เฮลท์ลีด
Healthlead



THE MOST LOVED
RETAIL PHARMACY

ICARE HEALTH

Healthiness
HEALTHINESS CO.,LTD.

Annual Report 2021
(Form 56-1 One Report)

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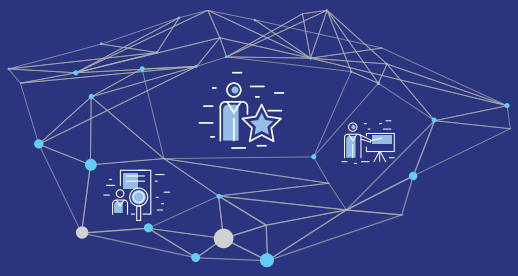
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Part 1



Company’s Overview

Company's Overview



Vision

One of the leading healthcare product professionals and pharmacy networks in Thailand and the ASEAN Economic Community.

Mission

01 To be the leading, top of mind retail pharmacy brand both as a retailer and a workplace.

02 To be recognized as the world leader in healthcare business by developing innovative, cutting-edge technology products to the world market.

03 Being a decent global citizen by supporting global and / or local community health education schemes.

Business Goals

- Increase branch coverage across Bangkok Metropolitan area and major provinces.
- Ongoing development to be professional pharmaceutical service, well-known site for supervised practical application of pharmacy students and affiliate Institution for pharmacy students.
- Develop an omnichannel by integrating online and offline product flows across all channels to provide a seamless shopping experience.
- Develop and globalized the Group's healthcare innovation products worldwide.

Business Highlights

As at December 31, 2021 Icare Health Company Limited ("IC") has totally 26 branches as follows:



iCare	Pharmax	Super Drug	vitaminclub
Tosakan Intersection	Pradit Manutham	Super drug	Central Ladprao
Safe center	Market Place Krungthep Kreetha		Central Pinklao
Sai 2 Market	Pure Place Ramkhamhaeng 110		Fashion Island
Prachaniwet 1	The Crystal Ekkamai-Ramintra		
Seree Market Rama 9	Robinson Ladkrabang		
The Trio	The Nine Rama 9		
Senee Market Petchkasem 28	Food Villa Ratchaphruek		
Petchkasem 56	The Street Ratchada		
Victoria Garden	The Jazz Wang Hin		
Thanommit Market	Lotus Lat Krabang		
	Chamchuri Square		
	Nuanchan		

10 branches

12 branches

1 branch

3 branches

As of December 31, 2021, IC has 44 full-time pharmacists on-sites, representing approximately 21% of total employees and 70-120 part-time pharmacists per month.

Healthiness Products

Besuto

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PRIME

Strategic Highlights

Sustainability Development

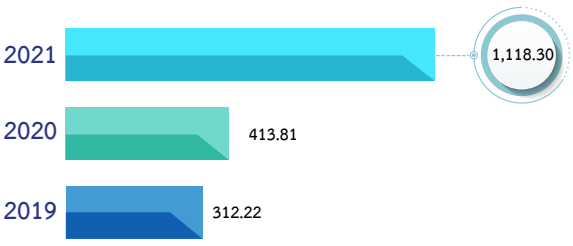
The Group's sustainable development is derived mostly from the aspiration of the founder who aspires to see community pharmacists become the most accessible and reliable professional health service to the people in their community, to be neighborhood retail pharmacy where patients can seek professional advice before going to hospital in compliance with the Company's missions to which holding on to the good governance and encouraging corporate social responsibility.

Social Responsibility

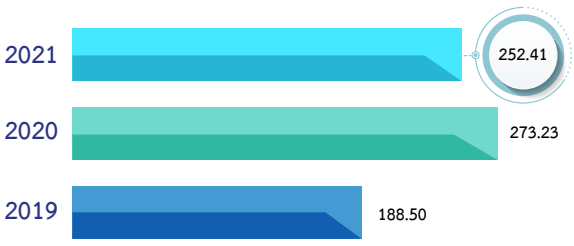
The company and its subsidiaries strongly believe that sustainable development is rooted from corporate social responsibility. The management thus commit and focus on duty and responsibility on society, environment and stakeholders.

Financial Highlights

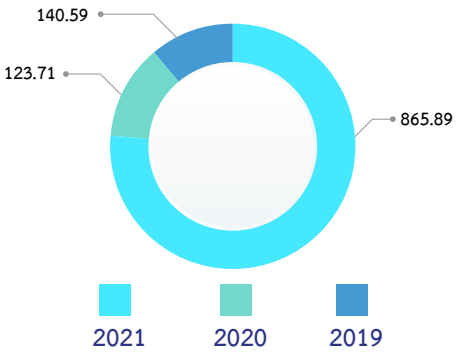
Total assets (Baht: million)



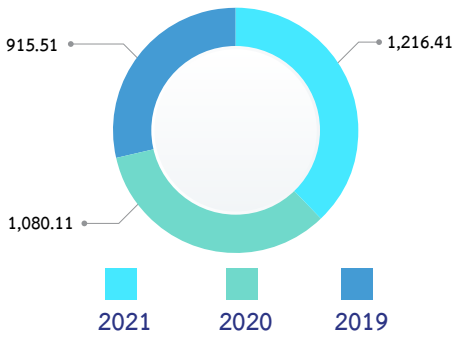
Total liabilities (Baht: million)



Total shareholders' equity (Baht: million)



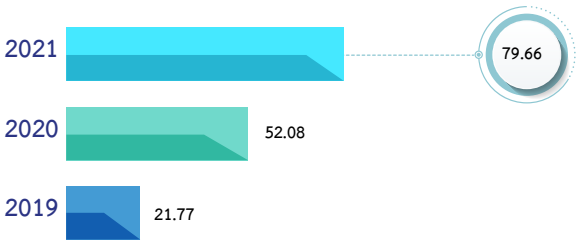
Total income (Baht: million)



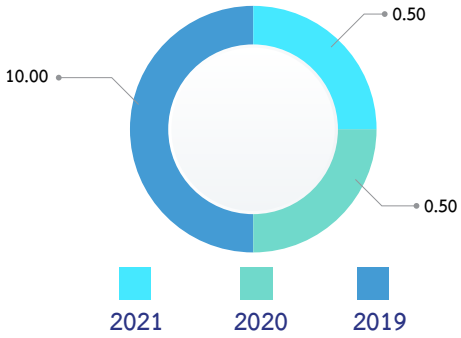
Total cost and expenses (Baht: million)



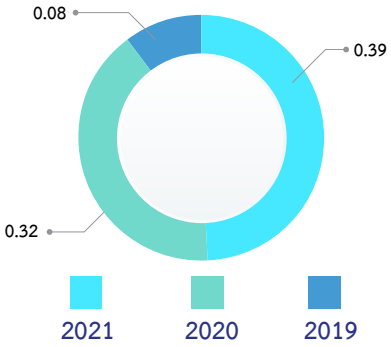
Net profit (loss) (Baht: million)



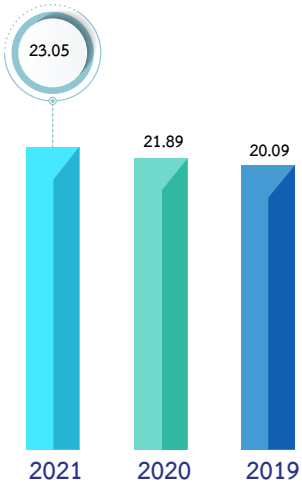
Par Value (Baht)



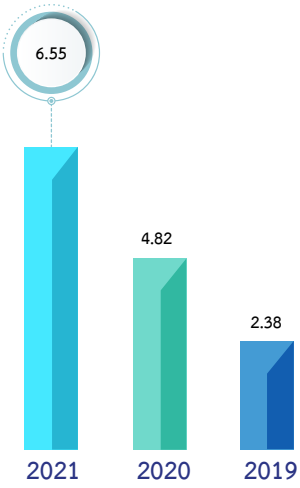
Earnings per share (EPS) (Fully Diluted) (Baht/share)



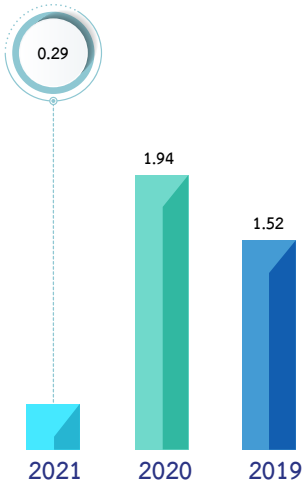
Gross Profit (%)



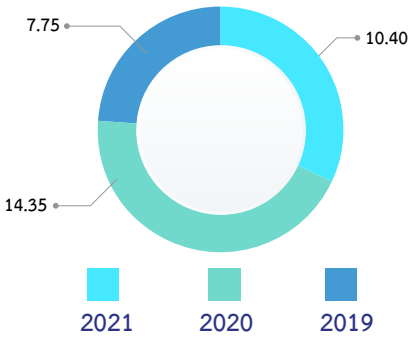
Net profit (%)



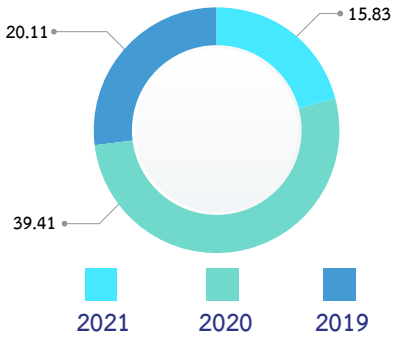
Debt to equity ratio (D/E) (times)



Return on asset ratio (ROA) (%)



Return on equity ratio (ROE) (%)



Future Plan

The Group plans to carry on an ongoing branch expansion and renovation across Bangkok Metropolitan area which considered as a high market value area. The upcoming branches are iCare branch at the Thonburi Market project in the first quarter of 2022, 3 branches in Thonburi, Lasalle and Thonglor area of which the rental agreements have already been signed in January 2022.

The Group plans to open 10 branches per year during 2022-2024. The investment cost per branch will be varied by the size of each branch.

However, the opening of new branches might get delayed as a result of the impact of COVID-19 pandemic or the delay of the construction and decoration as planned caused by the delay of the project by developers or any other external factors such as protests, riots or other disasters. In addition, the Group plans to regularly renovate the existing branches to draw customer attraction. The projected investment cost for branch expansion and renovation during 2022-2024 is approximately Baht 60 million.

Achievements

★ One of the second generation of the Accredited Pharmacies granted by the Pharmacy Council in 2004.





★ Healthiness Company Limited ("HN") jointly develops the product "Besuto12 Hand Cleansing Gel" with AVS Innovation Company Limited ("AVS"), an affiliate of Thailand Science Park group, and entered into the Exclusive Supply Agreement as the patent owner who agrees to supply hand sanitizer and other hand products that are produced with the composition and manufacturing process of hydrogel preparation method under its own patent exclusively to HN. Besuto 12 Hand Cleansing Gel is a non-alcohol sanitizer gel with thin film forming technology supported by the Innovation and Technology Assistance Program (ITAP), National Science and Technology Development Agency (NSTDA), a part of Fast Track: Medicine and Medical Device Fight COVID-19). The product has currently passed the COVID-19 disinfection test by the Faculty of Tropical Medicine, Mahidol University. In addition, it won a Silver Medal for the Invention Innovation Entitled: BESUTO-12, Non-alcohol hand sanitizer gel with thin film forming technology. and Canadian Special Awards from The 5th International Invention Innovation Competition in Canada <ICAN 2020> held on August 29th. 2020 in Toronto, Canada.



★ Prime Boost Plus efficiently nourishes the brain. Its primary ingredient is green tea, which helps reduce inflammation, helps prevent cancer, and is a natural antioxidant that helps with cell damage and helps stimulate blood circulation in the brain. Improving blood circulation is important as it helps transport oxygen to every cell of the brain. In addition, it also contains other helpful ingredients such as ginkgo and yamabushitake. Our product is carefully developed and tested, which as a result, we were able to get the most suitable formula. Our product was approved by Thai FDA and awarded the Gold Medal at 2021 Japan Design, Idea & Invention Expo, August 18-20th, 2021.

Message from the Chairman of the Board of Directors

The third year of the COVID-19 pandemic leading to public health issues that affects quality of life and global economy together with the ongoing crisis situations and unrest in Europe caused severely effects to the world and make difficulties to people's lives.

However, Healthlead has shown a strong commitment and determination in the pharmaceutical and healthcare business practices pursuance to the founder's aspirations, **"To see community pharmacists become the most accessible and reliable professional health service to the people in their community, to be neighborhood drugstores where patients can seek professional advice before going to hospital"** that bring positive outcomes and to gracefully going public in December 2021.

For the performance of Healthlead in 2021, the Group had Baht 1,198.76 million of total revenue raised by 12.66% from 2020. The major sources of revenues came from sales of medicines and dietary supplements, representing 68.66% of total revenue, followed by sales of medical equipment and home healthcare, representing 17.97% of total revenue, respectively. The highest growth product segments are medical equipment and home healthcare with 27.26% growth rate and medical food with 21.62% growth rate particularly resulting from the outbreak of the Coronavirus 2019, stepping in to aged society of the country, as well as the home self-care of elderly in extended-families -living-together culture, increase the demands for medical food, medical equipment and supplies for home use The overall robust business performance of the Group under crisis situations reflexes the genuine concerns and solid understandings in demand and necessities of consumers in the communities.

The Group always adheres to the sustainable business practices and takes on great importance to the implementation of Good Pharmacy Practice (GPP) by performing the pharmacy business according to the Community Pharmacy Practices by having full-time pharmacists available on site during business hours, promoting and educating appropriate use of medicines to the communities, together with employing efficient warehouse management to minimize inventory waste and adopting the proper and safe process of medical waste disposal guidelines with fully awareness of environment concern. In order to become a business leader and be recognized by stakeholders, all directors, executives and employees require to apply the principles of good corporate governance as guidelines in business operations to create loyalty, honesty, responsibility and business standards.

Our accomplishments in 2021 are proofs of our hard work, commitment to effectiveness based on good corporate governance of all employees and executives. On behalf of the Board of Directors, I would like to express my deepest gratitude to all employees, executives, business partners, consultants and stakeholders, and the shareholders to have trusts, confidences, faith and always supportive in our company. Please continue giving us your supports to encourage us to perform our duties with transparency and create sustainable growth.



Assist. Prof. Aphirudee Hemachudha, B.Sc.Pharm.
Chairman of the Board of Directors

Audit Committee Report

In 2021, the Audit Committee of the company consists of 3 qualified independent directors, namely Ms. Ampaivan Limprapassorn as the Chairman of the Audit Committee, Mrs. Marayart Teeratomorn and Mr. Thanasak Kulrattanarak as members of the Audit Committee. The principal duties and responsibilities of the Audit Committee are overseeing and reviewing the Company's financial reports to be in compliance with accounting standards with accuracy and adequacy disclosure, evaluating internal control system, risk assessment and risk control in compliance with relevant regulations and law, and supervision on potential conflict of interest in case of related transactions.

In 2021, the Audit Committee convened a total of 5 meetings to perform its duties as summarized below:

1. Recommended the appointment of A.M.T Associate Company Limited ("AMT") as the Company's external auditor and its audit fee to propose to the Board of Directors and the shareholders' meeting for further approval. The Audit Committee was of an opinion that AMT is a qualified auditor due to its quality of skills, knowledge, and independency.

2. Reviewed the Company's both separated and consolidated financial statement to propose to the Board of Directors. The Audit Committee also discussed with auditor and management and was of an opinion that the financial statements were prepared in accordance with the accounting standards and disclosed important information accurately and completely.

3. Reviewed related transactions and the disclosure of such transactions to be complied with the requirements and applicable laws and regulations.

4. Reviewed annual internal audit plan and internal control system which are parts of the Group's management policy by adopting the Risk Based Internal Audit Plans and approved Internal Control Policy to meet international standards.

5. Appointed P&L Internal Audit Company Limited as the outsourced internal auditor by considering the qualifications, knowledge, and skills of the person who conducts internal audit work readiness and sufficiency of resources as well as experiences, knowledge, competency, and independency of the team in order to perform the internal audit work on each work process of the company and its subsidiaries in accordance with the Internal Control System Sufficiency Evaluation Guideline.

6. Reviewed and discussed the Internal Audit Report prepared by external internal auditor appointed by the Audit Committee. The Internal Auditor performed its internal audit work according to the prioritization of risk assessment. Summary of each internal audit work especially on good governance, compliance with relevant laws, regulations and policies as well as sufficiency and efficiency of risk assessment and risk management will be proposed to the Board of Directors and the management by the Audit Committee.

7. Reviewed and revised the Charter of the Audit Committee ensure that the charter aligns with the rules, and regulations in accordance with the changing circumstances.

8. Reviewed and evaluated the adequacy of the Company's internal control system. The Audit Committee is of the opinion that the Group has an appropriate, efficient, and sufficient internal control system to be able to effectively manage operational risk according to the Group's strategy and policy.

9. Held a meeting with auditor to discuss issues or limitation on audit scope and approach. The auditor made no remark and did not find any indications of suspicious incidents.

The Audit Committee has performed their duties fully according to the Charter assigned by the Board of Directors with care and conceivable effort to ensure the benefit to shareholders and stakeholders of the company.

Ms. Ampaivan Limprapassorn
Chairman of the Audit Committee

Risk Working Group Report

The Board of Directors takes on particular importance on risk management thus appointed the risk working group comprises of the following members:

1. **Mr. Thatchaphon Chonwattanasakul**
   Chief Executive Officer

2. **Mrs. Araya Tantanasin**
   Chief Finance Officer

3. **Mr. Supakorn Bhandhukanonda**
   Chief Operating Officer

4. **Mr. Ponnathuch Thongsukmak**
   Operations Director

5. **Ms. Bussakorn Ampunkhao**
   Human Resource Director

In 2021, the risk working group focused on strengthening the effectiveness and efficiency of risk management from an operational perspective by adopting the evaluation of operational risk, information technology risk, fraud risk, and corruption risk. The risk monitoring process and tools were defined to further support risk-based-decision-making and applicable for effective risk management.

