Seki at the rent and services fees paid to Charn Issara Tower 2 plus 15% profit.</p> <p>Currently, KLINIQ has acquired a new rental space, which has a larger area, with the separation of the usable space and entrance of Sushi Seki from that of KLINIQ, with the relocation taking place in April 2022 in line with the new lease agreement that commencing on 22 April 2022.</p> <p><b>Opinion of the Audit Committee :</b></p> <p>The Audit Committee considered the suitability of the transaction, including the conditions, and found that the transaction was reasonable because KLINIQ charged rental and service fees at a rate that was no less than that paid by KLINIQ to Charn Issara Tower 2.</p>
	<b>Fixed asset Sales Transactions</b> - KLINIQ sold property to Sushi Seki. - Debtor of sale fixed assets at the end of the period.	36,895.66	-	
Sushi Seki Co., Ltd. (Sushi Seki)				<p>The Company sold unused and non-operating assets of the Company, namely unused mobile phones and Pocket Wifi, to Sushi Seki for book value plus profit.</p> <p><b>Opinion of the Audit Committee :</b></p> <p>The Audit Committee considered the suitability of the transaction, including the conditions for determining the selling price, and considered it reasonable as it was unused property.</p>

Person with Potential Conflicts of Interest	Transaction Characteristics	Transaction		Necessity and Reasons
		2021	2022	
Mr. Apiruj Thongwattana and Mr. Rattapol Kittichaitrakul	<b>Credit Line Guarantee from Financial Institution Transaction</b>			<p>This guarantee is a personal guarantee, which is subject to the conditions of the financial institution's loan to be used as working capital for business operations, which includes loans such as overdrafts, short-term loans, and letters of guarantee, which are items that benefit the Company's business.</p> <p><b>Opinion of the Audit Committee :</b></p> <p>The Audit Committee has approved the necessity and reasons for the transaction, including the conditions for such transactions, and the non-payment of fees by guarantors, as it is a transaction that benefits the Company's business operations.</p> <p>As of 31 December 2022, the directors and executives will be free from the guarantor burden.</p>
	- Credit line from the Company's financial institutions at the end of the period.	40,000,000.00	-	
	- Debt burden at the end of the period.	660,257.60	-	

## 9.5 Necessity and Reasons for Connected Transactions

At Audit Committee Meeting No. 1/2023 on 28 February 2023 and Audit Committee Meeting No. 3/2022 held on 15 August 2022, the information on the Company's connected transactions for the fiscal years ending 31 December 2021 and 31 December 2022 were considered in addition to inquiring about various information from the Company's management, as well as reviewing the information as specified in the notes to the financial statements of the Company's auditors. It was found that the Company's connected transactions in the fiscal years ending 31 December 2021 and 2022 were divided into 2 groups as follows:

1. Normal business support transactions, including rented office space, which is a necessary transaction. The transactions were reasonable and did not impair the Company in any way. The rent received was no less than that which the Company would have to pay to Chan Issara Building 2.

2. Other transactions apart from normal business transactions and normal business support transactions, such as the sale of assets, the hiring of consultants, and the guarantee of credit lines as guarantors of credit lines and mortgages of assets to guarantee credit lines, which the Audit Committee has considered such transactions and is of the opinion that the sale of assets and the guarantee of credit lines as credit line guarantors are transactions that occur as necessary and reasonable and do not cause any loss to the Company. In terms of hiring consultants, the Audit Committee opinion that such transactions must not occur in the future.

## 9.6 Measures and Procedures for Approving Connected Transactions

At Audit Committee Meeting No. 2/2022 held on 13 May 2022, a resolution was passed to establish policies and procedures for connected transactions between the Company and persons with potential conflicts of interest or related persons. In order to ensure transparency and protect the Company's interests, the Company will comply with the Securities and Exchange Act as well as the Articles of Association, notices, orders or requirements of the Securities and Exchange Commission Capital Market and Stock Exchange of Thailand Supervisory Board in addition to complying with disclosure requirements, connected transactions and other related criteria. Stakeholders will not be able to participate in the approval of such transactions. In the event that the aforementioned laws require that the connected transaction be approved by the Board of Directors' meeting, the Company will arrange for the Audit Committee to attend the meeting to consider and render opinions on the necessity and reasons for the transactions. In entering into normal business transactions or supporting transactions of normal business in relation to trade agreements with general trade conditions and transactions that are not generally trade terms, the following principles will be followed:

### 9.6.1 Transactions in the Form of Trade Agreements with General Trade Terms

The Board of Directors has the authority to approve as a principle that allows management to approve connected transactions that are normal business or normal business support transactions in the form of trade agreements with general terms of trade between the Company and its directors, executives, major shareholders or persons involved with the Company, considering that such transactions are trade agreements in the same manner as those entered into with ordinary parties under the same circumstances with bargaining power and without the influence of status as a director, executive, major shareholder or person involved with the Company and without causing the transfer of benefits and/or with ability demonstrate that such transactions have reasonable or fair pricing or conditions. The Company is required to compile and prepare report summarizing the aforementioned connected transactions to be reported to the Audit Committee and Board of Directors meetings on a quarterly basis.

### 9.6.2 Transactions in the Form of Trade Agreements That Are Not Generally a Condition of Trade

Other connected transactions must be considered and commented by the Audit Committee before being presented to the Board of Directors and/or the Shareholders' Meeting (as the case may be) for further approval according to Securities and Exchange Acts and regulations, announcements, orders or requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand must be followed, including compliance with the requirements regarding disclosure of information on connected transactions in accordance with the rules prescribed under the regulations, announcements, orders or requirements, including financial reporting standards set by the Federation of Accounting Profession and other relevant criteria.

In the event that the Audit Committee does not have the expertise to consider connected transactions that may occur, the Company will arrange for a person with special knowledge, such as an auditor or an independent

appraiser, to render an opinion on the aforementioned connected transactions as input on the decisions of the Audit Committee, Board of Directors and/or shareholders (as the case may be) to ensure that the transactions are reasonable, taking into primary account the Company's interests. The Company will properly disclose the connected transactions completely and accurately in line with the relevant rules and laws in the Annual Report (56-1 One Report) and notes to the financial statements audited by the auditor in accordance with the requirements of the Company's financial reporting standards and/or any other report forms (as the case may be).

#### 9.7 Policies or Trends in Future Transactions

In cases involving entry into connected transactions in the future, the Company will comply with the Company's Articles of Association, securities and exchange acts, regulations, announcements, orders or requirements of the Securities and Exchange Commission Capital Market Supervisory Board and the Stock Exchange of Thailand. Entry into the aforementioned transactions must not be characterized as a transfer or discharge of the Company's interests. The aforementioned transactions must take into primary account the interests of the Company and all shareholders. Stakeholders will not be entitled to vote on agenda items relating to such transactions.

