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Ref: HEMP-024/2022

May 12, 2022

**Subject:** Clarification of the Operating Result Difference Exceeding 20%

**To:** The President  
The Stock Exchange of Thailand

**Copy to:** The Secretary  
The Securities and Exchange Commission

Health Empire Corporation Public Company Limited would like to clarify the net loss for Q1/2022 of 30.45 million Baht in the consolidated financial statement comparing to that of the same period of 2021 that report net loss of 14.14 million baht in the consolidated financial statement having difference of more than 115.35% as a result of in Q1/2022, which differs in excess of 20 percent as The Notification of the Capital Market Supervisory Board No. Tor Jor. 44/2556 Re: Rules, Conditions and Procedures for Disclosure regarding Financial and Non-financial Information of Securities Issuers, Clause 22, when it appears that the income or net profit according to the financial statements of any securities issuing company differs from the financial statements of the same period of the previous year by more than twenty percent. The issuing company shall conduct an Interim Management Discussion and Analysis, at least showing the causes and key factors causing the differences, including the impact caused by such factors and forward to the office along with the financial statements.

The Company's sales revenue and services increased from 6.63 million baht in Q1/2021 to 33.27 million baht in Q1/2022, totaling a increased of 26.64 million baht or a 401.87%, The reason of the increase of the company's income is the investment in new businesses and business growth of the company's subsidiaries.

Cost of sales of the company increased from 4.28 million baht in Q1/2021 to 22.53 million baht Q1/2022, totaling a increased of 18.25 million baht or accounted for an increased of 426.92%

The company's cost of distribution and administrative expenses increased from 21.99 million baht in Q1/2021 to 45.44 million baht in Q1/2022, totaling an increase of 23.45 million baht, or accounted for an increase of 106.64%, This is in accordance with the normal activities of the business and business plans according to the Group's company.

As for the causes and important factors affecting operations in the past quarter 1/2022, due to the Covid situation, it significantly affected the Company's main revenue, especially the beauty clinic business. However, the product business herb can still make a profit for the group of companies, especially medicines in Andrographis paniculata Extract that tend to grow in sales continuously. As for the Hemp, cannabis business, it is still in the process of gradual investment in building greenhouses and investing in planting equipment according to the strategy and action plan, with the C-mark that the company will be released from being posted on the C sign within this quarter and if there is any progress, the company will report through the website of the Stock Exchange of Thailand.

Please be advised accordingly.

Respectfully Yours,

*-Samart Chuasiriphattana-*

( Mr. Samart Chuasiriphattana )

Director and CEO