The risk working group held total of 3 meeting in 2021 to review and establish risk management framework both financial and non-financial aspects throughout the organization as follows:

1. Human resource risk management ;
2. Information technology risk management ;
3. Warehouse risk management ;
4. General administration and procurement risk management ;
5. Accounting and finance risk management and
6. Other business risk management such as competitions, economic, changes in related laws and regulations and changes in related government policies.

The risk working group strongly believed that the Company's risk management system is efficient in accordance with the internal control system and good governance practice.

Mr. Thatchaphon Chonwattanasakul
Chairman of the risk working group

Information of the Board of Directors and Management



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1

Assist. Prof. Aphirudee Hemachudha, B.Sc.Pharm.
Chairman of the Board of Directors
and Independent Director

2

Ms. Ampaivan Limprapassorn
Chairman of the Audit Committee
and Independent Director

3

Mrs. Marayart Teeratomorn
Member of the Audit Committee
and Independent Director

4

Mr. Thanasak Kulrattanarak
Member of the Audit Committee
and Independent Director

5

Mrs. Mataya Bhandhukanonda, B.Sc.Pharm.
Member of the Board of Directors
and President of Executive Board
(Authorized Director)

6

Pol. Capt. Thatchaphon Chonwattanasakul, B.Sc.Pharm.
Member of the Board of Directors,
Chief Executive Officer,
Acting Chief Business Development Officer,
and Acting IT Director
(Authorized Director)

7

Mr. Supakorn Bhandhukanonda, B.Sc.Pharm.
Member of the Board of Directors
and Chief Operating Officer
(Authorized Director)

8

Mrs. Araya Tantanasin
Chief Financial Officer
and Company Secretary



9



10



11



12



13

9

Ms. Jariya Kwanjareon
Accounting Director

10

Ms. Tatim Prakitnonthakarn
Finance Director

11

Ms. Bussakorn Amphankao
Human Resource Director

12

Mr. Ponnathuch Tongsukmak, B.Sc.Pharm.
Operations Director

13

Ms. Pattarawan Siripongvilai, B.Sc.Pharm.
Marketing and Sales Promotion Director

Assist. Prof. Aphirudee Hemachudha, B.Sc.Pharm.

Chairman of the Board of Directors and Independent Director

Age 65 years

Percentage of shareholding in the company (31/12/2021)*

0.06

Family Relationship with Management

-

Educational Quali ications

- Master of Pharmacy Temple University
- Bachelor of Pharmaceutical Sciences Chulalongkorn University
- Director Accreditation Program (DAP) Class 170/2020

Work experience in the past 5 years

Apr 2020 – Present

Chairman of the Board of Directors and Independent Director Healthlead PCL

Dec 2018 – Apr 2020

Chairman of the Audit Committee and Independent Director Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

Feb 2014 – Present

Director Coco Nilla Co., Ltd.

Business type

Medicines, pharmaceuticals, chemicals, medical devices and equipment (clinical neutral system nutrition supplements)

Ms. Ampaivan Limprapassorn

Chairman of the Audit Committee and Independent Director

Age 63 years

Percentage of shareholding in the company (31/12/2021)*

0.06

Family Relationship with Management

-

Educational Qualifications

- Barrister at Law Institution of Legal Education of the Thai Bar Association
- Bachelor of Laws Ramkhamhaeng University
- Director Accreditation Program (DAP) Class 172/2020

Work experience in the past 5 years

Apr 2020 – Present

Chairman of the Audit Committee and Independent Director Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

2017 - 2019

Senior Director of Legal Affairs and Legal Administration United Overseas Bank

Business type

Commercial Bank

Mrs. Marayart Teeratomorn

Member of the Audit Committee and Independent Director

Age 52 years

Percentage of shareholding in the company (31/12/2021)*

0.06

Family Relationship with Management

-

Educational Qualifications

- Bachelor of Business Administration Faculty of Commerce and Accountancy Accounting major Chulalongkorn University
- Director Accreditation Program (DAP) Class 172/2020
- Certified Public Accountant Registration No. 4983

Work experience in the past 5 years

Apr 2020 – Present

Member of the Audit Committee and Independent Director Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

2005 – Present

Chief Operating Officer NT Asset (Thailand) Co., Ltd.

Business type

Operational, business and industrial consultancy service.

Mr. Thanasak Kulrattanarak

Member of the Audit Committee and Independent Director

Age 48 years

Percentage of shareholding in the company (31/12/2021)*

0.06

Family Relationship with Management

-

Educational Qualifications

- Master of Business Administration, Wichita State University
- Bachelor of Science - Applied Statistics, King Mongkut's Institute of Technology Ladkrabang
- Director Accreditation Program (DAP) Class 172/2020

Work experience in the past 5 years

Apr 2020 – Present

Member of the Audit Committee and Independent Director Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

2003 – Present

Business-development Director Coffee Concept Retail Co., Ltd.

Business type

Distribution of tea, coffee, food and beverages, pastries, cookies and other consumer products, importation of coffee shop equipment for domestic distribution.

Mrs. Mataya Bhandhukanonda, B.Sc.Pharm.

Member of the Board of Directors and President of Executive Board (Authorized Director)

Age 63 years

Percentage of shareholding in the company (31/12/2021)*

43.15

Family Relationship with Management

Mother of Mr. Supakorn Bhandhukanona, B.Sc.Pharm

Educational Qualifications

- Master of Pharmaceutical Sciences Chulalongkorn University
- Bachelor of Pharmaceutical Sciences Chulalongkorn University
- Director Accreditation Program (DAP) Class 170/2020

Work experience in the past 5 years

Dec 2018 – Present

Member of the Board of Directors and President of Executive Board Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

2009 – Present

Director Icare Health Co., Ltd.

Business type

Pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products

Dec 2018 – Present

Director Healthiness Co., Ltd.

Business type

Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

Oct 2018 – Present

Director Siriravee Co., Ltd.

Business type

Space rental and room rental business

Apr 2005 – Sept 2021

Director Pharmacy Network Co., Ltd.

Business type

Distribution of medical supplies, energizing supplements, dietary supplements (dissolution on Sept 7, 2021 and liquidation completed on Oct 12, 2021)

Jul 2019 – Jul 2021

Director Im Oun Food and Service Co., Ltd.

Business type

Food service for restaurants

Pol. Capt. Thatchaphon Chonwattanasakul, B.Sc.Pharm.

Member of the Board of Directors, Chief Executive Officer,

Acting Chief Business Development Officer, and Acting IT Director (Authorized Director)

Age 44 years

Percentage of shareholding in the company (31/12/2021)*

1.76

Family Relationship with Management

-

Educational Qualifications

- Master of Business Administration National Institute of Development Administration
- Bachelor of Pharmaceutical Sciences Chulalongkorn University
- Director Accreditation Program (DAP) Class 170/2020

Work experience in the past 5 years

Dec 2018 – Present

Member of the Board of Directors, Chief Executive Officer, Acting Chief Business Development Officer, and Acting IT Director Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

Mar 2015 – Jun 2018

Director Pharmax Retail Co., Ltd. (Currently, Healthiness Co., Ltd.)

Business type

Pharmacies business, distribution of pharmaceuticals, cosmetic products, dietary supplements, medical devices and various healthcare products

Mr. Supakorn Bhandhukanonda, B.Sc.Pharm.

Member of the Board of Directors and Chief Operating Officer (Authorized Director)

Age 34 years

Percentage of shareholding in the company (31/12/2021)*

24.27

Family Relationship with Management

Son of Mrs. Mataya Bhandhukanonda, B.Sc.Pharm.

Educational Qualifications

- Bachelor of Pharmacy Mahidol University
- Director Accreditation Program (DAP) Class 172/2020

Work experience in the past 5 years

Dec 2018 – Present

Member of the Board of Directors and Chief Operating Officer Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

2011 – Present

Director and Chief Operating Officer Icare Health Co., Ltd.

Business type

Pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products.

Dec 2018 – Present

Director Healthiness Co., Ltd.

Business type

Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

Oct 2018 – Present

Director Siriravee Co., Ltd.

Business type

Space rental and room rental business

Feb 2011 – Present

Director Lifix Co., Ltd.

Business type

Distribution of medicine and medical devices (dormant company and in the process of dissolution)

Jul 2019 – Jul 2021

Director Im Oun Food and Service Co., Ltd.

Business type

Food service for restaurants

Mrs. Araya Tantanasin

Chief Financial Officer and Company Secretary

Age 51 years

Percentage of shareholding in the company (31/12/2021)*

0.16

Family Relationship with Management

-

Educational Qualifications

- Master of Business Administration Cleveland State University
- Bachelor of Business and Administration Chulalongkorn University
- E-learning CFO's Refreshment Course (English Version) (June 2021)
- e-learning CFO's Orientation Course (English Version) (Dec 2020)
- Company Secretary Program (CSP) Class 109/2563
- CFO Focus on Financial Reporting Class 7/2561

Work experience in the past 5 years

Jan 2019 – Present

Chief Financial Officer and Company Secretary Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

Jan 2019 – Present

Chief Financial Officer Icare Health Co., Ltd.

Business type

Pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products.

Jan 2019 – Present

Chief Financial Officer Healthiness Co., Ltd.

Business type

Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business

Jan 2016 – Dec 2018

Chief Financial Officer Pakinpawat Digital Co., Ltd.

Business type

Wholesale of cosmetic products.

Jan 2011 – Dec 2015

Accounting and Finance Manager Pakinpawat Co., Ltd.

Business type

Distribution of medicine and medical devices, space rental, retail and wholesale business.

Ms. Jariya Kwanjareon

Accounting Director

Age 43 years

Percentage of shareholding in the company (31/12/2021)*

0.004

Family Relationship with Management

-

Educational Qualifications

- Bachelor of Accountancy Bangkok University

Work experience in the past 5 years

Jun 2020 – Present

Accounting Director Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

Jun 2020 – Present

Accounting Director Icare Health Co., Ltd.

Business type

Pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products.

Jun 2020 – Present

Accounting Director Healthiness Co., Ltd.

Business type

Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

2017 – 2019

Accounting Manager B-52 Capital PCL

Business type

1) Distribution of consumer products by integrating Consumer Products Distribution Network across the country.
2) E-commerce business, including e-platform service named 'abcpoint' and e-Payment collection service through WeChat Pay and Alipay and
3) Real estate business

2011 – 2017

Accounting Manager TGD Automatic Doors Co., Ltd.

Business type

Manufacturer of windows and doors, frames of windows and doors, main doors and other related products.

Ms. Tatim Prakitnonthakarn

Finance Director

Age 50 years

Percentage of shareholding in the company (31/12/2021)*

-

Family Relationship with Management

-

Educational Qualifications

- Bachelor of Business Administration Ramkhamhaeng University

Work experience in the past 5 years

Oct 2019 – Present

Finance Director Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

2011 – Present

Finance Director Icare Health Co., Ltd.

Business type

Pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products

Oct 2019 – Present

Finance Director Healthiness Co., Ltd.

Business type

Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business

Ms. Bussakorn Amphankao

Human Resource Director

Age 50 years

Percentage of shareholding in the company (31/12/2021)*

-

Family Relationship with Management

-

Educational Qualifications

- Bachelor of Political Science Ramkhamhaeng University

Work experience in the past 5 years

Jan 2019 – Present

Human Resource Director Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

Jan 2019 – Present

Human Resource Director Icare Health Co., Ltd.

Business type

Pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products

Jan 2019 – Present

Human Resources Development Director Healthiness Co., Ltd.

Business type

Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business

Sept 2017 – Dec 2018

Human Resources Manager PKPW Asset Group (Thailand) Co., Ltd.

Business type

Holding company

Apr 2014 – Aug 2017

Human Resources Manager SGT Service (Thailand) Co., Ltd.

Business type

Wholesale of fertilizers and agricultural chemicals.

Mr. Ponnathuch Tongsukmak, B.Sc.Pharm.

Operations Director

Age 34 years

Percentage of shareholding in the company (31/12/2021)*

0.02

Family Relationship with Management

-

Educational Qualifications

- Bachelor of Pharmacy Mahidol University

Work experience in the past 5 years

Oct 2019 – Present

Operations Director Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

Jan 2010 – Present

Operations Director Icare Health Co., Ltd.

Business type

Pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products.

Ms. Pattarawan Siripongvilai, B.Sc.Pharm.

Marketing and Sales Promotion Director

Age 44 years

Percentage of shareholding in the company (31/12/2021)*

0.01

Family Relationship with Management

-

Educational Qualifications

- Master of Business Administration National Institute of Development Administration
- Bachelor of Pharmaceutical Sciences Chulalongkorn University

Work experience in the past 5 years

Oct 2019 – Present

Marketing and Sales Promotion Director Healthlead PCL

Business type

Holding company investing in pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and healthcare products and Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business.

Major Changes and Developments

Mrs. Mataya Bhandhukanonda, B.Sc.Pharm., a professor of Faculty of Pharnaceutical Sciences, Chulalongkorn University, the founder of the Group, aspired to see community pharmacists become the most accessible and reliable healthcare professionals to the people in their community, to be neighborhood retail pharmacy where patients can seek professional advice before going to hospital.

1993

From working experiences with "OSOTSALA PHARMACY", a prototype community pharmacy operated by the Faculty of Pharmaceutical Sciences, Chulalongkorn University together with experiences from working as a pharmacist in leading private hospital and medical sale representatives in foreign pharmaceutical companies with solid knowledge of pharmacy management, the first pharmacy of the Group was established in 1993. All of the retail pharmacy have not only being operated under Community Pharmacy Practice but also promoting the appropriate use of medicines which consequently have gained 2nd generation Qualified Pharmacy Accreditation from the Pharmacy Council of Thailand.

2007

Healthiness Company Limited ("HN"), formerly named Pharmax Retail Co., Ltd. founded on January 16, 2013 with an initial registered capital of Baht 5 million, has carried out the pharmacy business under the name of "Pharmax". Pharmax first store was opened in 2007 on Pradit Manutham Road as a retailed medicine center with wholesale price offers selections of quality products. Pharmax has been recognized by education institutions to be the site for supervised practical application of pharmaceutical science students since 2010. The number of Pharmax's branches has been growing over time. As of December 21, 2021, the total number of Pharmax's branches was 11.

2009

Subsequently, on January 15, 2009, Icare Health Company Limited ("IC") was established with initial registered capital of Baht 5 million which subsequently changing its name to "iCare". The continued expansion of its branches and the diversification of its brands to "vitaminclub" and "Super Drug" leads to the total of 26 branches as of December 31, 2021.

2018

In pursuance of increasing competitiveness both in terms of increasing the number of branches across Bangkok area and increasing bargaining power over the suppliers, as well as increasing efficiency and eliminating unnecessary redundancy, the reorganization of the whole group has been carried out by establishing Healthlead Public Company Limited (the "Group" or "HL") on December 28, 2018 as a holding company and put IC and HN under its umbrella, piling up all pharmacy chains, "iCare", "Pharmax", "vitaminclub", and "Super Drug", to be under IC and having HN to engage in invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations business, "PRIME" and "Besuto".

2020

The Extraordinary General Meeting of Shareholders No. 1/2020 held on December 1, 2020 resolved to approve the change of the Company's share par value from Baht 10 to Baht 0.50 per share resulting in total issued and paid-up shares of 160 million shares and Bath 56 million of capital increase from Bath 80 million to Baht 136 million by issuance of 122 million new shares at par value of Baht 0.50 per share, with details of the allocation as follows:

- 40 million newly issued ordinary shares completely offered to the existing shareholders under rights offering resulting in Baht 100 million of total paid-up capital.
- 64.80 million newly issued ordinary shares for public offering;
- 7.20 million newly issued ordinary shares for sale to directors, executives and employees of the company and its subsidiaries at the same price of those of the public offering.

2021

Upon the initial public offering (IPO) for the total of 72,000,000 shares at par value of 0.50 Baht per share with an offering price of Baht 9.80 per share on November 25-26 and 29, 2021, the Group raised total of Baht 705.60 million.

Utilization of the IPO Proceed

Reference to the company issued and offered the newly issued ordinary shares under Rights Offering during November 25-26 and 29, 2021, in the amount of 72,000,000 shares at the par value of Baht 0.50 per share with the offering price of Baht 9.80 per share, the total fund increase was Baht 705.60 million. The net proceeds after related expenses to the company from the IPO is Baht 679.26 million will be utilized for the following purposes as shown in the registration statement for the offering of securities:

01

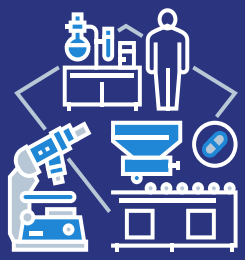
Purposes
Branches expansion and renovation
Projected amount
60.00 Baht: million
Estimated Utilizing Period
By 2024

02

Purposes
Working capital
Projected amount
619.26 Baht: million
Estimated Utilizing Period
By 2024

However, the raised proceed from IPO has not been used as of December 31, 2021.