The Audit Committee will review and render opinions on connected transactions that are normal business transactions or support normal business on a quarterly basis. However, for potential transactions that do not follow normal business that may occur in the future, the Company will arrange for the Audit Committee to review the necessity and reasons for transactions prior to entering into connected transactions. In the event of any connected transactions, the Company will disclose the connected transactions in the Annual Report (56-1 One Report) in accordance with rules, securities and exchange acts, regulations, announcements and orders.

*Part* 3 *Financial  
Statement*

## Report on the Board of Directors' Responsibilities for Financial Reports

Board of Directors is responsible for the Company's financial statements made according to financial reporting standards and according to the requirements of the Securities and Exchange Commission B.E. 2535 (1992) by considering the selection of appropriate accounting policies and practice regularly including the disclosure of sufficiently significant information in the notes to the financial statements. Also, the auditor has audited financial statements and provide comments in 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 and supervise the internal audit to be effective. The opinions of the Audit Committee on this matter appear in the Report of the Audit Committee which is shown in 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 company's financial statements represent correct financial status, performance and the cash flow in essential.

A handwritten signature in blue ink, consisting of a large, stylized 'P' followed by a series of loops and a final horizontal stroke.

(Mr. Praphan Pichaiwatkomol)

Chairman



## 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, 2022, 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, 2022, 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 recognise 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 all service contractual rights within the service contract period unexercised, 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.

**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. Nopparoeck Pissanuwong)

C.P.A. (Thailand)

Registration No. 7764

February 28, 2023

## THE KLINIQUE MEDICAL CLINIC PUBLIC COMPANY LIMITED

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

Assets	Note	Unit : Baht	
		December 31, 2022	December 31, 2021
<b>Current assets</b>			
Cash and cash equivalents	5	464,442,666	75,907,665
Current investments	6	1,000,000,000	-
Trade receivables	8	2,879,188	1,466,942
Inventories	9	120,050,040	84,235,029
Cost to obtain contracts with customers	10	49,812,746	33,658,508
Prepaid expenses		17,948,271	5,573,307
Other current assets		22,429,237	1,597,602
<b>Total current assets</b>		<b>1,677,562,148</b>	<b>202,439,053</b>
<b>Non-current assets</b>			
Restricted bank deposits	7	5,100,000	5,000,000
Plant and equipment	11	535,820,835	345,316,855
Right-of-use assets	12	282,526,459	188,792,788
Other intangible assets		3,654,905	2,306,350
Deferred tax assets	13	3,139,313	-
Guarantees and deposits		82,446,793	70,440,893
<b>Total non-current assets</b>		<b>912,688,305</b>	<b>611,856,886</b>
<b>Total assets</b>		<b>2,590,250,453</b>	<b>814,295,939</b>

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, 2022**

	<i>Note</i>	<b>Unit : Baht</b>	
		<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other current payables	14	201,447,602	125,695,585
Current income tax payable		20,895,585	20,432,017
Service income received in advance	15	403,312,160	288,757,994
Current portion of lease liabilities	12	70,818,085	58,100,294
Other current liabilities		8,925,532	5,934,672
<b>Total current liabilities</b>		<b>705,398,964</b>	<b>498,920,562</b>
<b>Non-current liabilities</b>			
Lease liabilities	12	234,286,520	148,892,270
Non-current provisions for long-term employee benefits		1,447,343	1,235,425
Deferred tax liabilities	13	-	1,368,977
Other non-current liabilities		3,364,100	3,376,100
<b>Total non-current liabilities</b>		<b>239,097,963</b>	<b>154,872,772</b>
<b>Total liabilities</b>		<b>944,496,927</b>	<b>653,793,334</b>
<b>Shareholders' equity</b>			
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			
160,000,000 common shares of Baht 0.50 each		-	80,000,000
220,000,000 common shares of Baht 0.50 each	17	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	-
Retained earnings			
Appropriated - statutory reserve	16	11,000,000	11,000,000
Unappropriated		120,854,969	68,487,109
Share discount on business combination under common control		(11,272,223)	(11,272,223)
<b>Total shareholders' equity</b>		<b>1,645,753,526</b>	<b>160,502,605</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,590,250,453</b>	<b>814,295,939</b>

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, 2022

		Unit : Baht	
	Note	December 31, 2022	December 31, 2021
Revenue from sales and rendering of medical services		1,639,031,722	949,933,430
Cost of sales and medical services		(716,065,309)	(391,163,879)
<b>Gross profit</b>		<b>922,966,413</b>	<b>558,769,551</b>
<b>Other income</b>			
Other income		7,058,291	2,151,984
<b>Total other income</b>		<b>7,058,291</b>	<b>2,151,984</b>
<b>Profit before expenses</b>		<b>930,024,704</b>	<b>560,921,535</b>
Selling and servicing expenses		(459,442,395)	(282,643,241)
Administrative expenses		(214,833,768)	(125,038,152)
<b>Total expenses</b>		<b>(674,276,163)</b>	<b>(407,681,393)</b>
<b>Profit from operating activities</b>		<b>255,748,541</b>	<b>153,240,142</b>
Finance income		1,108,783	58,908
Finance costs		(10,660,061)	(4,316,564)
<b>Profit before income tax expenses</b>		<b>246,197,263</b>	<b>148,982,486</b>
Income tax expenses	13	(40,708,551)	(19,727,092)
<b>Profit for the year</b>		<b>205,488,712</b>	<b>129,255,394</b>
Other comprehensive income :			
Components of other comprehensive income that will not be reclassified to profit or loss			
Actuarial gains		79,148	-
<b>Other comprehensive income for the year - net of tax</b>		<b>79,148</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>205,567,860</b>	<b>129,255,394</b>
Basic earnings per share	20	1.21	0.81

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, 2022**

Unit : Baht							
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		
18	Balance as at January 1, 2021	80,000,000	12,287,719	-	11,000,000	19,231,715	111,247,211
	Net profit for the year	-	-	-	-	129,255,394	129,255,394
	Dividend paid	-	-	-	-	(80,000,000)	(80,000,000)
	Balance as at December 31, 2021	80,000,000	12,287,719	-	11,000,000	68,487,109	160,502,605
17	Balance as at January 1, 2022	80,000,000	12,287,719	-	11,000,000	68,487,109	160,502,605
	Increase in share capital	30,000,000	-	1,402,883,061	-	-	1,432,883,061
	Net profit for the year	-	-	-	-	205,488,712	205,488,712
	Other comprehensive income for the year	-	-	-	-	79,148	79,148
18	Dividend paid	-	-	-	-	(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	1,645,753,526

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, 2022**

	Unit : Baht	
	December 31, 2022	December 31, 2021
<b>Cash flows from operating activities</b>		
Profit for the year	205,488,712	129,255,394
<b>Adjustment to reconcile profit (loss) to cash receipt (payment)</b>		
Tax expenses	40,708,551	19,727,092
Finance costs	10,660,061	4,316,564
Finance income	(1,108,784)	(58,908)
Prior year income tax	-	871,670
Depreciation and amortisation	142,003,682	81,193,010
Difference from reduction in lease payments	625,255	3,506,038
Reduce cost to net realisable value of inventories (reversal)	(309,763)	335,180
Provision for impairment on assets (reversal)	(26,460)	-
Loss (gain) on disposals/write-off of leasehold improvement and equipment	442,990	2,289,041
Gain on contract change in lease	(1,607,961)	-
Service income received in advance recognised during the year	(219,691,116)	(196,675,382)
Employee benefit expenses	291,066	228,500
<b>Changes in working capital:</b>		
Trade receivables, (increase) decrease	(1,412,246)	(590,475)
Inventories, (increase) decrease	(35,505,249)	18,525,653
Cost to obtain contracts with customers, (increase) decrease	(16,154,238)	3,375,845
Prepaid expenses, (increase) decrease	(12,374,965)	13,776,932
Other current assets, (increase) decrease	(20,338,484)	262,184
Guarantees and deposits, (increase) decrease	(12,005,899)	(17,407,068)
Trade and other current payables, increase (decrease)	37,184,528	26,346,226
Services income received in advance, increase (decrease)	334,245,283	183,815,501
Other current liabilities, increase (decrease)	2,908,047	(7,492,631)
Other non-current liabilities, increase (decrease)	(12,000)	(549,964)
<b>Cash flows provided by (used in) generated from operation</b>	454,011,010	265,050,402
Finance costs paid	(10,660,061)	(4,316,564)
Income tax paid	(35,391,224)	(22,172,135)
<b>Net cash provided by (used in) operating activities</b>	407,959,725	238,561,703

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, 2022**

	<b>Unit : Baht</b>	
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Cash flows from investing activities</b>		
Current investments, (increase) decrease	(1,000,000,000)	-
Restricted bank deposits, decrease (increase)	(100,000)	20,000,000
Acquisitions of leasehold improvement and equipment and payment of payables for purchase of equipment	(225,794,436)	(72,917,035)
Proceeds from sales of equipment	-	2,603,013
Payments for intangible assets acquisition	(1,162,705)	(1,117,366)
Proceeds from finance income	615,633	58,908
<b>Net cash provided by (used in) investing activities</b>	<b>(1,226,441,508)</b>	<b>(51,372,480)</b>
<b>Cash flows from financing activities</b>		
Bank overdrafts and short-term borrowings from financial institutions, (decrease)increase	-	(12,940,793)
Proceeds from increase in share capital	1,470,000,000	-
Payment for cost of distribution of shares	(46,396,174)	-
Dividend paid	(153,200,000)	(80,000,000)
Payments for lease liabilities	(63,387,042)	(27,625,653)
<b>Net cash provided by (used in) financing activities</b>	<b>1,207,016,784</b>	<b>(120,566,446)</b>
<b>Net increase in cash and cash equivalents</b>	<b>388,535,001</b>	<b>66,622,777</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>75,907,665</b>	<b>9,284,888</b>
<b>Cash and cash equivalents at end of the year</b>	<b>464,442,666</b>	<b>75,907,665</b>
<b>Supplemental for statements of cash flows</b>		
Non-cash transactions:		
Acquisition of equipment, unpaid	38,567,489	5,306,729
Right-of-use assets increased from lease liabilities	180,863,631	59,841,035

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, 2022**

**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 2922/307-308 Charn Issara Tower 2, 29<sup>th</sup> Floor, New Petchburi Road, Bangkok, Huay Kwang, Bangkok.

As at December 31, 2022, the Company has 45 branches (included head office).

**2. FINANCIAL STATEMENTS PREPARATION AND PRESENTATION 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 the revised financial reporting standards and interpretations which are effective for the financial statements for the period beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

**2.3 Financial reporting standards that became effective for fiscal year beginning on or after January 1, 2023**

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, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards.

The management of the Company is currently in process of evaluating the plan to be executed and considering the impact of these standards on the financial statements in the year when they are adopted.

### 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.

Dividends

Dividends are recognised when the right to receive the dividends is established.

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.



## 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 - 9 years
------------------------------------	-------------

### 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 Share-based payment**

Transfer of the Company's equity instruments by its shareholders to parties (including employees) that have supplied goods or services to the Company are treated as share-based payment transactions, unless the transfer is clearly for a purpose other than payment for goods or services supplied to the Company.

The Company records the excess of the fair value at transfer date over the transfer price of equity instrument as an expense in statement of comprehensive income, and as the capital surplus on share-based payment in the shareholders' equity.

**3.13 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.



### 3.14 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.

### 3.15 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.

### 3.16 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.

### 3.17 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	
		2022	2021
Space rental and service income	Contract price	0.39	0.44
Loss on sales of fixed assets	Agreed price	-	0.26
Purchase of cosmetics and cosmeceutical	Contract price	-	0.003
Purchase property	Agreed price	0.03	-
Foods and beverages	Market price	0.11	-

##### Directors and management's benefits

During the years ended December 31, 2022 and 2021, the Company had employee benefit expenses payable to its directors and management as below.

	Unit : Thousand Baht	
	December 31, 2022	December 31, 2021
Short-term employee benefits	12,106	9,980
Post-employment benefits	140	101
	<u>12,246</u>	<u>10,081</u>



## 5. CASH AND CASH EQUIVALENTS

	Unit : Thousand Baht	
	December 31, 2022	December 31, 2021
Cash	564	429
Bank deposits	463,878	75,478
Total	464,442	75,907

## 6. CURRENT INVESTMENTS

As at December 31, 2022, the Company has invested in 6-month maturity fixed deposits with two 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, 2022 and 2021, the Company has the restricted bank deposits with financial institutions of Baht 5.10 million which was use as guarantee against credit facilities received from financial institutions.

As at December 31, 2022 and 2021, the Company has overdrafts line and short-term borrowings from banks amounting to Baht 20 million and Baht 10 million respectively, bearing interest at the rates of MOR and MLR respectively, and guaranteed by bank deposits and by mortgaging of certain machinery of the Company.

As at December 31, 2022 and 2021, the Company has letter of guarantee line from bank of Baht 1 million with an interest at the rate of 1.50% per annum and guaranteed by the Company's bank deposits.