Part 2

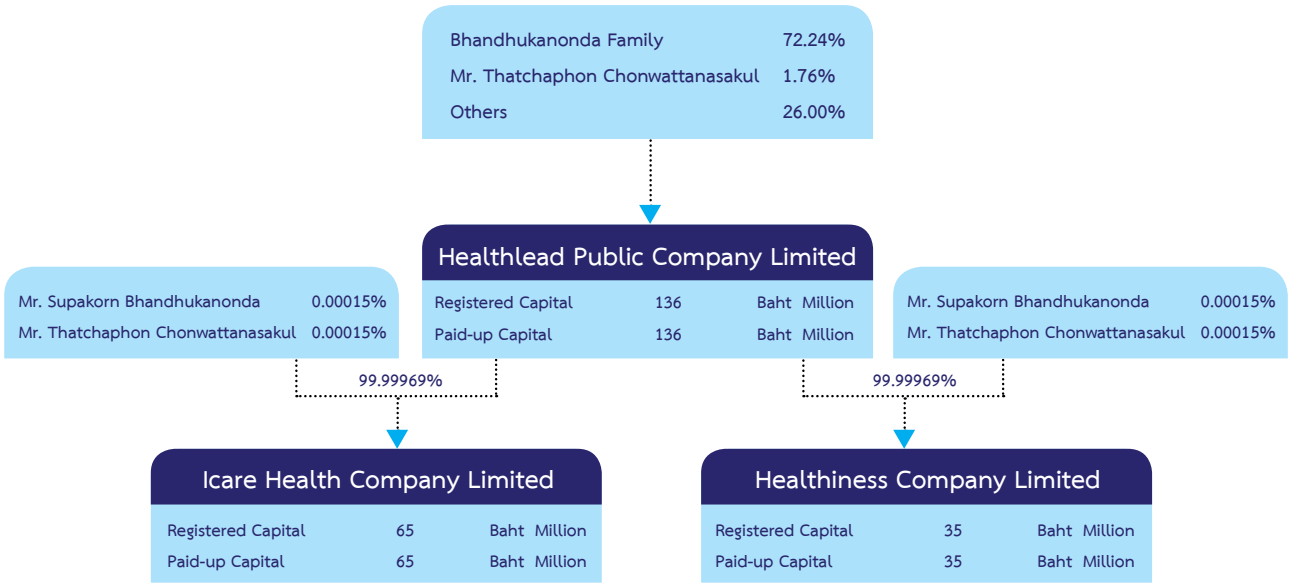


Our Business

Our Business

1. Healthlead's Shareholding Structure

As of December 31, 2021, the company has Baht 136 million of the registered capital and Baht 136 million of the issued and paid-up capital, divided into 272 million ordinary shares at the par value of Baht 0.50 per share. The Group's shareholding structures are as follows:





Healthlead Group's Investment Structure

As of December 31, 2021

Company	Registration No.	Business Sector	Currency	Registered and Paid-up Capital			Holding Detail		
				Number of Shares	Par Value	Amount	Number of Shares	% Holding	Amount
1. Icare Health Co., Ltd. 37, 39 Soi Siri Kasem 7, Bang Phai, Bang Khae, Bangkok 10160	0 1055 52004 70 1	Pharmacy business, drugstores, distribution of medical supplies, cosmeceuticals, dietary supplements, medical equipment, and health products	Baht	650,000	100.00	65,000,000	649,998	99.99%	64,999,800
2. Healthiness Co., Ltd. 37 Soi Siri Kasem 7, Bang Phai, Bang Khae, Bangkok 10160	0 1055 56008 88 3	Invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute innovative healthcare products.	Baht	350,000	100.00	35,000,000	349,998	99.99%	34,999,800

1.1 The Company's Shareholders' Structure

The Company's shareholders' structure as of December 31, 2021 are as follows:

Shareholder s' Names	Number of Shares	%
1. Mrs. Mataya Bhandhukanonda	117,375,000	43.15%
2. Mr. Supakorn Bhandhukanonda	66,008,800	24.27%
3. Mr. Thanyakorn Bhandhukanonda	13,104,900	4.82%
4. Mr. Thatchaphon Chonwattanasakul	4,800,000	1.76%
5. Mr. Somphop Tingthanathikul	3,500,000	1.29%
6. Mr. Sutee Luckansutin	2,911,000	1.07%
7. Mr. Sumate Manosuthi	2,562,600	0.94%
8. Mr. Peeranat Chokwatana	2,441,000	0.90%
9. Mr. Kobpong Phrompanya	2,015,000	0.74%
10. Mr. Narit Jirawongprapha	2,000,000	0.74%
The top 10 shareholders	**216,718,300**	**79.68%**

1.2 Icare Health's Shareholders' Structure

Icare Health's shareholders' structure as of December 31, 2021, are as follows:

Shareholder s' Names	Number of Shares	%
1. Healthlead PCL.	649,998	100.00
2. Mr. Supakorn Bhandhukanonda	1	0.00
3. Mr. Thatchaphon Chonwattanasakul	1	0.00
Total	**650,000**	**100.00**

1.3 Healthiness's Shareholders' Structure

Healthiness's shareholders' structure as of December 31, 2021, are as follows:

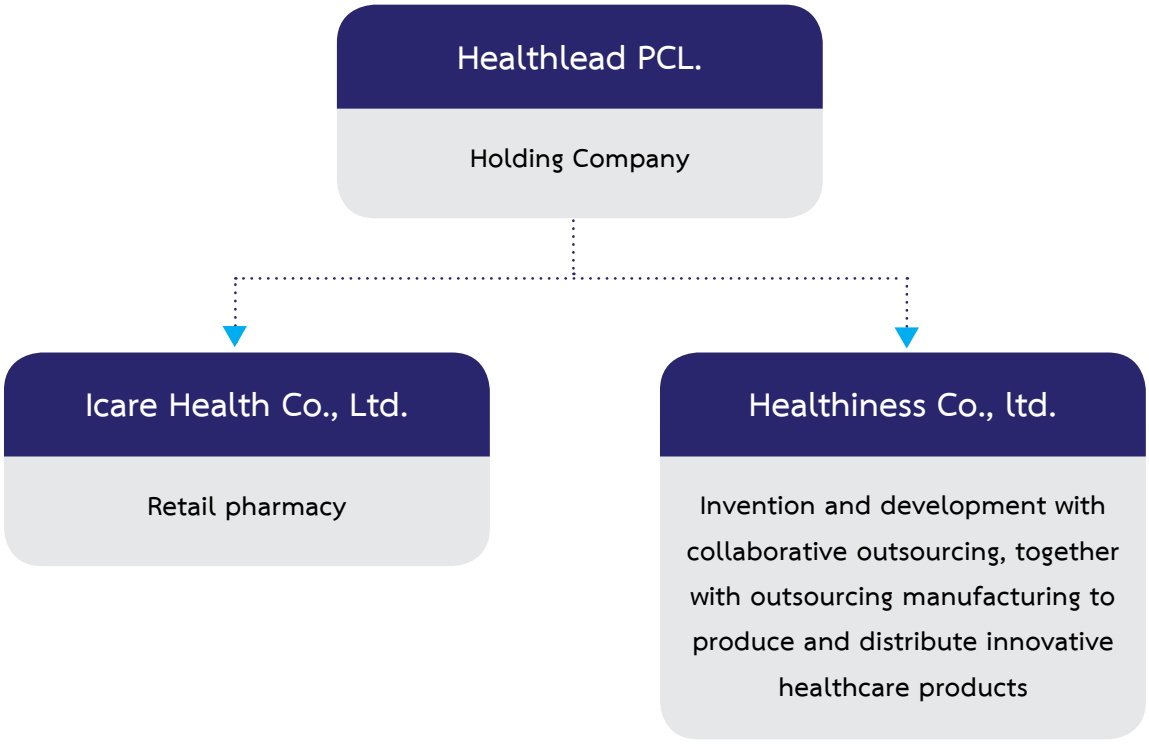
Shareholder s' Names	Number of Shares	%
1. Healthlead PCL.	349,998	100.00
2. Mr. Supakorn Bhandhukanonda	1	0.00
3. Mr. Thatchaphon Chonwattanasakul	1	0.00
Total	**350,000**	**100.00**

1.4 Company Profile

Name	:	บริษัท เฮลท์ลีด จำกัด (มหาชน)
Name (Eng)	:	Healthlead Public Company Limited
Business Sector	:	Healthlead is a holding company that invests in other companies, which currently involves in pharmacy business offering wide range of medicines and dietary supplements, medical equipment and home healthcare, personal healthcare, and medical food and invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute innovative healthcare products such as dietary supplements, disinfectant products, deodorizing products and mask products, etc.
Head Office	:	37 Soi Siri Kasem 7, Bang Phai, Bang Khae, Bangkok 10160
Registration No.	:	0107563000347
Telephone	:	02-118-0884
Website	:	www.healthleadgroup.com
Registered Capital	:	Baht 136,000,000
Paid-up Capital	:	Baht 136,000,000

2. Nature of Business

Healthlead is a holding company, emphasizing in businesses that bring knowledges and healthcare products to communities and around the world. The company currently invests in 2 major business units as follows:



2.1 Pharmacy Business Unit

Healthlead acquires 100.00% shares of Icare Health Co., Ltd. (“IC”), the retail pharmacy under 4 brands namely: “iCare” “Pharmax” “vitaminclub” and “Super Drug” offering over 10,000 items of medicines, medical supplies, cosmeceuticals, dietary supplements, medical equipment, and various healthcare products.

Each brand offers different product lines and price range depending on the targeted customers, of which details are shown below:

Market Positioning :

Community retail pharmacy

Location :

Near local market, marketplace, and residential area in Bangkok

Retail Space :

100-300 square meters

Products Offered :

4 product categories: Professional healthcare (medicine and dietary supplements), medical equipment and home healthcare, personal healthcare, and medical food

No. of Branches :

10 Branches



Market Positioning :

Professional retail pharmacy in Bangkok business district

Location :

Community Mall

Retail Space :

100 - 200 square meters

Products Offered :

4 product categories: Professional healthcare (medicine and dietary supplements), medical equipment and home healthcare, personal healthcare, and medical food

No. of Branches :

12 Branches



vitaminclub

Market Positioning :

Lifestyle retail pharmacy for health-conscious customers

Location :

Shopping Malls

Retail Space :

50-100 square meters

Products Offered :

4 product categories but emphasize on dietary supplements and personal healthcare products

No. of Branches :

3 Branches

Super Drug

Market Positioning :

Large retail pharmacy offering full range of products at competitive price

Location :

Siriraj Hospital Area (one of the leading medical schools in Thailand)

Retail Space :

240 Square Meters

Products Offered :

4 product categories but offered displays of full range of large medical equipment and home healthcare furniture such as patient beds, patient bed side tables, shower chair, wheelchairs etc.

No. of Branches :

1 Branch





However, IC plans to expand its branch network throughout Bangkok Metropolitan and its vicinities with the distance more than 3 km from each branch. The brand and location will be considered mainly from the targeted consumers in that area.

In order to enhance its market penetration, IC currently increases its sales through online platforms.

The detail of products offered in each brand can be divided into 4 categories as follows:

Category	Description	Samples
1. Medicines and dietary supplements (Professional Healthcare)	The main products offered in every branch. Most of the products are drugs consisting of Over-the-Counter and controlled drugs, used for acute, chronic and subacute treatment along with dietary supplements and herbal products for maintaining and improving health conditions and preventive care.	
2. Medical equipment and home healthcare	Medical equipment and supplies, and home healthcare such as walking sticks, walkers, medical masks, thermometers, and blood pressure monitors etc.	
3. Personal Healthcare	Consisting of healthcare and hygiene consumer products for external use such as cosmeceuticals, body and skin care products, oral products and others used for healthful condition of the users or remedy or prevention of illnesses, for example scalp reviving shampoos and skin nourishing soap etc.	
4. Medical Food	Medical foods and drinks that are specially formulated such as baby formula, elderly formula, small-bottled drinking water etc.	

Business Strategies

(1) Sale Promotion

IC employs Push & Pull Strategy as a marketing strategy for sale promotion. The details are as follows:

- Push Strategy refers to a strategy in which IC attempts to push its products onto consumers to drive sale. IC has employed it through sale promotion activities, distribution channels, point-of-sale displays, advertising signs on shelves, as well as building motivation on sale teams.
- Pull Strategy is a technique used to bring the customers to the company in various ways. IC has employed this strategy by using online media to help advertising its brands and trade shows to establish IC's brand awareness in customers' minds.

In addition, IC has also organized training courses for organizations how to use pharmaceutical goods and medical supplies to drive IC's brand awareness.

(2) Distribution Channels and Target Customers

IC's target customers are

1) retail to individuals that need for medicines, medical supplies, dietary supplements, medical equipment, household items, healthcare products for external use and consumer products;

2) wholesale directly to organizations that need to buy medicines for their on-site medical service and to the drug stores to be retailed. The distribution channels are divided into 2 channels with respect to group of customers as follows:

1. Distribution Through Branches

The retail outlets in which serving individual customers through its 4 brands: "iCare" "Pharmax" "vitaminclub" and "Super Drug" considered mainly on the locations of the stores. The branch location must be selected only at Prime Location, focused principally on residential area or business district in Bangkok with high customer traffic. The selected location is always at the front or the center part of the shopping complex with ample parking space. Each store has to have space big enough to store full range of products to meet customers' demands. All the 4-brand branches will be spread throughout the Bangkok Metropolitan and its vicinities surrounding community like marketplace, shopping center and department stores. The selection factor of each brand depends basically upon customer's lifestyle in each location.

Moreover, IC also increases its distribution channels for dietary supplements, cosmeceuticals, and healthcare products through online platform such as Shopee, Lazada etc.,

2. Wholesale Distribution or Business to Business Model (B2B)

IC also wholesales its products directly to organizations who carry on-site medical service, as well as to the drug stores to be retailed.

Proportion of IC's revenue from each distribution channels for the years 2019 – 2021 are as follows:

Channel	2021		2020		2018	
	Baht: million	%	Baht: million	%	Baht: million	%
Distribution through retailer branches	1,187.90	99.09	1,050.94	98.77	876.7	96.74
Distribution through head office	9.39	0.91	13.06	1.23	29.52	3.26
Total	**1,197.30**	**100.00**	**1,064.00**	**100.00**	**906.22**	**100.00**

Note : The above revenues are exclusive of inter-company transactions. The inter-company transactions in 2019 were Baht 210.81 million.

(3) Branch Management

The management of all 26 branches (as of December 31, 2021) of IC is an important factor of group business operation. The issuance of policies and procedures through operating manuals and guidelines compliance with internal control principles and cover all significant operation procedures help enhance the efficiency of branch management within the same standard practices from operational level through management level in order to serve the customers' needs and deliver quality services.

In order to capture the attention of our customers, every branch will design its displays by categories with brochures or handouts about the products on display. Each branch will have a full-time pharmacists on-duty available to counsel customers about the drug selection and usage in accordance with the standards for Pharmacy Service and Good Pharmacy Practices (GPP).

Aiming to serve customers' needs and draw customers' satisfaction effectively, IC has full-time pharmacists on-sites in every branch providing care for customer health issues by checking customers' medication background, dispensing of prescription and counselling customers in health promotion as well as referral customers with severe symptoms to medical service facilities.

With regard to inventory management of IC's branches, IC demands all branches to do the inventory counting regularly in order to ensuring the correctness and keeping inventory data up-to-date. The physical count compared with the data in the system must be carried out by the Pharmacists and branch staff in regular basis, including evaluating the optimum inventory level in stock for sale. IC requires all branches to have adequate quantity of an item held in the inventory to reduce the risk that the item will be out of stock (Safety Stock). In addition, branch staff must be screened before leaving the stores and CCTV cameras monitoring periodically in order to prevent theft. With respect to cash management of IC's branches, every branch is required to balance the cash register daily and keep cash balance check routinely.

IC branches have to carry out the cycle inventory count (monthly, mid-year and year-end) as well as the warehouse itself. For annual counting, the accounting department will randomly jointly do the physical counting at the warehouse and random branches with branch staff. For quarterly counting, the Operation Auditor Team from headquarter will randomly do the physical counting at every branch.

(4) Pricing Policy

The pricing policy is a Cost-Plus Pricing in which considered based on appropriate gross margin that is varied by product, and the competitive market price.

(5) Procurement of Products and Services

The product procurement channels of IC can be summarized as follows:

1. Procurement from outside the group of companies

Most of IC products are from manufacturers or distributors outside the group of companies. IC directly orders from manufactures and through distributors authorized by manufacturers. Major manufacturers or distributors of each product group are as follows:

Product Type	Large Manufacturer or Distributor	Some Product Owners
Professional Healthcare	DKSH (Thailand) Co., Ltd.	- Meda Pharma (Thailand) Co., Ltd. - Johnson & Johnson (Thailand) Ltd. - Sanofi – Aventis (Thailand) Co., Ltd. - Blackmores Co., Ltd. - Takeda (Thailand) Ltd.
	Zuellig Pharma Co., Ltd.	- Abbott Laboratories Co., Ltd. - GlaxoSmithKline (Thailand) Ltd. - Novartis (Thailand) Ltd. - Boehringer Ingelheim (Thai) Ltd. - Pfizer (Thailand) Ltd.
	Berlin Pharmaceutical Industry Co., Ltd.	
	TRB Chemedica (Thailand) Ltd.	
	Ouay Un Osoth Co. Ltd.	
	Government Pharmaceutical Organization	
Home Healthcare	DKSH (Thailand) Co., Ltd.	- Mundipharma (Thailand) Ltd. - Roche Diagnostics (Thailand) Ltd. - 3M Thailand Co., Ltd. - DSG International (Thailand) Public Co., Ltd.
	Zuellig Pharma Co., Ltd.	- Thai Adhesive Tape Industry Co., Ltd. - Novo Nordisk Pharma (Thailand) Ltd.
	A.N.B Laboratories Co., Ltd.	
	Thai Gross Co., Ltd.	
	Textile Prestige PCL.	

Product Type	Large Manufacturer or Distributor	Some Product Owners
Personal Healthcare	DKSH (Thailand) Co., Ltd.	- Meiersdof (Thailand) Co., Ltd. - LoreaL (Thailand) Co., Ltd. - LG Household & Health Care (Thailand) Co., Ltd. - Siam Health Group Co., Ltd.
	Zuellig Pharma Co., Ltd.	- Galderma (Thailand) Ltd. - GlaxoSmithKline (Thailand) Ltd. - Rohto-Mentholatum (Thailand) Co., Ltd.
Medical Food	DKSH (Thailand) Co., Ltd.	- Nestle (Thai) Co., Ltd.
	Zuellig Pharma Co., Ltd.	- Abbott Laboratories Co., Ltd. - Thai Otsuka Pharmaceutical Co., Ltd.

All manufacturers or distributors must be in the approved vendor list of IC before selling products to IC. The creditability and price are considered the critical criterion for supplier selection to achieve the good quality products at suitable price. IC also conducts vendor assessment regularly.

For more than 28-year experience in pharmacy business, Mrs. Mataya Bhandhukanonda, B.Sc.Pharm. is considered an experienced and knowledgeable person with good relationship with business partners both manufacturers and distributors resulting in favorable support from those parties. Together with the well understanding and knowledge of the customers' needs from the Company's management team who mostly are pharmacists, driven the efficient selection of products that serve customers' satisfaction.