## 8. TRADE RECEIVABLES

Trade accounts receivable are detailed as follows:

	Unit : Thousand Baht	
	December 31, 2022	December 31, 2021
<b>Trade receivables - unrelated parties</b>		
Aged on the basis of due dates		
Not yet due	2,871	1,467
Overdue		
From 3 – 6 months	8	-
Total trade receivables	2,879	1,467

## 9. INVENTORIES

Inventories are detailed as follows:

	Unit : Thousand Baht	
	December 31, 2022	December 31, 2021
Medicine and medical supplies	118,203	84,521
Other supplies	2,668	845
Total	120,871	85,366
Less Reduce cost to net realizable value	(821)	(1,131)
Net	120,050	84,235

During the current year, the Company reduced cost of inventories to be net realizable value by Baht (0.31) million (2021: Baht 0.33 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, 2022 and 2021 had the changes as follows:

	Unit : Thousand Baht	
	2022	2021
<b>Balance at beginning of year</b>	33,659	37,034
Increase during the year	208,134	108,657
Amortization during the year	(191,980)	(112,032)
<b>Balance at end of year</b>	49,813	33,659

## PLANT AND EQUIPMENT

Plant and equipment for the year ended December 31, 2022 and 2021 had the changes as follows:

	Unit : Thousand Baht					
	Building improvement	Medical and service equipment	Fixtures and office equipment	Motor vehicles	Assets under installation	Total
<b>Cost:</b>						
January 1, 2021	110,825	429,292	37,046	26,178	871	604,212
Additions	3,812	21,513	8,091	-	44,808	78,224
Write-off/Disposals	(16,447)	(1,329)	(1,013)	(3,442)	-	(22,231)
Transfers	29,870	-	1,530	-	(32,228)	(828)
December 31, 2021	128,060	449,476	45,654	22,736	13,451	659,377
And January 1, 2022						
Additions	7,460	177,128	16,200	-	63,574	264,362
Write-off/Disposal	(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
<b>Accumulated depreciation:</b>						
January 1, 2021	60,730	180,426	24,818	12,060	-	278,034
Depreciation for the year	14,349	28,814	4,798	1,526	-	49,487
Depreciation on write-off/disposal	(13,928)	(1,329)	(710)	(1,362)	-	(17,329)
December 31, 2021	61,151	207,911	28,906	12,224	-	310,192
and January 1, 2022						
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
<b>Provision for impairment:</b>						
January 1, 2021	-	3,624	90	-	164	3,878
Increase during the year	-	(10)	-	-	-	(10)
December 31, 2021	-	3,614	90	-	164	3,868
and January 1, 2022						
Decrease during the year	-	-	(26)	-	-	(26)
December 31, 2022	-	3,614	64	-	164	3,842
<b>Net book value:</b>						
December 31, 2021	66,909	237,951	16,658	10,512	13,287	345,317
December 31, 2022	105,142	382,101	28,342	9,034	11,201	535,820

As at December 31, 2022 and 2021, the Company used machines at the book value of Baht 68.79 million and 77.67 million, respectively to mortgage with financial institutions as collateral against overdraft line and short-term borrowings from financial institutions.

As at December 31, 2022 and 2021, certain items of building improvement and equipment at the cost of Baht 111.94 million and Baht 105.10 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, 2022 are summarized below.

	Unit : Thousand Baht
	Building and building improvement
January 1, 2022	188,793
Additions	180,863
Decreasing from contract change in lease	(8,676)
Less: Adjustment due to the election to apply the Temporary Relief Measures for Accounting Alternatives	(9,706)
Less: Depreciation for the year	(68,748)
December 31, 2022	282,526

#### B) Lease liabilities

	Unit : Thousand Baht	
	2022	2021
Lease payments	336,999	225,027
Less: Deferred interest expenses	(31,894)	(18,035)
Total	305,105	206,992
Less: Portion due within one year	(70,818)	(58,100)
Lease liabilities – net of portion due within one year	234,287	148,892

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	
	2022	2021
Depreciation expense of right-of-use assets	68,748	29,266
Interest expense on lease liabilities	10,433	4,305
Expense relating to short-term leases	-	442
Expense relating to leases of low-value assets	290	222
Differences from reduction in lease payments	625	3,506

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, 2022 of Baht 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 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	
	2022	2021
<b>Deferred tax assets</b>		
Allowance for diminution in value of inventories	164	226
Medical equipment	15,737	9,917
Non-current provisions for employee benefit	289	247
Lease liabilities	61,021	-
<b>Total</b>	<b>77,211</b>	<b>10,390</b>
<b>Deferred tax liabilities</b>		
Inventories	(7,604)	(5,027)
Cost to obtain contracts with customers	(9,963)	(6,732)
Right-of-use assets	(56,505)	-
<b>Total</b>	<b>(74,072)</b>	<b>(11,759)</b>
<b>Net</b>	<b>3,139</b>	<b>(1,369)</b>



Tax expense in statements of comprehensive income for the year ended December 31, 2022 and 2021, are summarized as follows:

	Unit : Thousand Baht	
	2022	2021
<b>Current income tax:</b>		
Current income tax for the year	45,216	21,530
<b>Deferred tax:</b>		
Deferred income tax expenses (income)		
resulted from temporary differences and reversal of temporary differences	(4,508)	(1,803)
<b>Tax expense reported in the statement of comprehensive income</b>	<b>40,708</b>	<b>19,727</b>
	Unit : Thousand Baht	
	December 31, 2022	
<b>The tax credited directly to equity</b>		
cost of distribution of shares		9,279
		<b>9,279</b>

Reconciliation between tax expense and multiplication of accounting profit and tax rate used for the year ended December 31, 2022 and 2021, can be presented as follows:

	Unit : Thousand Baht	
	2022	2021
Accounting profit before income tax	246,197	148,982
Income tax rate (%)	20%	20%
Accounting profit before income tax multiply by tax rate	49,239	29,796
<b>Taxable effects for:</b>		
Other expenses for accounting base differ from tax base	(8,428)	(11,241)
Expenses disallowed as taxable expenses	884	727
Permanently differences from deferred tax	(987)	102
Permanently differences from inventories	-	343
<b>Total</b>	<b>(8,531)</b>	<b>(10,069)</b>
<b>Tax expense presented in</b>		
statements of comprehensive income	40,708	19,727
Effective income tax rate (%)	16.53%	13.24%

**14. TRADE AND OTHER CURRENT PAYABLES**

Trade and other current payables are detailed as follows:

	Unit : Thousand Baht	
	December 31, 2022	December 31, 2021
Trade payables	56,743	26,538
Trade notes payable	6,131	6,242
Total trade payables	62,874	32,780
Other current payables		
Other payables	8,554	34,086
Acquisition of assets payable	58,215	5,727
Accrued expenses	57,134	42,986
Accrued doctor fees	14,671	10,117
Total other current payables	138,574	92,916
Total trade and other current payables	201,448	125,696

**15. SERVICE INCOME RECEIVED IN ADVANCE**

Service income received in advance for the year ended December 31, 2022 and 2021 had been changed as follows:

	Unit : Thousand Baht	
	2022	2021
Balance at the beginning of year	288,758	301,618
Add: Services income received in advance during the year	334,245	183,815
Less: Realized services income and breakage income during the year	(219,691)	(196,675)
Balance at the end of year	403,312	288,758

**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.



According to the minutes of the Board of directors' meeting No. 6/2564 held on November 15, 2021, passed the resolution to approve interim dividend payment from net profit for the nine-month periods ended September 30, 2021 at Baht 0.20 per share, totaling Baht 32.00 million which was already paid to the shareholders on November 30, 2021.