IC has been supported by manufacturers and distributors in training and knowledge sharing to IC staff regularly, as well as the exchange of information and business trends. IC can use all the information to competently evaluate business condition and planning.

2. Procurement from the group of companies

From 2020, IC has started purchasing healthcare products and innovation under brands "PRIME" and "Besuto" from HN for retailing in IC stores.

Proportion of Procurement Channel

	2021		2020		2019	
	Baht: million	%	Baht: million	%	Baht: million	%
Products purchased from outside the group of companies	949.61	96.40	821.71	97.68	753.58	100.00
Value of products purchased from the group of companies	35.46	3.60	19.48	2.32	-	-
Total purchase value	**985.07**	**100.00**	**841.19**	**100.00**	**753.58**	**100.00**

Note: The purchase value of products and service as stated in the above-mentioned table are exclusive of inter-company transactions. The inter-company transactions in 2019 was Baht 210.81 million.

(6) Warehousing and Transport

When it comes to medicines, medical supplies, medical equipment and other healthcare products, warehouse management takes on particular importance. The expiry date of the products both in store and warehouse is the crucial factor. IC has developed a warehouse management system of which maximize efficiency and mitigate possible problems by using information technology to increase efficiency, linking inventory information between branches, helping IC to analyze and manage the volume of stock to be procure and the expiry date of the products.

With respect to the warehouse, IC organizes the warehouse layout by separating temperature-controlled goods and non-temperature-controlled goods and adopting ABC Analysis method as a warehouse space management tool by storing the high-turnover rate products at front help easily storing and picking up.

FIFO (First In First Out) inventory management is applied together with the shelf life or expiration date of the products are considered to manage the expiry date of each batch efficiently both at the warehouse and branches to ensure the impeccable condition of the products providing. The report of non-moving products will be monitored regularly to streamline tracking and controlling the inventory turnover.

Min-Max method is adopted to keep current on-hand inventory within the specific range to avoid shortage or overstock both at the warehouse and branches. The minimum and maximum stocking level is considered from daily turnover of each branch and the certain safety stock level is set from average daily customer demands along with lead time of suppliers.

Regarding product distribution, IC has its own distribution unit and the shipping route to branches has been set to distribute the product to branches continually and quickly. IC also has product rotation system among branches for maximizing the product management and shelf-life monitoring efficiency. This brings speed, accuracy and regularly of delivery to stores.

Accordingly, IC is able to manage inventory rotation between warehouse and stores and among stores to meet the needs of customers.

IC branches have to carry out the cycle inventory count on a monthly and yearly to ensure the effective quantity control and expiry date control. In any case, the annual counting will be carried out in June and December by joining count by Accounting Department team and warehouse staff.

(7) Competent and Experienced Management and Personals

Not only Mrs. Mataya Bhandhukanonda, B.Sc.Pharm. who has more than 28 years experiences in pharmacy business, but also the management team: Chief Executive Officer, Chief Operating Officer, Operations Director and Marketing and Sale Promotion Director are all pharmacists who have solid knowledge and understanding of the products and pharmacy business leads to profound understanding in management.

As an aspiring pharmacist, Mrs. Mataya Bhandhukanonda, B.Sc.Pharm. set business goals to build relationship with local people of their community, to be neighborhood pharmacies where patient can come in to consult in health issues before going to hospital. At every IC store are required to have qualified full-time pharmacists on-site at all times when they are open to provide counsel to customers on the usage of products.

IC has entered into Memorandum of Understanding with several leading educational institutions for academic cooperation and pharmaceutical profession development programs in terms of being a source of practical learning for undergraduate and students of the Faculty of Pharmacy. This enables IC to hire numbers of pharmacists to ensure consistency of business operation. As of December 31, 2021, IC employed 44 full-time pharmacists, representing 21% of all IC employees and approximately 70-120 part-time pharmacists per month. This brings reliability and trustworthy to customers who come in to purchase products or consult the usage of medication and medical supplies.

2.2 Invention and Development with Collaborative Outsourcing, together with Outsourcing Manufacturing to Produce and Distribute Innovative Healthcare Products

Healthlead acquires 100% shares of Healthiness Co., Ltd. (“HN”) engaging in with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute healthcare products and innovations, focusing on the preventive healthcare products, and health promoting products. Most of such products are available for sale at IC stores.

HN launches products under the following 2 brands:

2.1) “PRIME” Dietary supplements produced from selected raw materials from all over the world

2.2) “Besuto” Disinfectant products, deodorizing products and mask products

2.1 PRIME

Prime is a dietary supplement produced from good quality raw materials by only accredited outsourcing manufacturer according to the standards of GMP, ISO or others and certified by The Food and Drug Administration, the Ministry of Public Health (FDA). Presently, there are total of 26 SKU products under PRIME brand as shown below:



PRIME HIBIKI COLLAGEN PURE

- 1 teaspoon containing collagen peptides 5,000 mg
- Made from freshwater fish, edible for people with shellfish allergy
- Raw materials imported from Japan

PRIME ACEROLA CHERRY EXTRACT 1200 MG

- 1 tablet containing acerola cherry extract 1,200 mg and citrus bioflavonoids 50 mg.
- Natural vitamin C
- Raw materials imported from the United States of America
- Contain 30 times more vitamin C than oranges, with antioxidants





PRIME ROYAL JELLY

- 1 tablet containing royal jelly 550 mg providing 10-hydroxy-2-decenoic acid 11 mg
- Raw materials imported from Australia

PRIME MULTI VITAMIN & MINERAL PLUS COENZYME Q10

- 1 tablet containing various vitamins and minerals, including coenzyme Q10 29 mg.
- Raw materials imported from the United States of America





PRIME V1510

- 1 tablet containing citrus bioflavonoid extract powder 75 mg, 10% lutein extract 75 mg, magnesium 75 mg, goji berry extract 66 mg, 5% zeaxanthin extract 30 mg
- Main raw materials imported from the United States of America

PRIME MOV

- 1 tablet containing UC-II 10 mg, fish collagen peptide, collagen type II calcium, magnesium, grape peel extract and vitamin D
- Undenatured Collagen Type II (UC-II), patent innovation from the United States of America, the same type of collagen found in chondrocytes at joints
- Main raw materials imported from the United States of America



2.2 Besuto

Besuto is a brand engaging in disinfection, prevention, and deodorization. From the severe outbreak of coronavirus 2019 worldwide, HN desires to develop innovations and products that can be used for prevention and disinfection at the same time aiming to be the best alternative products in the new normal era to be ready for handling the virus outbreak in the future.

There are currently 9 SKU under Besuto brand as follows:



Besuto 12 Hand Cleansing Gel (60 ml.)

(In collaboration with companies in Thailand Science Park Group)

- Sanitizing gel with 12-hour protection by "Thin film forming technology", a thin layer of film coating the surface and gradually releasing BKC-Natural Complex substance.
- Preventing 99.9% of the spread of germs, bacteria, viruses, fungi, drug-resistant bacteria that is a problem in hospitals as well as pathogen of COVID-19.
- Passed the test from leading medical institutions in Thailand*
- Hand care, won't dry out your hand, soft and smooth skin, and alcohol free

* Department of Microbiology, Faculty of Medicine, Chulalongkorn University, Faculty of Tropical Medicine, Mahidol University, Faculty of Veterinary Science, Chulalongkorn University and Faculty of Medicine, Prince of Songkhla University

Besuto Clean Hand Gel (450 ml.)

- 70 % alcohol gel
- Cleaning hands and reducing the bacteria accumulation, no rinse hand wash for clean and hygienic hands,
- Hand care with aloe vera moisture, usable as often as satisfied.
- Safer with food grade quality, and suitable for children





Besuto Mask (2 pieces)

- Water-repellent fabric masks, prevent droplets, sprays, and anti-dust mite masks.
- Breathe smoothly without resistance, less bacteria accumulation which causes acne and odor
- Microban technology, designed specifically for Thai people, fits the contours of the face, plus adjustable strap, fits your face better, face mask holder
- Filter pocket for better protection

Besuto Medical Mask (50 pieces)

- 3-Ply face mask
- More than 99% filter of bacteria at average size of 3 microns
- Water-repellent to prevent the droplets, comfortable wearing, easily breathing, without dampness
- Passed the test from Nelson Laboratories, USA





Besuto Mouth Spray (15 ml.)

- Mint flavored spray for oral health, removal of bad breath, getting fresh breath without unpleasant odors
- Sugar free, containing ingredient of natural extracts
- Easily carrying on

Besuto Deodorizer Multi-Purpose Spray (180 ml.)

- Multi-purpose deodorant spray
- Removing unpleasant odors such as musty smell in car, home, rest room, kitchen, curtain, pet house etc.
- Having quality spray head, easy to use, not stuck on



Business Strategies

(1) Providing Quality Innovative and Diversified Products Continually

HN takes on the next level of importance of developing and offering standardized quality products with high efficiency and safe for consumers as well as new innovations for releasing to the market consistently in response to various demands of consumers that change over times. HN has cooperated with research partner teams such as companies in Thailand Science Park group to develop and create innovative products that are unique among the similar products in the market, but still concentrating on building value and brand's reliability for consumers.

Moreover, HN has outsourced credible and qualified manufacturers that consumers can assure HN's products to be of good quality and trustworthy resulting in strong competitive in HN's brands in the market. HN also keep monitoring and analyzing market condition, trends and customers' demand changing continually

(2) Marketing and Public Relations to Create Broad Brand and Product Awareness

HN believes in public relations by means of providing information on quality and accreditations references, that is essential for marketing of innovative products which is different from other conventional products in the market. This will establish awareness, and reliability in the products that leads to purchasing decision of consumers, especially for Besuto 12 Hand Cleansing Gel, a non-alcohol sanitizer gel with thin film forming technology, creating under Fast Track: Medicine and Medical Device Fight COVID-19 project supported by the Technology Development and Innovation Support Program (ITAP) of the National Science and Technology Development Agency (NSTDA). Presently, the product has already been passed the COVID-19 disinfection test organized by the Faculty of Tropical Medicine, Mahidol University.

In addition, the products are awarded of silver medal and Canadian Special Awards at the 2020 International Invention Innovation Competition (iCan2020) in Canada. HN launched advertisements and sale promotion through various channels such as its own website (www.besuto12.com), Line ID: @ besuto12, point-of-purchase displays and brochures etc., together with product sampling to draw customers' attention and experience the product.

(3) Product Development and Marketing Through In-depth Understanding of Customers

HN emphasizes the learning of customers' insight with the needs of the customer in mind, HN believes that solid understanding of demand help offering the right products that meet customer satisfaction. For better understanding in consumers' needs, HN hired marketing research company to conduct in-dept marketing research in order to get new information to streamline product development and further marketing strategies.

(4) Distribution Channels and Target Market

The target market of HN consists of entrepreneurs such as drug stores, business organization, and corporations who orders HN's products for distribution to end users. The brands of PRIME and Besuto focus on health-concerned individuals. The 2 channels of distribution are as follows:

1. Wholesale Distribution

HN conducts wholesale trade to customers engaging in various business who purchase HN's products to reseller to end users such as Pharmaceutical Organization (GPO), National Science and Technology Development Agency (NSTDA), drug stores in the group of Companies, pharmacies, and other entrepreneurs who are resellers of the products at department stores or aboard such as Malaysia.

2. Retail Distribution

HN directly sells the products to customers through online platform such as Shopee and Lazada.

HN's revenues divided by distribution channels in 2020 – 2021 are as follows:

Distribution Channel	2021		2020	
	Baht: million	%	Baht: million	%
Wholesale	36.35	98.45	19.52	99.74
Retail	0.57	1.55	0.05	0.26
Total	**36.92**	**100.00**	**19.57**	**100.00**

Note : - HN starts to distribute healthcare products and innovations under the brands of "PRIME" and "Besuto" in 2020.

(5) Pricing Policy

HN adopted Cost Plus Margin for pricing products by considering the cost of goods and related expenses, including other factors such as competitors' prices and market prices. However, the selling price may be varied depending upon sale promotion activities such as discounts and free gifts.

(6) Procurement of Products

Presently, HN outsources non-related external manufacturers to produce products under the trademarks of HN. HN will define the characteristics, qualifications, and ingredients of each product as per the formulas invented and developed by HN in collaboration with research partner teams such as AVS Innovation Co., Ltd. and Foodmatrix Global Co., Ltd. HN also outsources manufacturers to produce the products as per the formula of the manufacturer. In the future, HN plans to outsource manufacturers aboard such as Japan and China to produce medical supplies and equipment such as walking aids, wheelchair, and hospital beds and import back to sell in Thailand. In 2020 and 2021 the total procurement value of HN was Baht 22.85 million and Baht 22.15 million, respectively. HN's main outsourced service providers for product manufacturing are as follows:

Product Group	Name List of Products	Outsourced Manufacturers
- Dietary Supplements	PRIME	Nutrition Profess Co., Ltd.
	PRIME B0051, PRIME V1510, PRIME MOV	Foodmatrix Global Co., Ltd.
- Disinfectant Products and Deodorizing Products	Besuto 12 Hand Cleansing Gel	AVS Innovation Co., Ltd.*
	Besuto Mouth Spray	
	Besuto Deodorizer Multi-Purpose Spray	Ikari Trading (Thailand) Co., Ltd.
	Besuto Clean Hand Gel	Greensville Co., Ltd.
- Mask Products	Besuto Mask	Sabina Public Co., Ltd.
	Besuto Medical Mask	Essel International Co., Ltd.

Note : * HN in collaboration with AVS Innovation Co., Ltd. (“AVS”), a company in Thailand Science Park Group, develop “Besuto12 Hand Cleansing Gel” and entered into the Exclusive Supply Agreement with AVS as the patent owner who agrees to supply hand sanitizer and other hand products that are produced with the composition and manufacturing process of hydrogel preparation method under its own patent exclusively to HN

In this regard, HN has guidelines for selection of manufacturers and create approved vendor list as a database of list of manufacturers, distributors, or service providers, together with the assessment criteria in terms of product quality, corporate reliability, payment term, and other conditions for selection of new vendors. Moreover, HN arranges the quality assessment of vendors twice a year, plus additional assessment on delivery of goods, after sale services and the support to HN’s activities to ensure that such vendors keep standards of delivery quality products according to the defined standards and milestone.

(7) Warehouse and Delivery

Presently, HN employs IC to perform warehousing and inventory management according to the IC’s practices and protocol of receiving, storing, counting and delivery of goods. In any case, HN will keep optimum safety stock level by primarily considering the following factors: quantity of inventory, lead time from ordering until delivery of products.

3. The Size of the Company Meets Criteria for Holding Company

The company as a holding company complies with the Notification of the Capital Market Supervisory Board Re: Application and Approval for Sale of Newly Issued Shares, and the announcement of the Office of the Securities and Exchange Commission regarding the consideration of the size of a holding company that offer newly issued shares for sale as follows:

Criteria for Comparison of Company Size	Holding Company Requirements	Qualifications of Company*
1. Size of subsidiary operating core business in comparison with company size Total assets of the company less investments in associates and other companies** Total assets of the company	≥ 25.00%	100.00%
2. Size of subsidiary operating core business in comparison with company size Total assets of the company less investments in other companies** Total assets of the company	≥ 75.00%	100.00%
3. Size of other companies in comparison with company size Investment in other companies** Total assets of the company	≤ 25.00%	0.00%

Note : * Calculated from the information in the financial statements ending on December 31, 2021

** Investment in subsidiaries not operating core business

4. Industry Outlook and Competitions

As the Group engages in pharmacy business that selling medicines, pharmaceuticals, cosmeceuticals, dietary supplements, medical equipment and various healthcare products together with invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute innovative healthcare products such as dietary supplements, the assessment of the following industries and regulations help understand the competitive dynamics of the industry that the Group involved; pharmacy industry, dietary supplement industry, along with pharmacy laws and regulations.

Economic Overview

After being severely hit by a surge of COVID-19 cases, economic activity has subsequently rebounded in late 2021 as a result of easing of COVID-19 control measures and reopening the country which pulled back on overall economic activities, consumer confidence, and household incomes continually while domestic spending of private sector together with both consumption and investment have improved resulting in acceleration of industrial production and service sector activities.

From the analysis report of the Krungsri Research of Bank of Ayudhya, the Thailand economic growth is expected toto be 3.7% in 2022 against 1.2% in 2021, and it is likely that the value of economic activities will return to pre-epidemic levels in the second half of the year. The main economic drivers come from both of internal and external factors, vaccine distribution progress broadly helping Thailand and many countries to re-open the country. The recovery of the global economy and the positive effects from

regional economic integration have benefited the Thai export sector to have continuous expansion. Business adaptation could lead to a new investment cycle. Governmental measures stimulate domestic expenditures, and the tourism sector has a better direction. However, this is just an initiate stage of economic recovery.

However, the aftermath of the long pandemic crisis over two years, as well as the economic recovery, still faces risks and challenges that are still highly uncertain. Private consumption tends to improve, but the recovery is different. It is expected that in 2022, the growth will be about 3.6% as from the adaptation of economic activities in the country that has improved following the relaxation of control measures, large increase in vaccination, coupled with government measures that may be supporting factors in the short term. Nevertheless, the expansion of expenditures may be limited due to the fragility of the labour market. It is expected that the overall average wage in 2022 will increase but will remain below pre-pandemic level.

In addition, the BBC Thai news agency revealed that there are some businesses that can continue operating under these economic conditions. This includes the pharmacy business playing a significant role in primary health care of public. The sale volume in pharmaceutical products, vitamin products, and dietary supplements as well as some medical equipment will be at a higher level. In addition, consumer behaviours have changed due to the COVID-19 pandemic condition. As a result, some people likely to go shopping from stores in the neighbourhood rather than in a large department store as usual to avoid the risk of explosion to the virus especially when the case numbers roar higher.

Pharmacy Business

Pharmacy is a part of the public health system that allows the public access to their medications and advice about their health along with provision of pharmaceutical service to community and referrals patients to medical professionals as appropriate.

Based on the study of “The Behavioral Changes of Thai Consumers during COVID-19 Outbreak and Beyond” by Wunderman Thompson Thailand found that 32% of respondents increased the purchase volume of pharmaceutical products and 50% of respondents maintained the purchase volume. The most pharmaceutical products that consumers bought were non-prescription drugs. From the above information, people still maintained their buying behavior for self-medication as well as the preventive medical supplies, for example, surgical masks, alcohol, etc., including increased in stockpiling medication in case of an emergency.

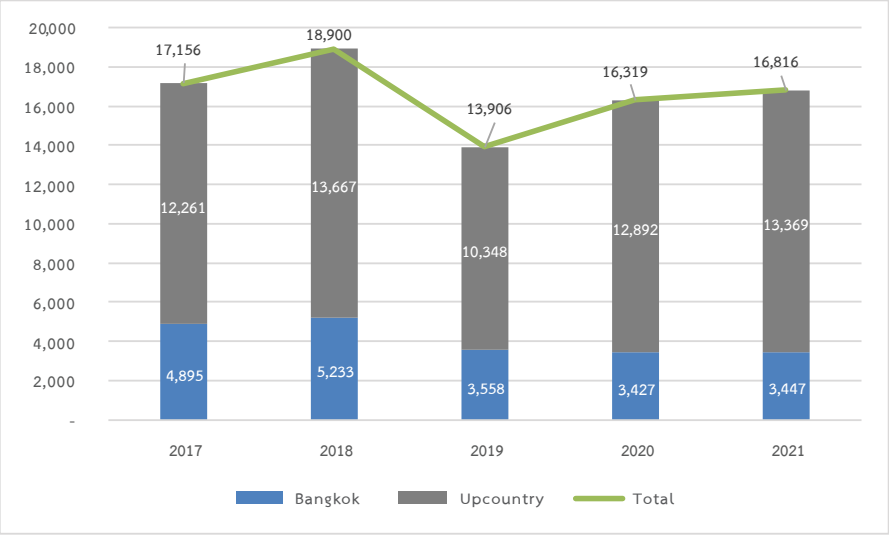
In addition, the research on “The Decision Making of Thai Consumers towards Pharmacies Using” by the Kasikorn Research Center found that the first choice of small symptoms patient was pharmacies at 32%. On the other hand, those who suffered from medical problems, 25% and 16% chose to seek medical treatment and advice from clinics or private hospitals and public hospitals respectively. Thai consumers spent approximately THB 150-200 per visit at the pharmacy and the amount tentatively grew over times. The abovementioned figures show that some people preferred self-medication to seeking medical care at hospitals due to travelling conveniences and avoiding long hospital awaited time.

Pharmacy practice in Thailand began long time ago until "Drug Act" was enacted in 1967 provided that the sale of drugs other than common household drugs must be sold in the licensed premise only. There are two types of pharmacies: stand-alone pharmacies run by small operators, and chain stores run by large operators or large groups and are often formed as a legal entity.

The chain stores of pharmacy in Thailand firstly took place in 1984, named P & F (Pharmacists and Fellows) and PharmaTree operated by Thai entrepreneurs. Thereafter in 1997 there are chain of drug stores of foreigners (the owners are foreigners) were open for business in Thailand, for example, Boots Retails (Boots drugstore) and Central Watsons (Watsons drugstore), etc.

From the statistics of the pharmaceutical division, Food and Drug Administration, the Ministry of Public Health, as of June 7, 2021, there are 16,816 modern pharmacies that obtained Khor. Yor. 1 license, 3,447 stores in Bangkok and 13,369 stores in other provinces, representing about 20% and 80%, respectively, pharmacies under the Group also obtained this license. The number of licensed stores decreased by 2,084 stores, or 11.03% from 18,900 stores in 2018. The main reasons are from the new law enactment in 2014 Subject: "Requirement of Location, Equipment and Community Pharmacy Practices in the Modern Drug Pharmacy under the Medicines Act B.E. 2557 (2014)" came into force given that each registered pharmacy must have a pharmacist in charge of the pharmacy, minimum facilities area of 8 square meters including storage spaces for medicines with the temperature-controlled storage area, and other requirements. This revision program has a 8-year implementation period divided into 3 phases: Phase 1 by the end of 2018, Phase 2 by the end of 2020 and Phase 3 by the end of 2022, together with the tax issues because in the past, the Revenue Department required pharmacies to be registered under tax codes and file the tax return. Even though some development has been implemented or unable to provide pharmacist on-site or not willing to register for tax ID with the Revenue Department, some pharmacies might not pass GPP standards or Qualified Pharmacy Accreditation in order to get renewal of their licenses.

Number of modern pharmacies (Khor. Yor.1)



Source: The Food and Drug Administration (FDA)

The study from the Krungsri Research, Bank of Ayudhya, as of August 31, 2021, reported that the pharmacy business has gradually grown due to the increasing demand for medicines in the country. However, the competition will rise, especially for stand-alone pharmacies who will likely have to contend with a worsening threat from large chain stores of which branch expansion is continued.

Dietary Supplement Industry

Dietary supplement products are a business that is growing continuously and rapidly due to the demands of consumers on the healthcare trends coupled with today's trading channels that can be easily done through online platform. This is a business that can make a relatively high gross profit margin. From the above-mentioned factors, many SMEs join in the competition. Most of them employ OEM to produce the products and to proceed with the government permission process and distribute the products under their own brand by focusing on advertisement through social media, television, and radio by using a well-known presenter in the society to share experiences from using the product.

The negative factors affecting dietary supplement business are the poor standard products and exaggerated advertisements, which will affect the decision-making of consumers leading to strong quality examination from government bodies. Therefore, the major factors to help entrepreneurs to be survived and grown in the future are high product quality standard and research and development of products in order to meet the ongoing growth of consumers' demand according to growing number of working age and elderly population, particularly, the elderly population which continues to grow significantly.

The Dietary Supplement Market Condition in 2020, from the Euromonitor report (November 2020, Consumer Health in Thailand) showed that the market value of vitamins and dietary supplements in Thailand in 2020 is worth approximately Baht 66,801.4 million, declined approximately by 8% from approximate value of Baht 72,661.3 million in 2019, due to the economic impacts form lockdown measures of the government to curb the spread of the Covid-19 virus.

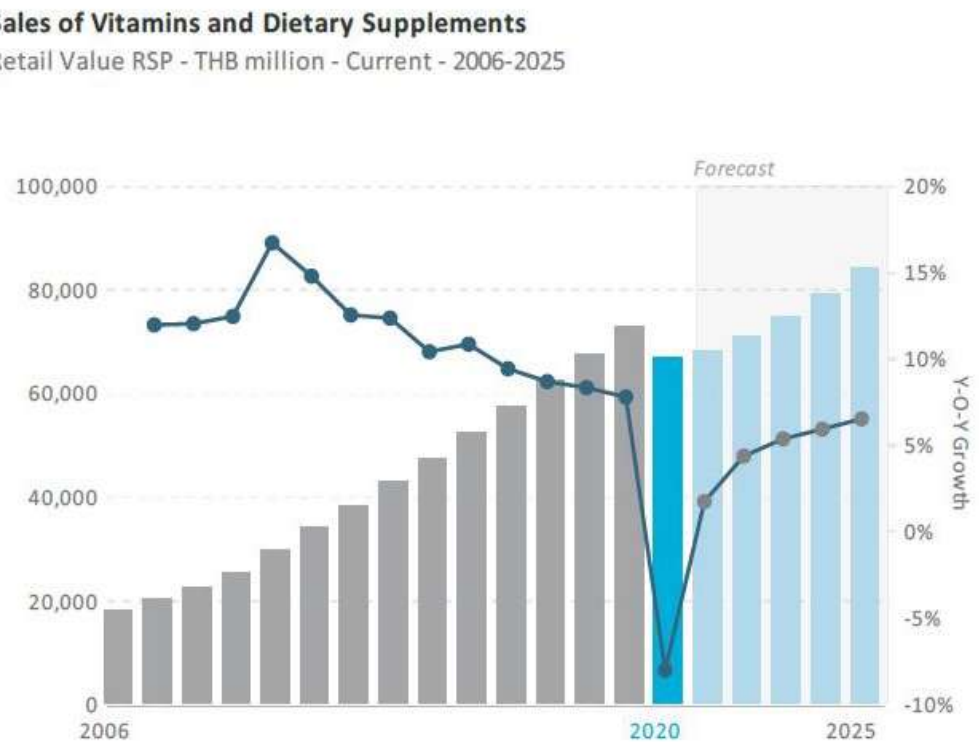
Nevertheless, the spread of the COVID-19 virus cause people in the country to pay more attention to and take care of their own healthiness to protect themselves from the Covid-19 virus and other diseases, which is in line with the research from Suan Dusit Poll found that more than 45.39% of Thai people are more health-conscious by working out more, paying more attention to healthy food, taking dietary supplements and vitamins, as well as consulting more with healthcare professionals. This is evident from consumers' enthusiasm in taking more vitamin and dietary supplement products with the desire to strengthen their health and immune system. This is a positive factor that will help revive and stimulate future growth of the dietary supplement market, for example vitamin C and multi-vitamin consumption. that grew signifi cantly in the early stages of the epidemic.

According to the Euromonitor report studied on the vitamin and dietary supplement market in Thailand for the next 5 years (2021 – 2025), the market value of the vitamin and dietary supplement in Thailand will grow continuously every year from 2021 onward and the market value will reach Baht 80 billion in 2025, from the following factors:

1. Consumers pay more attention to preventive healthcare resulting in higher consumption of vitamins and dietary supplements. Thus, the demand for the boosting immune system and antiviral supplements will be surged.

2. Thailand is stepping into an aging society and the number of elderly populations will continue to rise every year. As a result, the demand for health care products tends to increase due to the high prevalence of chronic diseases in this group. Products that are expected to be in high demand among the elderlies are vitamins and dietary supplements, pain relievers, and supplemental nutrition drinks, that bring interest to entrepreneurs to turn to produce or sell these kind of health products to further penetrate this prospect market.

Forecasted Market Value of Vitamins and Dietary Supplements in Thailand for the Years 2006 - 2025



Although Thailand's economy has been greatly affected by COVID-19 pandemic situation, but the pharmaceutical and food supplement industry still tend to grow continuously from higher health consciousness together with the increasing number of elderly populations. This also will surge the completions in pharmacy business. Despite the fact that the closing down of many small pharmacies caused by the more intense rules and regulations for pharmacy business, the large Chain Stores, seeing the market opportunity, plan to open more branches continuously. In addition. the entry of retail stores by adding new business line of providing drug and dietary supplements zone in their floor plan. The pharmacies under the Group are considered Chain Stores. The companies who engaged in similar business to the Group in terms of having their own brands and sale volume are shown below:

Company	No. of Branches			2019		2020	
	Bangkok	Upcountry	Total	Rev.* (Baht: million)	Net Profit* (Baht: million)	Rev.* (Baht: million)	Net Profit* (Baht: million)
Pro Fascino Company Limited - Fascino drugstore	16	86	102[1]	1,342.92	28.95	1,363.43	26.06
Save Drug Center Co., Ltd. - Save Drug	28	50	78[2]	936.64	(222.70)	781.54	(119.32)
Bangkok Drugstore Company Limited - Bangkok Drugstore	97	4	101[3]	817.55	3.21	807.95	(13.27)
P & F Integrate Company Limited - P&F Smooth Life	25	37	62[4]	745.42	1.07	538.55	0.001
Tsuruha (Thailand) Company Limited - Tsuruha Drugstore **	17	3	20[5]	760.91	8.26	564.09	(21.53)
Drug Care Company Limited - Lab Pharmacy Drugstore	15	5	20[6]	578.11	(16.33)	434.35	(30.77)
The Group's retail pharmacy - iCare - Pharmax - vitaminclub - Super Drug	26	-	26[7]	854.00	27.42	1,080.10	55.87

Source: Information from the Group

* Information on revenue and profit for the years 2019-2020 are from Business Online (BOL) as of November 2, 2021 which are reported in their financial statements only, not concerning the financial statements of related companies of such companies

** Information from year-end financial statement as of March 31, 2020 and March 31, 2021

1 Information from https://www.fascino.co.th/branches as of November 2, 2021

2 Information from https://www.savedrug.co.th/location as of November 2, 2021

3 Information from http://www.bangkokdrugstore.co.th/branch-search.php as of November 2, 2021

4 Information from https://th-th.facebook.com/pg/PandFSmoothLife/about/ as of November 2, 2021

5 Information from https://www.facebook.com/Tsuruhadrugstore/about/ as of November 2, 2021

6 Information from http://www.lablivehealthy.com/about_lab_pharmacy-b-content.aspx as of November 2, 2021

7 Information from the Group as of November 2, 2021

Although the Group has less number of branches than other competitors, but the fact that most executives of the Group are pharmacists, coupled with over-28-year experiences of the founder in pharmaceutical business and an aspiration to have community pharmacy to be accessible and reliable to the people in communities and to be neighborhood pharmacy, the Group confine to stay competitive and have sustainable growth with its solid knowledge and understanding in the business, quality-oriented products and services, and effective distribution channels management of 4 brands in response to the varied demands of targeted customers of each location, an emphasis on the high-purchasing-power locations together with the long-time good relationship with manufacturers and distributors, effective inventory management and appropriate marketing strategies.

5. Pharmacy Standards and Laws – Quality Pharmacy and Good Pharmacy Practices

Good Pharmacy Practice (GPP) is a global standard for pharmacy services developed by World Health Organization in cooperation with the International Pharmaceutical Federation (FIP) in 1999 to be the guidelines to improve good community pharmacy practices in every part of the world and promote safety and rational use of medicine. In Thailand, many government agencies have adopted GPP framework, an apparent example is the collaboration of the Pharmacy Council, Food and Drug Administration, and the Association of Community Pharmacists of Thailand, to develop "Community Pharmacy Development and Accreditation Program" ("CPA") in 2003. This is a voluntary program that promotes pharmacies to improve quality of community pharmacy services and the number of accredited pharmacies reached more than 1,000 in 2018.

CPA program provides comprehensive validation of the quality pharmacy services and wellness framework by collecting and reviewing international standards from different countries, draft of standards of the Community Pharmacy Association of Thailand, draft of standards of the Food and Drug Administration, together with brainstorming and adopting direct experiences from pharmacists. The accredited pharmacies require to provide professional services in terms of both product and information services and pass the following assessment criteria; (1) place, equipment and facilities (2) quality management (3) good pharmaceutical services (4) compliance with laws, regulations, and professional ethics; and (5) participation in the community and society. The accredited pharmacies are different in terms of image, service facilities, store layout and quality service of pharmacists, which requires Pharmacist Approach starting with interviewing patients, screening or pharmacy diagnosis, interpretation of physical examination result by a physician and from laboratory results in order to develop appropriate drug dispensing to each patient based on academic evidence with the correct advice on both medication and practice guidelines, along with the following-up on the effects of medication and taking into account the adverse reactions or drug interaction problems or other health product interaction to find, fix and prevent problems of medication or drug-therapy problem. In cases that need continuous following-up, there will be a systematic recording and recommendation so that the referral of such patient will be most productive. In addition, the accredited pharmacies must follow relevant laws and professional ethics, together with providing other health-care-promotion services as well as the services engaged with the community, especially where the pharmacy is located.

In addition, the Food and Drug Administration ("FDA"), a government agency responsible for regulating pharmacies in the country, by establishing "The Office of Community Pharmacy Accreditation (Thailand)" to propose a draft of "Good Pharmacy Practice" ("GPP") through a brainstorming session among relevant network partners and going through different drafting process. The "Ministerial Regulations on Application and Issuance of License to Modern Community Pharmacy 2013" was released on June 25, 2014, which materially stipulates standards in various aspects for new pharmacies which open after this regulation became effective. FDA permitted 8-year delay for pharmacies which opened before the new regulations came in force for the development to pass the new standards by passing 3 phases with 5 assessment principles: place, location, equipment, personnel, effective drug management, and pharmacy service.

3 Stages of GPP in Pharmacy (Kor Yor 1)



(Source : Academic article "GPP Phase 1: Good Pharmacy Practice Phase 1 in Thailand" by Pharm. Dr. Wirat Thongrod as disclosed by the Center for Continuing Pharmaceutical Education (CCPE))

The GPP standard has a huge impact on the pharmacy business. Pharmacies that fail to meet the criteria at each phase will not be able to renew their licenses. However, the standard has a positive impact on the Group's business because the pharmacies of the Group have complied with all standards applicable to the business operation. The Group is confident that all pharmacies under the management of the Group completely meet the qualifications of the aforementioned 3 phases.

The Group is confident that it will gain competitive advantage in the industry because the Group has always complied with pharmaceutical standards and laws. The customers can ensure the quality of service provided by pharmacies under the Group.

6. Revenue Structure

Product	2021		2020		2019	
	Baht : million	%	Baht : million	%	Baht : million	%
Revenue from sales of medicines and dietary supplements	823.00	67.66	753.19	69.73	659.46	72.03
Revenue from sale of medical equipment and home healthcare	215.41	17.7	169.27	15.67	129.11	14.10
Revenue from sale of personal healthcare	104.57	8.60	95.79	8.8	73.28	8.00
Revenue from sale of medical food	55.77	4.58	45.84	4.24	44.37	4.85
Total revenue from sale and service	1,198.76	98.55	1,064.09	98.52	06.22	98.99
Other revenue*	17.66	1.45	16.02	1.48	9.29	1.01
Total revenue	**1,216.41**	**100.00**	**1,080.11**	**100.00**	**915.51**	**100.00**

Note * Other revenue consists of interest receivable, income from in-store promotion, etc.

7. Dividend Policy

7.1 Dividend Policy of Healthlead Public Company Limited

Healthlead has a policy of dividend payout at the rate of not less than 40% of net profit from the Company's separate financial statements after corporate income tax and legal reserve allocation. However, such dividend payout may be differed depending on operating results, financial position, liquidity, necessity to use working capital in business operations, investment plan and business expansion plan in the future, together with economic situations.