## 19. EXPENSES BY NATURE

Significant expenses by nature for the year ended December 31, 2022 and 2021 are detailed as follows:

	Unit : Thousand Baht	
	2022	2021
Salary, wages and other employee benefits	499,902	294,968
Doctor fees	203,259	108,518
Cost of medicine and medical supplies	270,907	144,300
Depreciation and amortization	142,004	81,193
Rental and service expenses from operating leases	76,762	44,309
Marketing expenses	101,345	64,861

## 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.

	2022	2021
<b>Basic earnings per share</b>		
Profit for the year attributable to the shareholders of the company (Baht)	205,488,712	129,255,394
Weighted average number of ordinary shares held by shareholders (Share)	169,698,630	160,000,000
<b>Basic earnings per share (Baht per share)</b>	<b>1.21</b>	<b>0.81</b>

## 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 2022 and 2021, 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, 2022 and 2021, the Company had capital commitments of approximately in the amounts of Baht 11.48 million and Baht 25.44 million respectively, relating to decoration and acquisition of equipment.

### 22.2 Lease and service agreement commitments

As at December 31, 2022 and 2021, the Company is liable on payment rental for building and photocopy machines in the amounts of Baht 124.44 million and Baht 97.18 million respectively.

### 22.3 Commitment from bank issuance of letter of guarantee

As at December 31, 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. At present, the case is still pending the Appeal Court's trial.

## 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, 2022 and 2021, 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, 2022					
Transactions	Fixed interest rate Within 1 year	Fixed interest rate 1 to 5 years	Floating interest rate	Non-interest rate	Interest rate (%)
<b><u>Financial assets</u></b>					
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
<b><u>Financial liabilities</u></b>					
Lease liabilities	70,818	234,287	-	-	4.00 to 9.09
Unit : Thousand Baht					
As at December 31, 2021					
Transactions	Fixed interest rate Within 1 year	Fixed interest rate 1 to 5 years	Floating Interest rate	Non-interest rate	Interest rate (%)
<b><u>Financial assets</u></b>					
Cash and cash equivalents	-	-	75,908	-	0.05 to 0.125
Restricted bank deposits	-	-	5,000	-	0.05
<b><u>Financial liabilities</u></b>					
Lease liabilities	58,100	148,892	-	-	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, 2022 and 2021, based on contractual undiscounted cash flows.

Unit : Thousand Baht				
As at December 31, 2022				
Book value	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Trade and other current payables	201,448	201,448	-	201,448
Lease liabilities	305,105	81,821	241,231	336,999
<b>Total non-derivatives</b>	<b>506,553</b>	<b>283,269</b>	<b>241,231</b>	<b>538,447</b>

Unit : Thousand Baht				
As at December 31, 2021				
Book value	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Trade and other current payables	125,696	125,696	-	125,696
Lease liabilities	206,992	63,591	146,335	221,042
<b>Total non-derivatives</b>	<b>332,688</b>	<b>189,287</b>	<b>146,335</b>	<b>346,738</b>

## 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 Board of directors' meeting No. 1/2023 held on February 28, 2023, passed the resolution to submit the dividend payment for the 2022 results of operation at Baht 0.50 per share by cash dividend payment amount of Baht 110.00 million to the Annual General Meeting of the shareholder.

## 28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of directors on February 28, 2023.



# *Appendix*

- |            |   |
|------------|---|
| Appendix 1 | Detail of Directors, Executives,<br>Controlling Persons and Company Secretary |
| Appendix 2 | Detail of the Head of Internal Audit  |
| Appendix 3 | Assets used in business operation   |
| Appendix 4 | Corporate Governance Policy ,<br>Guidelines and Business Ethics               |
| Appendix 5 | Report from the Audit Committee   |

## Appendix 1

Details of Directors, Executives, Controlling Person  
and Company Secretary

## 1. Details of Directors, Executives, Controlling Person and Company Secretary of The Klinique Medical Clinic Public Company Limited

Name Surname / Position	Age (Year)	Education / Training	Shareholding in the Company (%)	Family Relation between Directors and Executives	Work Experience			
					Time period	Position	Company / Organization	Type of Business
1. Mr.Praphan Pichaiwatkomol Chairman of the Board Independent Director Chairman of Audit Committee Chairman of Nomination and Remuneration Committee (Appointed On 19 January 2021)	51	Master of Laws University of New South Wales Australia	- None -	- None -	2020 – Present	Independent Director / Member of Audit Committee	Halcyon Technology Public Company Limited	Manufacturing and Distribution of cutting tools
		Bachelor of Laws Thammasat university Director Accreditation Program (DAP) Class of 134/2017 Thai Institute of Directors			2015 – Present	Independent Director / Member of Audit Committee	Dental Corporation Public Company Limited	Dental Clinic
					2010 – Present	Partner	Siam Premier International Law Office Limited	Law Firm
2. Mr.Kornarit Thongsomkaew Director Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee (Appointed On 11 January 2021)	45	Master of International Accounting University of Northumbria at Newcastle United Kingdom	- None -	- None -	2019 – Present	Advisor to the Political Working Group of the President of the Senate	Senate of Thailand	
		Bachelor of Business Administration Assumption University			2014 – 2019	Academician in the political working group of the President of the National Legislative Assembly	National Legislative Assembly of Thailand	



Name Surname / Position	Age (Year)	Education / Training	Shareholding in the Company (%)	Family Relation between Directors and Executives	Work Experience			
					Time period	Position	Company / Organization	Type of Business
		Director Accreditation Program (DAP) Class of 187/2021			2011 – Present	Managing Director	YHN Logistic Company Limited	Logistic
		Thai Institute of Directors			2010 – 2011	Managing Director	Sweet Corn Product Company Limited	Produce and Sales of sweet corn seeds
3. Mr. Viboon Pojanalai Director Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee (Appointed On 19 January 2021)	46	Master of Science Major in Risk Management & Financial Derivative Georgia State University, United State	- None -	- None -	2019 – Present	Independent Director / Member of Audit Committee	Halcyon Technology Public Company Limited	Manufacturing and Distribution of cutting tools
		Bachelor of Science in Accounting Thammasat University			2016 – Present	Independent Director / Member of Audit Committee	Dental Corporation Public Company Limited	Dental Clinic
		Director Accreditation Program (DAP) Class of 134/2017			2015 – Present	Director / Chief Financial Officer	Thai Enger Holding Public Company Limited	Construction
		Thai Institute of Directors			2011 – Present	Independent Director / Member of Audit Committee	Beauty Community Public Company Limited	Cosmetics Retailer