7.2 Dividend Policy of Subsidiaries (Icare Health and Healthiness)

The subsidiaries Icare Health and Healthiness have a policy of dividend payout at the rate of not less than 40% of net profit after corporate income by considering operating results, liquidity, financial position, necessity to use working capital in business operations, economic situations together with other related factors.

8. Risk Management Policy and Risk Factors

8.1 Risk management policy

In order to become a leading health care products and pharmacy network, the Group puts an emphasis on risk management and aware that risk management is a part of good corporate governance to help the Group roots its achievement in business objectives and goals.

Healthlead has appointed Risk Working Group to access and analyze the risks that may occur and proposed the risk management guidelines to prevent any impact on the company and its subsidiaries business and ensure the effective implementation of the risk management in accordance with the specified risk management policy.

8.2 Risk factors

The Group has assessed the current key risk factors that may affect the Group's business operations in which may not cover all risk factors, because other risk factors including unforeseeable risks and risks occur from normal

business operations that currently have no material impact but could have a material impact on the Group in the future.

The significant risk factors are as follows:

1. Risk from dependency on large manufacturers or distributors

Since there are 2 major distributors of medicine and dietary supplements and health consumer products, DKSH and Zuelliug Pharma, who play important role in Thailand healthcare industry and the core business of the Group is pharmacy chain, dependency on a few large distributors is one of its most considerable risks.

Total value of procurement from these 2 major distributors in 2019-2021 are Baht 516.36 million, Baht 545.47 million and Baht 634.81 million, which equal to 68.53%, 64.84% and 64.44% of the total procurement value of the Group respectively.

Consequently, the Group's business operation may be affected if such distributors cannot supply the products to the Group or unable to deliver them on time.

The Group has purchased merchandises from these two distributors since the beginning and has had a very good relationship for more than 28 years. The Group's orders are continuously increased in line with the growth and expansion of branches. The Group is therefore confident that it will be able to maintain good relationships with these manufacturers and distributors in the future. However, the Group constantly seeks for new vendors to add into its approved vendor list in order to continuously supply sufficient products to meet customers' demand.

2. Risk from warehouse management

It is obligatory for the Group to manage the warehouse properly and to be able to meet the needs of customers in a complete and timely manner. If the Group is running low on stock, a risk of opportunities lost may be occurred. If the company carries over stock, the company may face the burden of liquidity management. Therefore, the efficiency of warehouse management has a substantial impact on business operation and profitability of the Group.

However, the Group has always placed great emphasis on warehouse management by employing information technology to facilitate the inventory control from goods receiving to goods discharging through the FIFO (First-In First-Out) method along with the product life span or the expiration date of the product consideration. The data gathering from both warehouse and in-store generated by the employed information technology system helps the procurement department to be able to monitor the volume of inventory at all times, Moreover, the company adopted ABC Analysis method as a warehouse space management tool by storing the high-turnover rate products at front help easily storing and picking up and effective storage space organization to deal with the various types of products.

With respect to the inventory control system, the Group has assessed the demand of each product at each branch on regular basis to continuously monitor the movement of customers' demand for products which include setting the minimum and maximum stock volume for each type of product both in warehouses and in stores.

These factors enable the Group to manage its inventory efficiently. As evidenced from the average sale period, which has improved respectively from 65.48 days and 59.42 days in the years 2019-2020, and down to 57.41 days at the end of 2021.

3. Risk from high competition in the industry

The high and steadily ongoing growth of market value of pharmacy business increase exposure to competition from both existing and new players, obviously shown in the continually branch expansion of large chain stores and entering into pharmacy business by modern trades and convenience stores that allocate space in the stores for selling drugs and dietary supplements. Consequently, such increased competition may have a significant impact on the Group's operations.

Pharmacies under the Group are classified as a Chain Store Pharmacy. Although there are fewer branches than other operators, but with more than 28 years of management experience in the pharmacy business of the executives, the location of branches are only in Bangkok area where enable the accessibility to the target groups and the product selections offered in each branch is considered to fit the target market along with good relationship with partners helps in satisfying customers' demand by providing more than 10,000 items of product on shelf.

In addition, with the vision of the management team to have community pharmacists to be accessible to the community as neighborhood pharmacy where a patient can come to consult about their health problems in all aspects before going to the hospital. All store under the Group have qualified full-time pharmacists with knowledge, expertise, and experiences available on-site providing advice and consultation on the use of medicines to the customers. The customers who come to buy products or seek advice on medicines or medical equipment can be assured of quality service. All of the above factors can be ensured that the Group is ready and able to compete with other operators and grow up in the future.

4. Compliance risks regarding related laws, regulations, and rules

The pharmacy business is considered to be a business involving public health and healthcare. Therefore, permission from relevant authorities, as well as operation in accordance with relevant regulations and standards is required. If the Group fails to adhere to future changes from the government on the amendment or issuance of additional regulations on the pharmacy business, it may significantly affect the business and overall operation of the Group.

The rules and regulations promulgated by relevant government agencies are mainly for the benefits of everyone. This is in line with the Group's operating guidelines that always focus on the quality of products and services to customers, especially for the implementation of Good Pharmacy Practice

(GPP), which are global principles. The Food and Drug Administration, a government agency responsible for the drugstores in the country, has established "The Office of Community Pharmacy Accreditation (Thailand)" which promulgates "Ministerial Regulations on Application and Issuance of License to Modern Community Pharmacy B.E 2556 (2013)" on June 25, 2014, of which materially stipulates standards in various aspects for new pharmacies which open after this regulation became effective. FDA permitted 8-year delay for pharmacies which opened before the new regulations came in force for the development to pass the new standards by passing 3 phases by 2022 before renewing their pharmacy license.

The Group is confident that all pharmacies under the Group's management have completely met all three stages of GPP quality criteria. In addition, the Group's management team has kept up to date with the legislation and regulation changes over time and ensure that all the guidelines are correctly and completely followed.

5. Risks related to lease agreements

The major sources of the Group's revenues are derived from retail sales through all 26 branches (as of December 31, 2021) under the brands "iCare", "Pharmax", "vitaminclub" and "Super Drug" of which are located in shopping centers, department store, community mall or in a large community area by leasing the commercial area directly from project developer. The location must be in a high traffic area of which also be desirable to competitors. The high competition location must cause a chance of not to renew a lease by landlords of changes in renewal conditions such as raise in rental fee or service fee that might affect the Group's revenue streaming and operating results.

With good relationship with landlords and on-time rental payment as well as strictly compliance conditions in lease agreements, the Group has never had problem from not getting renewal agreement. In addition, the trustworthy brands under the Group help drawing consumers to buy products or services at other surrounding stores. This is also beneficial to the landlords. However, in case the lease agreements are not renewed, the Group is confident that it is possible to seek for another area from other landlords in subject to general conditions and market prices.

6. Risk from shortage of pharmaceutical personnel

From the Notification of the Ministry of Public Health dated September 30, 2014, subject: Requirements for places, equipment and modern community pharmacy practices under the Drug Act B.E. 2557 (2014), requires pharmacists on-site to provide advice on drug and medical supplies to patients, resulting in the growth in demand for pharmacists in the pharmacy business. If the Group fails to provide sufficient number of pharmacists on-site at every branch, it will significantly affect the eligibility to renew pharmacy license and consequently, the Group's operation.

The Group has never faced a problem of pharmaceutical personnel shortage because the Group has entered into a Memorandum of Academic Cooperation with the Faculty of Pharmacy, Silpakorn University to be an operational training and personnel development center for pharmacy students and also registered with the Faculty of Pharmacy, Chulalongkorn University for assistance on educational

activities to pharmaceutical practitioners. As a result, students continually come to complete their internship program at the Group's branches and some students pursue their career with the Group after graduated as well. This allows the Group to have a continuous rotation of pharmaceutical personnel. Therefore, the risk of personnel shortage is considered at a low level.

7. Risk from changes in consumer behavior from the growth of the online market

Due to the current technological developments, behavior of consumers changes rapidly, coupled with the situation of the COVID-19 virus outbreak, people have changed their lifestyles into New Normal era. Consumer behavior significantly shifts to staying home more and shopping more online through Shopee or Lazada. These platforms offer a wide range of consumer products and vendors with low operating cost causes a high competition. If the Group failed to adapt with changes of technology and consumer behavior in the future, the Group will have less competitive advantage and be adversely affected on the Group's performance.

However, the growth of online markets on pharmaceutical products has a very low impact on the Group according to legal restrictions that do not allow pharmaceutical products to be sold through e-commerce platform and consultation and recommendation on the selection of pharmaceutical products which directly affects the users' health from qualified pharmacists is the crucial factors in consumer behavior for pharmaceutical products. Consequently, consumers' behavior in purchasing medicines is not affected by the growth of online channels which still buying medicines according to prescription from doctors or recommendation from pharmacists.

For dietary supplements, cosmeceuticals and health care products that have no restriction to be sold through online channels, the Group is aware of the risks from the growth of the online market and changes in consumer behavior. In order to expand its distribution channel online in the future, the company also adopted digital marketing through social media for the brands: iCare, Pharmax, and vitaminclub, as well as e-commerce platform such as Shopee and Lazada. In addition, Healthiness is already selling its product, Besuto through Shopee and Lazada.

8. Risk from dependency upon the executive

The Group is established by Mrs. Mataya Bhandhukanonda, presently President of Executive Board, who has solid knowledge with more than 28 years experience in pharmacy business and good relationship with the manufacturers and distributors in pharmaceutical products and medical supplies. The Group therefore is exposed to Key-Person Dependency Risk that might happen when the current or future performance of the Group depends on the availability of such executive.

However, since Mrs. Mataya Bhandhukanonda is a major shareholder of the company in the proportion of 43.20% of the registered and paid-up capital of the company, encouraging her to continue performing the management of the Group. In addition, the Group has policy to train the employees and executives in different departments to have knowledges and expertise to assist the key executives in managing various tasks, including a succession plan for senior management to ensure the continuous and efficient management.

9. Risks from the pandemic of coronavirus disease 2019 (COVID-19)

Thailand's economy continues to take a heavy toll due to the COVID-19 pandemic in 2021. businesses expected to cease activities which impact the employment in private sector, leads to lower income generating activities and purchasing power.

In relation to the Group's performances amidst the pandemic of coronavirus disease 2019 (COVID-19) in early 2020 from the closure of places and venues in "dark red" zones, including department stores in which the Group's branches under 'vitaminclub" brand are located, the Group's management were forced to make a decision to temporarily close those branches due to significantly decreasing number of consumer traffic in those places even though there were exception for supermarkets, drugstores, restaurants, or other shops providing essential-for-living products.

Whereas the announcement of the Emergency Decree and curfew nationwide by the Thai government prohibited people to be in public places or on roads within a certain time frame, except the medical and nursing personals and the logistic of consumer products, medicine, medical supplies, medical equipment, there was no burden of the transportation of the Group's products by manufacturers or distributors. In addition, the management and procurement department of the Group closely monitoring the situation of the COVID-19 outbreak to assess the stock levels to meet consumers' demands.

Even though the widespread impact of Covid-19 to economy and consumers' purchasing power but there was very low impact on the Company's performances because the Group's business is engaged in retail sale of health care products including medicines, pharmaceutical products, dietary supplements, and medical equipment through chain store pharmacies and invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute innovative healthcare products, particularly "Besuto" which is developed to fight against the decease. This showed in the increasing revenue of the Group from Baht 906.22 million in 2019 to Baht 1,064.09 million in 2020, representing a growth rate of 17.42% and up to Baht 1,198.77 million in 2021, or 12.66% from 2019.

Moreover, the COVID-19 outbreak has changed the health behaviors of the people to be more health awareness through the uses of preventive medicines. Causing the surge in demands for health care products which is a positive factor that will enhance the Group's performance in the future.

10. Risk from having a group of major shareholders holding shares more than or equal to 25 percent

Mrs. Mataya Bhandhukanonda, the Company's major shareholder also a member of the Board of Directors and President of Executive Board, owning 43.15% of voting rights has control over the major decisions to be made and have the power to block special resolutions at the shareholders' meeting for the matter that requires to be passed by more than three-fourth (3/4) of voting rights held by the shareholders who attend the meeting and have the right to vote according to law or the Company's Articles of Association, for example, an acquisition or disposition of assets, a connected transaction, reduction or increase in share capital as well as mergers and acquisitions.

However, the company has appointed the Audit Committee to perform the duties of auditing, considering, and reviewing the transactions to prevent any transactions that may cause conflict of interest in the future and to ensure transparency in the Company's operations. The Board of Directors of the company consists of 4 independent directors (including the Chairman of the Board) out of the total of 7 directors. This structure will bring a balance of the voting rights and help to supervise the administration in appropriate way to promote maximum efficiency achievement.

11. Risk from having non-resident shareholders as a restriction on exercising their purchasing rights on the Company's newly issued ordinary shares in the future.

In the future, the company may issue various instruments from time to time, including newly issued ordinary shares and other types of instruments such as warrants or transferable subscription rights (TSRs) or convertible debentures through rights offering.

In case the company offers or grants the right to the existing ordinary shareholders to purchase the newly issued ordinary shares or any rights in any form, the company has the right to exercise its discretion to offer such instruments to the shareholders without offering to the non-resident share holders from restricted countries, if such offer will cause burden to the company in compliance with the procedures or requirements prescribed by the relevant countries.

Therefore, in compliance with securities laws or other regulatory requirements in certain countries may cause certain groups of holders to be unable to exercise their rights to purchase such instruments on a pro-rata basis. This may result in a decrease in the shareholding ratio of such holders. However, the company is not obliged to apply for registration of the Company's ordinary shares in foreign country for allowing foreign investors to exercise their rights as per their shareholding ratio to purchase the Company's newly issued ordinary shares in the future.

9. Properties used in business

9.1 Details of the Properties Used in Business

As of December 31, 2021, the company and its subsidiaries have the properties used in business as follows:

Type of Properties	Ownership	Obligations	Net Book Value (Baht : million)
Land	The Group	Collateral for credit facilities with commercial banks	8.18
Buildings	The Group	Collateral for credit facilities with commercial banks	10.64
Building Improvements and rental properties	The Group	none	39.26
Vehicles	The Group	none	0.37
Office equipment	The Group	none	5.20
Furniture and fixtures	The Group	none	4.39
Computer and equipment	The Group	none	4.61
Work in progress	The Group	none	0.76
Total			**73.40**

9.2 Details of Intangible Assets Used in Business

As of December 31, 2021, the company and its subsidiaries' intangible assets used in their business are goodwill in the amount of Baht 15.62 million derived from business consolidation between HL and HN and computer program in the amount of Baht 8.5880 million.

9.3 Major Agreements Relating to Business Operation

9.3.1 Lease and Service Agreement

9.3.1.1 Agreement with Third Parties

Brand	Location		Rental Space (sq.m.)	Lease Period
iCare	Save Center	Unit A.5 42-42/1 - 42/34 Borommaratchachonnani Road, Sala Thammasop, Thawi Watthana, Bangkok	96.00	May 1, 2021 – Apr 30, 2022
iCare	Sai 2 Market	238 Phutthamonthon Sai 2 Road, Bang Khae Nua, Bang Khae, Bangkok	Approximately 99.00	May 1, 2020 – Apr 30, 2023
iCare	Ekkamai	436/2-3 Soi Sukhumvit 63 (Ekkamai) Sukhumvit Road, Klongton Nua, Wattana, Bangkok	Approximately 42.00	Jan 1, 2021 – Dec 31, 2021 Closed on Nov 25, 2021
iCare	Seri Market Rama 9	999/5 Units U013, U014 Praram 9 Road, Suan Luang, Suan Luang, Bangkok	82.17	Jan 1, 2020 – Dec 31, 2022
iCare	The Trio	170/14 Phutthamonthon Sai 3 Road, Bang Phai, Bang Khae, Bangkok	Approximately 900.00	Jan 1, 2022 – Dec 31, 2023
iCare	Seni Market Phetkasem 28	194/14 Phetkasem Road, Pak Khlong Phasi Charoen, Phasi Charoen, Bangkok	290.00	Jun 1, 2020 – Jan 31, 2023 (extendabl to 2027)
iCare	Phetkasem 56	618/3-618/4 Phetkasem Road, Bangwa, Phasi Charoen, Bangkok	224.00	Apr 22, 2019 – Apr 21, 2022 (extendable to 2029)
iCare	Victoria Garden	1871 Building B, Unit B109, Phetkasem Road, Lak Song, Bang Khae, Bangkok	104.00	Jun 1, 2020 – May 31, 2023 (extendable to 2026)
iCare	Thanommit Market	88 Unit 2-60D, Plaza Zone Soi 2, Ramindra 55/8, Tha Raeng, Bang Khen, Bangkok	181.00	Oct 1, 2021 – Sep 30, 2024 (2 extension with 3- year term per extension)

Brand	Location		Rental Space (sq.m.)	Lease Period
Pharmax	Chamchuri Square	317 Chamchuri Square Building, B Floor, Unit B03-B03/1, Phaya Thai Road, Pathumwan, Pathumwan, Bangkok	107.08	Sep 1, 2021 – Aug 31, 2022
Pharmax	Pure Place Ramkhamhaeng 110	86/1 Pure Place Shopping Center, Building B, 1st Floor, Units B105-B106, Ramkhamhaeng Road, Saphan Sung, Saphan Sung, Bangkok	173.82	Oct 1, 2019 – Sep 30, 2022
Pharmax	Nuanchan	17/63 Nuanchan Road, Nuanchan, Bueng Kum, Bangkok	109.86	Oct 1, 2019 – Sep 30, 2022
Pharmax	The JAS Wanghin	728 The JAS Wanghin Shopping Center, Unit B102, 1st Floor, Lat Phrao-Wanghin Road, Lat Phrao, Lat Phrao, Bangkok	120.00	Nov 1, 2020 – Oct 31, 2023
Pharmax	The Nine Rama 9	999/2 The Nine Center, Rama 9 Road, Phatthanakan, Suan Luang, Bangkok	204.39	Nov 1, 2021 – Oct 31, 2022
Pharmax	Food Villa Ratchaphruek	77/11 Food Villa Ratchaphruek, Bang Ramat, Taling Chan, Bangkok	150.00	Jan 1, 2022 – Dec 31, 2024
Pharmax	Ratchaphruek	81/11 Bang Krang (Bang Kha), Mueang Nonthaburi, Nonthaburi	800 (Convert from 200 sq wa)	Apr 9, 2022 – Apr 8, 2025
Pharmax	The Street Ratchada	139 The Street Ratchada Shopping Center, Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok	82.00	Dec 1, 2019 – Nov 30, 2022 (extendable to 2025)
Pharmax	The Crystal Ekkamai-Ramindra	209 The Crystal Ekamai-Ramindra, Building J, 1st Floor, Unit 101, Pradit Manutham Road, Lat Phrao, Lat Phrao, Bangkok	456.36	Aug 1, 2020 – Jul 31, 2023
Pharmax	Lotus Ladkrabang	362 Luang Phaerng Road, Tub-Yao, Lat Krabang Road, Lat Krabang, Bangkok	100.82	Oct 16, 2020 – Oct 15, 2023
Pharmax	Robinson Ladkrabang	308/1 Unit RLK-1F-RR-102/3, RLK-1st Floor, Lat Krabang Road, Lat Krabang, Bangkok	80.00	Sep 1, 2021 – Aug 31, 2024 (extendable to 2027)
Pharmax	Krungthep Kreetha	241 Marketplace Krungthep Kreetha Project, Units KTK01LS107,109, 1st Floor, Huamark, Bang Kapi, Bangkok	109.00	May 1, 2021 – Apr 30, 2024 (extendable to 2030)

Brand	Location		Rental Space (sq.m.)	Lease Period
vitaminclub	Central Ladprao	1697 Central Plaza Ladprao, G Floor, Unit G17, Phahonyothin Road, Chatuchak, Chatuchak, Bangkok	76.80	Nov 28, 2021 – Feb 27, 2022
vitaminclub	Central Pinklao	7/222 Central Plaza Pinklao, Room No. 325/1, 3rd Floor, Borommaratchachonnani Road, Arun Amarin, Bangkok Noi, Bangkok	54.79	May 15, 2019 – May 14, 2022
vitaminclub	Fashion Island	587,589,589/7-9 Fashion Island Shopping Center, Unit B037C, B Floor, Ramindra Road, Khan Na Yao, Bangkok	99.65	Dec 20, 2021 – Dec 19, 2022
Super Drug	Super Drug	40/9 Phran Nok - Phutthamonthon Sai 4 Road, Bang Phrom, Taling Chan, Bangkok	240.00	Apr 26, 2020 – Apr 25, 2023 (extendable to 2026)

9.3.1.2 Agreement with Related Parties

Brand	Location		Counterparties	Rental Space (sq.m.)	Lease Period
iCare	Thossakan Intersection	349/512 Phutthamonthon Sai 2 Road, Bang Phai, Bang Khae, Bangkok	Mrs. Mataya Bhandhukanonda	507.50	Oct 1, 2019 – Sep 30, 2022
iCare	Prachaniwet 1	99/188, 189 Tessaban Songkhro Road, Ladyao, Chatuchak, Bangkok	Siriravee Co., Ltd.	270.64	Oct 1, 2019 – Sep 30, 2022
Pharmax	Pradit Manutham	275 Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok	Pakinpawat Co., Ltd.	270.00	Oct 1, 2019 – Sep 30, 2022
Office		275 Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok	Pakinpawat Co., Ltd.	359.00	Oct 1, 2019 – Sep 30, 2022

9.3.2 Exclusive Supply Agreement

Contract Name : **Exclusive Supply Agreement**

Contract Parties : (1) Healthiness Co., Ltd. (“Healthiness”)
(2) AVS Innovation Co., Ltd. (“AVS Innovation”)

Contract Term : 5 years (From December 30, 2020)

Key condition : AVS Innovation as the patent owner has agreed to supply hand sanitizer and other hand products, which are manufactured according to the composition and manufacturing process of the hydrogel preparation method under its own patent to Healthiness only. The parties agree that AVS will allow another 5-year renewal period of the agreement, if Healthiness can market the products that provided by AVS Innovation to meet the targeted volume specified in the agreement within 5 years.

9.3.3 Pharmacy License

According to the Drug Act B.E 2510 (1967), Section 17 provided that the retail and wholesale of modern drugs require to obtain a license from licensing authority of which shall remain valid until the end of the calendar year, December 31st, and the license shall be renewed before its expiration and once the application has been filed, the business may be continued until the licensing authority gives an order refusing to renew the license. Icare Health also falls into this regulation required to have a license. The licenses of Icare Health are detailed as follows:

Brand	License No.	Branch	Expiry Date***
iCare	BK 29/2563	Icare Health Co., Ltd.*	31/12/2021
iCare	BK 75/2552	iCare Save Center	31/12/2021
iCare	BK 239/2552	iCare Sai 2 Market	31/12/2021
iCare	BK 97/2553	iCare Prachaniwet 1	31/12/2021
iCare	BK 96/2553 (2010)	iCare Ekkamai **	31/12/2021
iCare	BK 67/2552 (2009)	iCare Thossakan Intersection	31/12/2021
iCare	BK 42/2557 (2014)	iCare Seri Market Rama 9	31/12/2021
iCare	BK 29/2558 (2015)	iCare Trio Phutthamonthon Sai 3	31/12/2021
iCare	BK 1/2560 (2017)	iCare Seni Market Phetkasem 28	31/12/2021
iCare	BK 280/2562 (2019)	iCare Seni Food Market Phetkasem 56	31/12/2021
iCare	BK 142/2563 (2020)	iCare Victoria Gardens Phetkasem 69	31/12/2021
Pharmax	BK 306/2562 (2019)	Pharmax Pradit Manutham	31/12/2021
Pharmax	BK 312/2562 (2019)	Pharmax Chamchuri Square	31/12/2021
Pharmax	BK 307/2562 (2019)	Pharmax Pure Place Ramkhamhaeng 110	31/12/2021
Pharmax	BK 309/2562 (2019)	Pharmax Thanon Nuan Chan	31/12/2021
Pharmax	BK 308/2562 (2019)	Pharmax The JAS Wanghin	31/12/2021
Pharmax	BK 310/2562 (2019)	Pharmax The Nine Rama 9	31/12/2021

Brand	License No.	Branch	Expiry Date***
Pharmax	BK 314/2562 (2019)	Pharmax Food Villa Ratchaphruek	31/12/2021
Pharmax	BK 313/2562 (2019)	Pharmax The Street Ratchada	31/12/2021
Pharmax	BK 315/2562 (2019)	Pharmax The Crystal Ekkamai-Ramindra	31/12/2021
Pharmax	BK 280/2563 (2020)	Pharmax Lotus Lat Krabang	31/12/2021
Pharmax	BK 280/2564 (2021)	Pharmax Robinson Lat Krabang	31/12/2021
Pharmax	BK 282/2564 (2021)	Pharmax Marketplace Krungthep Kreetha	31/12/2022
vitaminclub	BK 124/2559 (2016)	vitaminclub Central Ladprao	31/12/2021
vitaminclub	BK 198/2559 (2016)	vitaminclub Central Pinklao	31/12/2021
vitaminclub	BK 22/2562 (2019)	vitaminclub Fashion Island	31/12/2021
Super Drug	BK 153/2560 (2017)	Super Drug	31/12/2021

Note
* License for modern drug wholesale
** Closed on November 25, 2921
*** The application for renewal the license for the year 2022 of all branches has been filed with the Food and Drug Administration and expected to be completed by March 2022.

9.3.4 Registration for the Importation of Medical Equipment

Healthiness plans to hire international manufacturers from Japan and China, for example, to produce medical supplies and equipment for importation to market domestically in the future. Therefore, Healthiness has applied for registration as an establishment for the importation of medical equipment as follows:

License No.	License Effective Date	Expiry Date
BK Sor Nor. 783/2563 (2020)	15/05/2020	31/12/2024

9.3.5 Trademarks

As of December 31, 2021, The Group's main trademarks are as follows:

9.3.5.1 Approved Trademarks

Trademarks	Expiry Date	Country
Pharmax	March 5, 2030	Thai
ฟาร์แมกซ์	January 24, 2029	Thai
PHARMAX	January 24, 2029	Thai
PHARMAX	December 29, 2024	Thai
vitaminclub	February 26, 2030	Thai
Super Drug	February 26, 2030	Thai
iCare	February 26, 2030	Thai
PRIME	February 26, 2030	Thai
Besuto	June 6, 2031	China
Besuto	August 20, 2031	China
Besuto	September 13, 2031	China
bsl Besuto	April 9, 2030	Thai

9.3.6 Loan Agreements

As of December 31, 2021, the Group has credit facilities from 2 domestic commercial banks that belong to Icare Health, with details as follows:

9.3.6.1 Domestic Commercial Bank No. 1

Type/ Objective	Credit Limit	Interest Rate/Fee	Collateral	Other Conditions
Facility 1 Overdraft (O/D)	Baht 20.00 million	MOR	- Registration of a third mortgage on the land and its properties of the title deed no. 37824 Bang Phai (Bang Chuek Nang, South Side), Bang Khae (Phasicharoen), Bangkok, owned by Mrs. Mataya Bhandhukanonda	-
Facility 2 Soft loan from Bank of Thailand to support business affected by the COVID 19 crisis	Baht 3.50 million	2%	- Fully guaranteed by Mrs. Mataya Bhandhukanonda - Fully guaranteed by Mrs. Mataya Bhandhukanonda	

9.3.6.2 Domestic Commercial Bank No. 2

Type/ Objective	Credit Limit	Interest Rate/Fee	Collateral	Other Conditions
Facility 1 Overdraft (O/D)	Baht 1.50 million	MOR	- Registration of mortgage on the land and its current and future properties of title deed no. 17344 Bang Phai, Bang Khae, Bangkok, owned by Mrs. Mataya Bhandhukanonda - Fully guaranteed by Mrs. Mataya Bhandhukanonda	- Maintain the debt-to-equity ratio not more than 3 to 1, but not less than 0 - Maintain the DSCR: Debt Service Coverage Ratio for not less than 1.25 times

Type/ Objective	Credit Limit	Interest Rate/Fee	Collateral	Other Conditions
Faciltiy 2 Loan for land purchase payment	Baht 3.00 million	MLR - 1%	- Registration of mortgage on the land and its current and future properties of title deed nos. 29392, 29393 Bang Phai (Bang Chuek Nang, South Side), Bang Khae (Phasicharoen), Bangkok, owned by Icare Health Co., Ltd. - Fully guaranteed by Mrs. Mataya Bhandhukanonda and Mr. Supakorn Bhandhukanonda	- Prepare and submit a copy of the financial statement audited by a qualified auditor, to the lenders within 150 days from the end of each accounting period (from the 2020 financial statement, Icare Health can maintain financial ratio as specified by the lenders; total debts to equity ratio at 2.33 times and debt service coverage ratio at 11.53 times)
Facility 3 Loan for construction of warehouse	Baht 6.00 million	MLR - 1%		
Facility 4 Promissory note (P/N) for working capital	Baht 4.00 million	MLR - 1%	- Registration of a third mortgage on the land of title deed no. 17344 Bang Phai, Bang Khae, Bangkok, owned by Mrs. Mataya Bhandhukanonda - Registration of a third mortgage on the land of title deed no. 49618 Bang Phai (Bang Chuek Nang, South Side), Bang Khae (Phasicharoen), Bangkok, owned by Mrs. Mataya Bhandhukanonda	- This facility can be drawndown when the average 3-month revenue from Por Por 30 has reached Bath 30 million or more.

Type/ Objective	Credit Limit	Interest Rate/Fee	Collateral	Other Conditions
Facility 4 Promissory note (P/N) for working capital			- Registration of a third mortgage on the land and its current and future properties of title deed no. 29390, 29391 Bang Phai (Bang Chuek Nang, South Side), Bang Khae (Phasich aroen), Bangkok, owned by Icare Health Co., Ltd. - Fully guaranteed by Mrs. Mataya Bhandhukanonda and Mr. Supakorn Bhandhukanonda	-
Faciltiy 5 Promissory Note (P/N) for working capital	Baht 5.00 million	MLR - 1%	- Registration of a second mortgage of the land and its current and future properties of title deed no. 17344 Bang Phai, Bang Khae, Bangkok, owned by Mrs. Mataya Bhandhukanonda - Fully guaranteed by Mrs. Mataya Bhandhukanonda	-
Facility 6 Combined Credit Line	Credit limit of Baht 22.00 million divided into 1. Baht 10.00 million of Overdraft Loan Agreement dated June 18, 2010	MOR	- Registration of mortgage on the land and its current and future properties of title deed no. 49618 Bang Phai (Bang Chuek Nang, South Side), Bang Khae (Phasicharoen), Bangkok, owned by Mrs. Mataya Bhandhukanonda - Fully guaranteed by Mrs. Mataya Bhandhukanonda	-

Type/ Objective	Credit Limit	Interest Rate/Fee	Collateral	Other Conditions
Facility 6 Combined Credit Line	2. Baht 6.00 million of Overdraft Loan Agreement dated August 26, 2013	MOR	- Registration of the first increasing mortgage payment on the land and its current and future properties of title deed no. 49618 Bang Phai (Bang Chuek Nang, South Side), Bang Khae (Phasicharoen), Bangkok, owned by Icare Health Co., Ltd. - Fully guaranteed by Mrs. Mataya Bhandhukanonda	-
	3. Baht 6.00 million Overdraft Loan Agreement dated April 29, 2014	MOR	- Registration of the first increasing mortgage payment on the land of title deed no. 29390, 29391 Bang Phai (Bang Chuek Nang, South Side), Bang Khae (Phasicharoen), Bangkok, owned by Icare Health Co., Ltd. - Registration of mortgage on the land and its current and future properties of title deed no. 29390,29391 Bang Phai (Bang Chuek Nang, South Side), Bang Khae (Phasicharoen), Bangkok, owned by Icare Health Co., Ltd. - Fully guaranteed by Mrs. Mataya Bhandhukanonda	- -
Facility 7 Promissory Note (P/N) for working capital	Baht 15.00 million	MLR - 1%	- Registration of the fourth mortgage on the land of title deed no. 49618 Bang Phai (Bang Chuek Nang, South Side), Bang Khae (Phasicharoen), Bangkok, owned by Mrs. Mataya Bhandhukanonda	-

Type/ Objective	Credit Limit	Interest Rate/Fee	Collateral	Other Conditions
Facility 7 Promissory Note (P/N) for working capital			- Registration of the fourth mortgage on the land of title deed no. 17344 Bang Phai, Bang Khae, Bangkok, owned by Mrs. Mataya Bhandhukanonda, - Registration of the second mortgage on the land of title deed no. 29392, 29393 Bang Phai (Bang Chuek Nang, South Side), Bang Khae (Phasicharoen), Bangkok, owned by Icare Health Co., Ltd. - Registration of the fourth mortgage of the land and its current and future properties of title deed no. 29390, 29391 Bang Phai (Bang Chuek Nang, South Side), Bang Khae (Phasicharoen), Bangkok, owned by Icare Health Co., Ltd. - Fully guaranteed by Mrs. Mataya Bhandhukanonda and Mr. Supakorn Bhandhukanonda	- - -

10.Driving Business Toward the Sustainability

10.1 Sustainability Policy

The Company's sustainable development approach is rooted in its founder's aspiration to provide reliable community pharmacists to communities through neighborhood pharmacies where patients can come in to consult health issues before deciding whether to go to a hospital. Such health services are essential to living. In line with its mission, the company has adhered to good corporate governance and promoted social responsibility.

10.2 Managing Impacts on Stakeholders in the Business Value Chain

Main Stakeholders, both internal and external, of the company

Business Value Chain	Stakeholders	
	Internal	External
Fund raising Business Operation Subsidiaries	Shareholders Employees Customers Surrounding Community	Financial Institutions Business Partners/Alliances

Management Approaches

The company and its subsidiaries recognize the importance of corporate social responsibility and belief that the business operation with corporate social responsibility will lead to sustainable development in the future. The management team therefore has a policy to operate the business by committing and focusing on duties and responsibility to society, environment, and groups of stakeholders according to the following 8 principles:

1. Fair Business Operation

The Company's and its subsidiaries' business ethics prescribe legal compliance, rule out conflict of interest, uphold confidentiality, and protect inside information. These ethics also govern treatments of customers, consumers, competitors, suppliers and employees; procurement; responsibility to society and community; internal control and internal audit; the acceptance and giving of assets or other benefits; safety health and environment; intellectual property; and information technology usage. The company and its subsidiaries have required all new employees to receive training during their orientation and all its current employees to take refresher courses to ensure that they are always aware of and understand the ethics. The company and its subsidiaries have also applied ethics to their evaluations system to constantly promote improvement. In addition, the company and its subsidiaries have continually promoted ethics across its organization via various medias and activities to ensure the efficiently application of business and work ethics.