Name Surname / Position	Age (Year)	Education / Training	Shareholding in the Company (%)	Family Relation between Directors and Executives	Work Experience			
					Time period	Position	Company / Organization	Type of Business
4. Mr. Apiruj Thongwattana Director Chairman of the Executive Committee Chairman of Risk Management Committee Chief Executive Officer (Appointed On 29 June 2016)	39	Research Fellow in Dermatology, Harvard University United State	32.01	Son of Mr.Chalermchai Thongwattana	2020 – Present	Director	TKQH Capital Management Company Limited	Holding Company
		Master of Dermatology Cardiff University United Kingdom			2017 – Present	Director	Cosmobeaute Laboratories (Thailand) Company Limited	Cosmetics Retailer
		Doctor of Medicine Chulalongkorn University  Director Certification Program (DCP) Class of 233/2017 Thai Institute of Directors Director Accreditation Program (DAP) Class of 129/2016 Thai Institute of Directors			2016 – Present	Director	Sushi Seki Company Limited	Japanese Restaurant

Name Surname / Position	Age (Year)	Education / Training	Shareholding in the Company (%)	Family Relation between Directors and Executives	Work Experience			
					Time period	Position	Company / Organization	Type of Business
5. Mr. Suthipong Tangsajjapoj Director (Appointed On 30 May 2021)	44	Master of Business Administration University of San Francisco, United State  Master of Economics Chulalongkorn University  Bachelor Master of Economics Chulalongkorn University Director Accreditation Program (DAP) Class of SEC /2015 Thai Institute of Directors	- None -	- None -	2016 - Present	Director / Assistant finance and accounting director	Ekachai Medical Care Public Company Limited	Private Hospital
					2019 – Present	Director	Ekachai Nursing Home Company Limited	Senior Care Center
					2017 – Present	Director	Ekachai International Company Limited	Infertility Center
					2002 – Present	Director	Blue China Company Limited	Property
					2002 – Present	Director	Siam Sape Company Limited	Property
					2002 – Present	Director	Roongsinsup Company Limited	Property
					2002 – Present	Director	Por Pan Company Limited	Property
					2002 – Present	Director	Best P Company Limited	Property
					2003 – Present	Director	Sajjapoj Company Limited	Property
					2003 – Present	Director	Pachko man Company Limited	Property
					2010 – Present	Director	Serm Sin Marine Feedmill Company Limited	Asset Rental

Name Surname / Position	Age (Year)	Education / Training	Shareholding in the Company (%)	Family Relation between Directors and Executives	Work Experience			
					Time period	Position	Company / Organization	Type of Business
					2010 – Present	Director	Serm Sin Marine Feedmill Company Limited	Asset Rental
					2010 – Present	Director	Fishmeal Marketing Development Company Limited	Animal Food Suppliers
					2013 – Present	Director	Gym 33 Company Limited	Fitness Center
					2014 – Present	Director	M Fitness Company Limited	Fitness Center
					2015 – Present	Director	Villa 33 Company Limited	Hotel and Restuarant
					2016 – Present	Director	M2 Fitness Company Limited	Fitness Center
					2016 – Present	Director	Mekha Real Estate Company Limited	Property
					2017 – Present	Director	Yaowawong Holding Company	Private Investment

Name Surname / Position	Age (Year)	Education / Training	Shareholding in the Company (%)	Family Relation between Directors and Executives	Work Experience			
					Time period	Position	Company / Organization	Type of Business
6. Mr. Rattapol Kittichaitrakul Director Managing Director Member of Executive Committee Member of Risk Management Committee (Appointed On 19 January 2021)	39	Doctor of Veterinary Medicine Chulalongkorn University	7.16	- None -	2017 – Present	Director	Cosmobeaute Laboratories (Thailand) Company Limited	Cosmetics Retailer
		Director Accreditation Program (DAP) Class of 116 /2015 Thai Institute of Directors			2016 – Present	Director	Sushi Seki Company Limited	Japanese Restaurant
7. Mr. Nuttapat Chalisaraphong Chief Marketing Officer Member of Risk Management Committee (Appointed On 25 February 2016)	39	Certificate in Contemporary American Business Practices, Baruch College, United State	- None -	- None -	2014	Investment Intern	BOI : New York	Government
		Bachelor of Doctor of Veterinary Medicine (2nd class honours), Chulalongkorn University			2010 – 2012	Veterinarian Co-founder/	Veterinarian Sukhumvit 49	Veterinary Hospital
					2008 – 2010	Veterinarian	Premium Animal Hospital	Veterinary Hospital
					2007 - 2010	Veterinarian	Itsarapab Animal Clinic	Veterinary Clinic

Name Surname / Position	Age (Year)	Education / Training	Shareholding in the Company (%)	Family Relation between Directors and Executives	Work Experience			
					Time period	Position	Company / Organization	Type of Business
8. Mr. Winai Chansaisakorn Chief Operating Officer (Appointed On 1 April 2016)	41	Doctor of Veterinary Medicine Chulalongkorn University	- None -	- None -	2012 – 2022	Veterinarian	Phyathai 7 Animal Hospital	Veterinary Hospital
					2007 – 2012	Veterinarian	Small Animal Teaching Hospital CUVET	Veterinary Hospital
9. Mr. Weerasak Sinsapphaiboon Director Member of Executive Committee Member of Risk Management Committee (Appointed On 15 November 2022)	41	Master of Business Administration The University of Manchester United Kingdom  BE (Hons) International and Financial Economics, First Class Chulalongkorn University	- None -	- None -	2019 – 2022	Investment Strategy Director	Boon Rawd Brewery Company Limited	Consumer Product
					2017 – 2019	Head of New Business	Uniliver Thai Trading Company Limited	Consumer Product
					2016	Revenue Management Manager	Pepsi-Cola (Thai) Trading Company Limited	Beverage
					2012 – 2016	Finance Manager	Uniliver Thai Trading Company Limited	Consumer Product
					2003 – 2007	Supply Chain Development Support Manager	Uniliver Thai Trading Company Limited	Consumer Product

Name Surname / Position	Age (Year)	Education / Training	Shareholding in the Company (%)	Family Relation between Directors and Executives	Work Experience			
					Time period	Position	Company / Organization	Type of Business
10. Miss Assadaporn Wangsirisombat Chief Financial Officer Acting Director of Accounting (Appointed On 16 December 2022)	54	Master of Commerce and Accountancy Thammasat University	- None -	- None -	2022 – Present 2014 – 2017	Chief Financial Officer	The Klinique Medical Clinic Public Company Limited	Medical Clinic
		Bachelor of Commerce and Accountancy Thammasat University (First Honor)			1997 – 2014	Finance and Accounting Manager	Brenntag ingredients (thailand) Public Company Limited	Distributor
		Graduate diploma in Advance Auditing Thammasat University			1994 – 1997	Finance and Accounting Manager	Enterain Golden Village Limited	Cinema Complex
		Certified Public Accountant (CPA)			1990 – 1994	Audit Assistant	EY Office Company Limited	Audit Firm
11. Miss Nattakan Pankha Company Secretary (Appointed On 22 December 2022)	30	Bachelor of Laws Mae Fah Luang University	- None -	- None -	2017 – Present	Senior Lawyer	The Klinique Medical Clinic Public Company Limited	Medical Clinic

Remark : 1 Proportion of holding in the Company before the initial public offering Including the shares of the spouse and children who have not reached the age of majority 2 Company Directors



## 2. The position of director and executives in the Company

Related Company	Mr. Prapan Pichaiwatkomol	Mr. Kornarit Thongsomkaew	Mr. Viboon Pojanalai	Mr. Apiruj Thongwattana	Mr. Suthipong Tangsajjapoj	Mr. Rattapol Kittichaitrakul	Mr. Nuttapat Chalisaraphong	Mr. Winai Chansaisakorn	Mr. Weerasak Sinsapphaiboon	Miss Assadaporn Wangsirirombat
The Klinique Medical Clinic Public Company Limited	I, III, IV, XI	II, III, V, XII	II, III, V, XII	II, VI, IX, C	II	II, VII, X, D	X, M	M	II, VII, X	M
TKQH Capital Management Company Limited				II						
Cosmobeaute Laboratories (Thailand) Company Limited				II		II				
Sushi Seki Company Limited				II		II				

### หมายเหตุ

I = Chairman of the Board

V = Audit Committee

X = Risk Management Committee

C = Chief Executive Officer

II = Director

VI = Chairman of Executive Committee

XI = Chairman of Nomination and Remuneration Committee

D = Managing Director

III = Independent Director

VII = Executive Committee

M = Executive

IV = Chairman of Audit Committee

IX = Chairman of Risk Management Committee

XII = Member of Nomination and Remuneration

### 3. Roles and Responsibilities of the Company Secretary

The meeting of the Board of Directors No. 9/2022 held on 14 December 2022, the Board resolved to appoint Miss Nattakarn Pankha as the Company Secretary with duties and responsibilities as specified in Section 89/15, of the Securities and Exchange Act (No. 4) BE 2535. The Secretary shall perform the duties with responsibility, be careful and honesty, as well as adhere to laws, objectives, the Company's regulations, resolutions of the Board and the shareholders' meeting. The Company Secretary duties and responsibilities are as follow

1. To organize Board of Directors' meetings and Annual shareholders' meetings and informed on the meeting in advance.
2. Preparation for meeting agenda and documents, sending meeting invitation letter to Board of Director together with meeting documents.
3. Organized shareholder meeting, prepare for meeting agenda and document, sending meeting invitation to shareholder and oversee the meeting adhere to law.
4. Attend and prepare minutes of Board of Director and Shareholder meetings. The minutes must cover material discussion topic, question as well as useful suggestion.
5. Coordinate and monitor to ensure that the Company, Board of Directors and other relevant parties act in accordance with the resolutions of the Board of Directors' and the Shareholders' meetings and report to Board of Director.
6. Provide advice on regulations and guidelines as well as good corporate governance principle to Board of Directors and management.
7. Prepare complete and accurate 56-1 One report according to Securities and Exchange Act and submitted Securities Commission Exchange of Thailand and Shareholders.
8. Maintain and update detail of Board of Director.
9. Submitted reports on conflicts of interest of the Board of Directors and Chairman of audit committee within 7 days after being report.
10. Maintain important documents of the Company such as meeting invitations and minutes of the Board of Directors' meetings, Shareholders' meetings, Annual report. Directors' register and reports on conflicts of interest of the Directors, the management and related parties.

## Appendix 2

Detail of the Head of Internal Audit

## Profile and Experiences of Head of the internal audit

The Company has appointed I.A.P. Internal Audit Co., Ltd (I.A.P) as an internal audit service provider and I.A.P has authorize Mr. Wattana Channakin and Mr.Umnad Ruechaikham are internal audit incharge of the Company.

Name-Surname Position	Age (Year)	Education Background/ Other qualification	Persence of Share Possesion (%)	Family Relationship among Directors and Executive	Work Experience			
					Period	Position	Company	Business type
Mr. Wattana Channakin Managing Director	46	<b>Education Background</b> - Master of Business Administration (M.B.A), Kasetsart University - Bachelor of Business Administration Rajamangala Institute of Technology Bangkok Technical Campus  <b>Certificate/Training</b> - Certified Public Accountant (CPA) - Internal Audit Executive Diploma Program - Certificate of Enterprise Risk Management, Class 17, Chulalongkorn University - Training Program for Internal Audit Certification (IACP) Federation of Accounting Professions under the Royal Patronage - CFO Project, Class 15 by the Federation of Accounting Professions	-None-	-None-	2015-Present	Managing Director	I.A.P. Internal Audit Co., Ltd	Internal Audit
					2009- Present	Managing Director	I.A.P. Plus Co., Ltd	Audit
					2011-2014	Audit Committee	Ausiris Company Limited	Production and distribution - buying back gold
					2010-2012	Accounting and Finance Director	Newtel Corporation Co., Ltd.	Distribute equipment and mobile phones
					2000-2009	Audit Manager	S.K.Accountant Services Co., Ltd.	Audit

Name-Surname Position	Age (Year)	Education Background/ Other qualification	Persence of Share Possesion (%)	Family Relationship among Directors and Executive	Work Experience			
					Period	Position	Company	Business type
		<ul style="list-style-type: none"> <li>- DAP version 86/2010 by the Thai Institute of Directors Association</li> <li>- COSO 2013 Training Course Certificate, Internal Control System Guidelines, Class 1/61</li> <li>- Certificate of training course on audit practice for new inspectors Association of Internal Auditors of Thailand</li> <li>- Certificate of Training and Comprehensive Examination, Certificate of Business Advisor, Class 1</li> <li>- Diploma of training courses for plan makers and administrators of the debtor's business rehabilitation plan</li> </ul>						
Mr.Umnad Ruechaikham Internal Audit Manager	42	<b>Education Background</b> - Bachelor of Accountancy, University of the Thai Chamber of Commerce (First Class Honors)  <b>Certificate/Training</b> - Certified Public Accountant (CPA)	-None-	-None-	2017-Present	Internal Audit Manger	I.A.P. Internal Audit Co., Ltd	Interal Audit
					2010-2012	Internal Audit Manger	Ananda Development Public Company Limited	Real Estate
					2008-2009	Audit Manger	NPS Siam Audit Co.,Ltd.	Audit
					2003-2007	Assistant Auditor	KPMG Phoomchai Audit Ltd.	Audit

## Appendix 3

Assets used in business operation

## Assets Used in Business Operations

As of 31 December 2021 and 31 December 2022, the Company had main fixed assets used in its business operations including building improvement, medical and service equipment, fixture and office equipment, vehicles and assets under installation with a net book value after accumulated depreciation and accumulated amortization as follows:

Asset Category		Net Book Value (million baht)		Proprietary Characteristics	Obligations (if any)
		31 December 2021	31 December 2022		
1	Building Improvement	66.91	105.15	Company Ownership	None
2	Medical and Service Equipment	237.95	382.10	Company Ownership	Mortgage to guarantee credit lineworth 68.79 million baht (2564 : 77.67 million baht)
3	Fixture and Office Equipment	16.66	28.34	Company Ownership	None
4	Vehicles	10.51	9.03	Company Ownership and Financial Leases	None
5	Assets under Installation	13.29	11.20	Company Ownership	None
Total		345.32	535.82		



## Right of Use Assets

As of 31 December 2021 and 31 December 2022, the Company had right of use assets consisting of leases for the head office area and all 34 and 44 branches, respectively, with accounting net worths of 188.79 million baht and 282.53 million baht, respectively.

Lease Expiration Year	Number of Contracts As of 31 December 2022
2023	13
2024	14
2025	18

Remarks : The leases that will expire in 2023 are divided into leases of 12 branches in Bangkok and 1 branch in another province. The Company is in the process of renewing the lease. The landlord has never terminated the Company's lease agreements in any way and has always given the Company the right to renew the lease whenever due.

## Intangible Assets

As of 31 December 2021 and 31 December 2022, the Company had intangible assets consisting of computer programs as follows:

Property Details	Net Book Value (million baht)	
	31 December 2021	31 December 2022
Computer Programs	2.31	3.65
Total Value – Net	2.31	3.65

## Appendix 4

Corporate Governance Policy ,  
Guidelines and Business Ethics

## 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



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## Appendix 5

Report from the Audit Committee

## Audit Committee Report 2022

The Audit Committee of The Clinic Medical Clinic Public Company Limited consists of the following three independent directors who are qualified persons with knowledge and experience in accounting, economics, business administration and law:

- |                                |                          |
|--------------------------------|--------------------------|
| 1. Mr. Praphan Phichaiwatkomol | Audit Committee Chairman |
| 2. Mr. Kornarit Thongsomkaew   | Audit Committee Member   |
| 3. Mr. Viboon Pojanalai        | Audit Committee Member   |

The Audit Committee performs its duties as assigned by the Board of Directors and in compliance with the Charter of the Audit Committee, which is in accordance with the best practices of the Securities and Exchange Commission. The Committee emphasizes compliance with good corporate governance principles and has an effective risk management system, including reviews to ensure appropriate and effective internal audits to ensure that the Company operates with transparency, integrity and fairness in order to create sustainability for the organization and maximize the benefits to shareholders and all stakeholders with good cooperation from executives, employees, external auditors and accountants.

In 2022, the Audit Committee held a total of 4 meetings. All 3 members of the Audit Committee attended every meeting. The meetings were held with internal and external auditors as well as executives from both the Accounting and Finance Departments. The Audit Committee has reported the results of the Audit Committee meetings to be presented to the Board of Directors. The key points of the meetings of the Audit Committee can be summarized as follows:

### 1. Review of Financial Reports

The Audit Committee reviewed the Company's financials statements, including the Company's financial statements for the year 2021 and financial statements for the period ending 31 September 2022, to ensure that the preparation of the Company's financial statements, disclosure of financial statements, special transactions, significant accounting and estimate improvements are complete and reliable with clarifications from auditors, management and internal control system auditors to ensure that the preparation of financial statements complies with the requirements of laws and financial reporting standards in addition to providing adequate information in the notes to the financial statements and containing information that will be useful to shareholders and investors.

The Audit Committee considers the financial reports to be accurate in accordance with financial reporting standards and the information disclosed in the financial statements and notes to the financial statements to be complete, adequate and timely, which is beneficial to shareholders and users of the financial statements.

### 2. Supervision of Internal Audit Work

The Audit Committee has considered the independence of the internal audit company, considering and approving the internal control system audit plan in addition to setting the remuneration for the

Internal auditor of the internal auditor company, which is an independent external agency, namely I.A.P. International Audit Co., Ltd. The Audit Committee has acknowledged the results of the Company's internal audit as well as asked questions and provided recommendations for monitoring corrective actions on important issues in order to contribute to good corporate governance.

### 3. Risk Management Review

The Audit Committee reviewed the adequacy and effectiveness of the Company's risk management policies and strategies by holding regular meetings with the executives responsible for the Company's risk management in order to acknowledge external and internal risk factors, risk assessment results and risk management guidelines of the Company to ensure that the aforementioned are at an acceptable risk level, in addition to providing recommendations for further development and improvement. The Committee also emphasizes the importance of new risks that may arise due to rapid changes.

### 4. Review of Related Reports or Connected Transactions with Potential Conflicts of Interest

The Audit Committee has reviewed and rendered opinions on connected transactions or transactions with potential conflicts of interest in accordance with the rules of the relevant regulatory authorities before presenting them to the Board of Directors and/or shareholders in order to ensure that transactions are transparent and reasonable.

### 5. Consideration of Appointment of Auditors and Annual Audit Fees

The Audit Committee considers, selects and proposes the appointment of auditors and setting of audit fees on a yearly basis to present to the Board of Directors for approval and presentation at the Annual Shareholders' Meeting where a resolution was passed to appoint D.I.A. International Auditing Co., Ltd. as the Company's auditor.

In summary, the Audit Committee performs its duties and responsibilities as specified in the Charter of the Audit Committee approved by the Board of Directors, using knowledge, competence and caution with adequate thoroughness and independence in the rendering of its opinions and recommendations. In the equal benefits of all stakeholders, the Audit Committee is of the opinion that the Company has provided appropriate risk management measures with appropriate, adequate and effective internal control and audit systems. The Company's financial reports are materially accurate and reliable in compliance with generally accepted accounting standards, adequate disclosure of information and compliance with the laws and regulations relating to business operations.

In addition, the Audit Committee is of the opinion that the fully capable performance of senior management and all employees of the Company under the framework of good corporate governance will enable the company to grow satisfactorily and sustainably, which will also enable all stakeholders to receive good and sustainable returns.

On Behalf of the Audit Committee



(Mr. Praphan Phichaiwatkomol)

Chairman of the Audit Committee

28 February 2023





**THE KLINIQUE MEDICAL CLINIC  
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