2. Anti-Corruption

The company and its subsidiaries have a policy to conduct their businesses by following laws and in a way that delivers benefits to the public. They therefore have supported their employees in working ethically and being good citizens. Suppliers are also encouraged to embrace transparency. To promote peaceful

society, the company and its subsidiaries have issued a key policy to combat corruption and bribery. As assurances of tangible and adequate implementation of the anti-corruption and anti-bribery policies, the Board of Directors meeting No.5/2020 held on November 13, 2020, approved the following "anti-corruption guideline":

- Directors, executives and employees shall refrain from both direct and indirect corrupt actions. Such actions may be related but not restricted to making an offer/promise, asking or demanding benefits, accepting benefits, giving benefits, soliciting illegal activities, destroying trust, and engaging in corrupt behaviors for their own or others' benefits.
- Directors, executives, and employees shall comply with anti-corruption policies/measures as well as Thailand's anti-corruption laws. Those violating the policies shall face disciplinary and legal actions, depending on the nature of their offences.
- Directors, executives and employees shall have the duty to monitor and prevent corruption in the company and its subsidiaries. In events that they detect corruption or actions that may lead to corruption, they must immediately report the incidents to their supervisors or submit information via channels made available by the company and its subsidiaries.
- The company and its subsidiaries shall keep the information on whistleblowers confidentially. Also, the company and its subsidiaries shall protect whistleblowers who have a good intention as well as those refusing to engage in corrupt practices. They shall not face adverse impacts from their whistleblowing.
- The company and its subsidiaries shall prepare policies and guidelines against all forms of corruption that may possibly materialize in the forms of political favors, donations, sponsorships, gifts and reception expenses. In addition, the company and its subsidiaries shall implement mechanisms to supervise such activities to ensure transparency and compliance with laws and prevent unjust or inappropriate nepotism.
- The company and its subsidiaries shall prepare adequate and appropriate internal control to guard against corruption and poor corporate governance practices.
- The company and its subsidiaries shall ensure appropriate corruption-risk assessments and anti-corruption measures.
- The company and its subsidiaries shall made available of channels to communicate with employees and stakeholders about anti-corruption policies, and designate channels to accept tip-off, complaints, and feedback so that the company and its subsidiaries can launch investigations or make improvements.
- The company and its subsidiaries shall develop human resource management system and promote anti-corruption value and culture through communications and promotion of knowledge and awareness of their anti-corruption policies and business-ethics guideline.
- The company and its subsidiaries shall make procurements transparently in compliance with laws, regulations, and their own guidelines. Furthermore, the company and its subsidiaries shall always keep procurements system in examination.

3. Respect Human Rights

The company and its subsidiaries have a policy to comply with applicable laws and regulations related to employees, and to uphold international human-rights principles without discrimination

on place of birth, races, genders, ages, complexions, religion, disabilities, financial status, family background, alma mater, or any status that is not directly to work. The company and its subsidiaries, moreover, honor individualism and human dignity.

4. Fair Labor Practices

The company and its subsidiaries are aware that their employees are their most valuable asset and their success factor of the pursuit of their goals. Guided by such awareness, the company and its subsidiaries have ensured fair labor practices via the followings

Remuneration Management

The company and its subsidiaries have awarded remuneration and welfare with the aims to motivate employees to work to the fullest of their abilities, to ensure fairness, to comply with laws, and set the same standard across their operations. Assessments and analyses are conducted with up-to-date indicators so that employees' remuneration is commensurate with their job responsibilities and in a competitive level.

Employee Development

The company and its subsidiaries have accorded importance to the development of knowledge, abilities, and management skills among their employees through training, seminars, and educational trips. Moreover, they are committed to ongoing formulating human-resource-development framework to increase the capabilities of employees at all levels.

Employment, Work and Career Advancement

The company and its subsidiaries have formulated clear guidelines to set standard practices and to fully comply with applicable laws. Opportunities are offered to all without discrimination on genders, ethnicities, religions, countries of origin, ages, disabilities, economic or social status, or educations.

Safety and Health at Work

With care for the wellbeing and health of all employees, the company and its subsidiaries take on particular importance on safety and healthy work environment.

5. Responsibility to Consumers

The company and its subsidiaries take on great importance to responsibility to customers. They therefore have embraced the following guideline:

- Deliver quality products/services that meet customers' expectations at a fair price.
- Provide consumers with accurate, adequate and timely product/service information, without any exaggeration about the quality of products/services that could mislead customers.
- Communicate with customers politely and efficiently and create customer trust by developing effective complaints management system.
- Protect customer information, which shall not be used illegitimately by the company or its subsidiaries or any related party.

6. Environmental Care

The company and its subsidiaries not only take on great importance to social responsibility but also environmental care. They therefore have ensured that their operations strictly comply with environmental laws. For the purpose of protecting the environment, the company and its subsidiaries have embraced the following guideline:

- Curbing plastic-bag usage by refraining from giving free plastic bags to customers.
- Curbing paper-box usage by delivering products to branches in reusable boxes.
- Curbing paper usage by electronically preparing documents on ERP (Enterprise Resource Planning) system and sending messages via emails instead of printing out on paper.
- Curbing petrol consumption by arranging meetings via Zoom.
- Curbing electricity consumption by turning off lights and air conditioners during lunch breaks.

Currently, the company and its subsidiaries have not yet compiled information on greenhouse-gas emissions because not only that their operations have no significant emissions, but they also embrace aforementioned guidelines. The Company's Board of Directors, however, assigned the chief executive officer to consider and review carbon-footprint assessments of the company and its subsidiaries. In an event of significant changes in business operations of the company and its subsidiaries in regard to greenhouse-gas emissions, a review may be ordered where appropriate.

7. Contributions to the Social and Community Development

The company and its subsidiaries are aware that a strong sustainable development of community and society is crucial to their businesses and be a favorable factor to their succeed. The company and its subsidiaries have therefore conducted the following activities

Social: The company and its subsidiaries has an opportunity to participate in kindness sharing to children and elderly in need as follows:

- The company and its subsidiaries in collaboration with Biz Focus Group magazine donated in the "Full stomach of little kids, happiness to givers, satisfaction to the recipient, elder person sharing to younger person" project at Baan Tawan Mai Orphanage, Samutprakan.
- The company and its subsidiaries in collaboration with Biz Focus Group magazine donated consumer goods for neglected elderly people under the "Biz Focus's care, COVID-19 prevention, and social development and return of smile to the elderlies" project to improve health care and quality of life of the elderlies and reduce stress and promote mental health at the Ban Khao Bo Kaeo Elderly Aid Center, Nakhon Sawan.

Public Health: The company and its subsidiaries donated medicines to hospitals and related foundations to support the hospital operations and related foundations as follows:

Projects

The company and its subsidiaries in collaboration with "Channel 3 family" donated medicines under "Leftover Medicines Can Save Lives" project for further delivery to Umphang Hospital in Tak for the treatment of poor patients.





The company and its subsidiaries in collaboration with "Channel 3 family" donated money and 504 tubes of Besuto alcohol gel under the project of "Channel 3 volunteer for goodness, donation of medicines to people in the remote areas" through Border Patrol Police Headquarters for further delivery to the "Royal Suksala Clinics of Border Patrol Police School" to help promote quality public health service for the people in remote areas.

The company and its subsidiaries donate medicine cabinets to the Foundation for Research and Development of Medicine System (FRD) for further delivery to schools in the three southern border provinces under the project of "Medicine Cabinet for Children in 3 Southern Border Provinces" which is a part of an assistance to the care taking of health for children and adolescents in schools and people in the area.



Projects



Amidst the COVID-19 epidemic, the company and its subsidiaries practiced society responsibility by participating in the project “Help!”, initiated by A to Z Co., Ltd., the developer of Doctor A to Z platform, an online medical consulting system in collaboration with more than 400 COVID-19 volunteer physicians and more than 20 leading companies in various industries. In order to take care and monitor patients, 3 meals over the course of 14 days and a full set of essential medicines and medical supplies have been delivered to patients. Regarding the high-risk patients, an assessment team will register them into the 1422 system for further process of urgent bed allocation, together with emergency ambulance for high-risk and potentially fatal patient to be relocated. The Group also donated 1,000 bottles of Besuto Mouth Spray as part of the set of essential medicines and medical supplies. The Group also helped prepared essential medicines and medical supplies sets in “HELP!” program.

Besuto 12 in collaboration with NSTDA donated Besuto 12 Cleansing Gel to the Governor of Pathum Thani Province, Mr. Chaiwat Chuenkosoom for further delivery to field hospital of Thammasat University under the “PATHUM HYGIENE MODEL program”, delivering considerations to Pathum Thani Province by innovations from nanotechnology to kill the virus that causes COVID-19”.



Projects

LINE MAN takes a great importance on safety and moves forward to hand out 1 million medical face masks together with Besuto12, non-alcohol disinfectant gel, to the registered riders across the country, to increase confidence for customers, shops, and food deliveries during the third wave of Covid-19 epidemic.





Icare Health Co., Ltd. donated 500 tubes of Besuto12 gel, antibacterial gel, long-lasting protection, alcohol-free formula, in a total value of Baht 60,000, to join the project “Or Wor Parod” of the Ministry of Higher Education, Science, Research, and Innovation (TSU). To deliver herbal medicines and additional essential items, aside from the ones supplied by hospitals to hospitalized patients under the hospital network of the Institute of Medicine of Thailand (UHosNet) under the TSU.

Healthiness Co., Ltd. gave away10 boxes or 240 tubes of Besuto12 Cleansing Gel to Prangku Hospital, field hospitals and the rescue team in Prang Ku, Sisaket Province for the use in treatment of COVID-19 patients



Education: The company and its subsidiaries support educational activity and give donations for educational field as follows:

- The company and its subsidiaries have provided internship places to pharmaceutical-sciences students in support of the development of human resources in pharmaceutical field. Even though students cannot physically intern at the branches of the company and its subsidiaries during COVID-19 situation, they are offered case studies for online internships. Pharmaceutical-sciences students have conducted research on the case studies, made presentations and exchanged opinions with pharmaceutical staff of the Group of Companies via Zoom meetings.
- The company and its subsidiaries have collaborated with the Education for Development Fund in placing donation boxes at all their pharmacies to raise fund for "Under the Same Sky" scholarships program, which are granted to the orphans caused by Deep-South unrest.
- The company and its subsidiaries have implemented projects dispatching pharmacists to educational institutes where they provide knowledge of appropriate usage of medicines.

Buddhism: The company and its subsidiaries have donated money to many temples in support of Buddhism.

8. Development and Distribution of Innovations Acquired from Socially and Environmentally Responsible Business Operations

The company and its subsidiaries have supported the innovations development both internally and externally, with many collaborations with other organizations. The development hereby refers to new ways of actions or processes or alteration of ideas and production that added values to products and services. The ultimate goal of developing innovations is to perpetuate positive changes or increase productivity for optimal public benefits.











Part 3



Corporate Governance

Corporate Governance

1. Overview of Corporate Governance Policies and Guidelines

The Board of Directors adhere firmly to good corporate governance and ethical business practices, to ensure the improvement of their efficiency, transparency, competitiveness, as well as their sustainable growth, consequently, would bring assurance to all stakeholders that all the business conducts of the company and its subsidiaries are done considering fairness to every stakeholder, including employees, investors, shareholders and other stakeholders.

The Board of Directors has set and also deems appropriate to continually review and improve the corporate governance policies and guidelines in adherence to The Principles of Good Corporate Governance for Listed Companies 2017 stipulated by the Securities and Exchange Commission. This policy shall serve as a guideline for organizational management and an assurance to all that the Group have conducted their operations fairly and transparently in the best interest of not just shareholders but all groups of stakeholders, consisting of 8 principles as follows:

1. Establish the Awareness of Roles and Responsibilities as Corporate Leaders to Generate Sustainable Value of the Board of Directors.
2. Define Objectives that Promote Sustainable Value Creation
3. Strengthen Board Effectiveness
4. Recruit/Develop High-Level Executives, and Human Resources Management
5. Nurture Innovation and Responsibility Business
6. Strengthen Effective Risk Management and Internal Control System
7. Ensure Financial Integrity and Data Disclosure
8. Promoting Shareholder Engagement and Communications



Principle 1 Establish the Awareness of Roles and Responsibilities as Corporate Leaders to Generate Sustainable Value of the Board of Directors

The Board of Directors not only clearly specified their roles, responsibilities and authorities of those of the Group with accountability, prudence and integrity as defined by law, the Company's objectives and the Articles of Association as well as the resolutions of the shareholders' meetings, but also being authorized to formulate the Company's vision and mission statement, goals, policies, business directions, strategies, and annual work plan and budget plan, as well as oversee and monitor the business operations to be in compliance with applicable laws, policies, work plans, and annual budgeting, together with evaluate business performance and monitor such report.

In addition, sub-committees and working groups were established and assigned to support, review and govern the Group' business operations and management to be in accordance with the applicable laws, policies, plans and annual budgeting, comprising of Executive Committee, Audit Committee, and Risk Management Working Group. The scope of duties and responsibilities of the sub-committees and risk management working group are clearly defined.

The Board and Working Group Charters have been established and presented to all board and working group members and need to be reviewed and updated regularly to be closely aligned with the strategic direction.

The Board of Directors has established business ethics and corporate governance policies as guidelines for overseeing the business operation with ethics, respect of rights and responsibility to shareholders and all stakeholders and conducting business beneficial to society and environment as well as being adaptive to the change incurred.

Principle 2 Define Objectives that Promote Sustainable Value Creation

The clear and appropriate vision and mission statements have been set out by the Board of Directors and the Company's objectives and goals have been presented to all stakeholders as a key organization wide governance policy adopted to achieve the Company's objectives and goals.

The Board of Directors has a policy not only to have strategic direction and budget being reviewed and update annually to ensure the appropriate response to the rapidly changing economic conditions and business potential but also to promote the creation and application of innovations/technologies for their businesses.

In addition, the Board of Directors also has a duty to supervise and monitor the operations of the company and its subsidiaries to be in accordance with the established strategy and budget, together with oversee the allocation of important resources.

Principle 3 Strengthen Board Effectiveness

The Company has a policy to define the Board structure to be appropriate for the Group' business and size and be complied with applicable laws. The board composition strongly reflects the balance of power and authority by clearly setting the specific proportion of the independent non-executive directors and the executive directors. The roles of Chairman of the Board and Chief Executive Officer are separate and clearly defined and not perform by the same person. in order to clarify the responsibility on operation governing and supervising and day-to-day management respectively.

The company currently has 7 directors, comprising of 3 executive directors, 4 non-executive directors and 4 independent directors, representing 57.14% of total number of directors.

To ensure that its directors have adequate time for their roles and responsibilities, the company requires the director hold not more than 5 directorship position in other listed companies and maintain at least 75% of board meetings attendance a year. The Company's Board of Directors must convene at minimum of four meetings a year.

The Board of Directors take on great importance to recruitment of board member with appropriate level of expertise and experience and capable to perform duties which benefits the business of the company and its subsidiaries to propose to the shareholders' meeting for further approval.

Furthermore, the company has appointed its company secretary to support and give advice to directors and executives ensuring compliance with statutory and regulatory requirements, as well as the Company's Articles of Association. The Company's secretary is also in charge of monitoring and ensuring that organization complies with relevant legislation and regulation together with organizing and arranging Board of Directors' meeting and Shareholders' meeting including ensuring that decisions of the board of directors and shareholders are implemented, and any other duties as required by law.

Principle 4 Recruit/Develop High-Level Executives, and Human Resources Management

The Board of Directors has established a succession plan for key management positions which covers the positions of Chief Executive Officer and key executives to ensure that the Group have knowledgeable and competent executives to fill critical positions in the future to guarantee the smooth and continuous operation. In addition, the company has the policy to offer appropriate remuneration to CEO and other key executives to motivate them to work in the best interest of the company and its shareholders.

The company has a policy to enhance the knowledge of and give fresh perspectives to its directors and key executives by offering them training. Executive development projects are also conducted in support of succession plans.

The Board of Directors shall have annual performance evaluation of the Chief Executive Officer and key executives to determine proper remuneration along with to develop their capabilities for enhanced performance.

Principle 5 Nurture Innovation and Responsibility Business

The Board of Directors take on great importance to the creation of corporate culture, promoting the creation of innovations that are mutually beneficial for the company, its subsidiaries, customers, business partners, and related parties, as well as the responsibilities on society and environment. The Group take into consideration the development of the quality of service, human resource development, environmental concerns, and corporate social responsibility in order to create a balance between business profits and social impact.

The Board of Directors is aware of both internal and external stakeholders' rights, good understanding and cooperation among the company, its subsidiaries and stakeholders benefit the business and build confidence, as well as increase the competitiveness of the Group in the long term. The Group have established policies and guidelines as follows:

Shareholders :

The Group are determined to conduct business with transparency and focus on developing the organization for sustainable and continuous growth to create maximize shareholder value and the Company's value to assure that the shareholders will receive maximum returns. The directors, executives and employees are required to perform their duties with accountability, prudence, and integrity, avoiding any action that would be considered a conflict of interest.

Employees :

The Group have a policy to treat all employees equally and fairly and to provide fair compensation package based on the knowledge and abilities of each employee together with appropriate welfare. The company places strong emphasis on developing knowledges and competence of the employees to promote efficient working skills and giving employees the opportunity to develop their skills in various fields as well. Moreover, provident fund is provided for employees.

Customers :

The Group are responsible for customers, compliance with relevant laws and standard with regard to health, safety and fairness of customers as well as, customer information protection, after sale services throughout the product and service life, together with monitoring and assessment of customer satisfaction in order to conduct product and service improvement along with accountability advertisement, public relations and sale promotion to avoid misleading or exploiting customer misunderstandings.

Business Partners and Creditors :

The Group are responsible to its business partners by having fair and transparency procurement process and fair contracts and agreements. sharpening the ability and proficiency in production and service to meet the applicable standards along with clarifying and ensuring that business partners protect human rights and labor rights and are responsible for social and environment.

Competitors :

The Group have a policy to conduct business transparency and refrain from unfair competitive advantages, comply with the rules of good competition, not seek for competitors' trade secrets through dishonest or inappropriate means nor slander competitors.

Community and Society :

The Group are committed to cultivate consciousness on social responsibility across the company including supporting activities that are beneficial to the public and refrain from doing anything illegally.

Principle 6 Strengthen Effective Risk Management and Internal Control System

The Board of Directors has established a comprehensive internal control system covering all aspects including finance, and operation to be complied with relevant legislations and regulations, as well as established an effective checks and balance system to protect and maintain shareholders' equities and assets of the company and its subsidiaries. Authorization processes are prepared with balance and control between executives and employees. Written work process and guidelines have been established. The Group have hired external auditors to audit operating results of all business units to ensure regulatory compliance and evaluate the efficiency and adequacy of internal control system of the company and its subsidiaries.

The company has assigned a Risk Management Working Group to identify, analyze and report the key and emerging risks and regularly submit a risk management plan to prevent any impact on the business of the company and its subsidiaries, as well as supervise the risk management in accordance with the specified risk management policy.

Principle 7 Ensure Financial Integrity and Data Disclosure

The Board of Directors is committed to ensure that both the company and its subsidiaries comply with laws and regulations related to information disclosure. The company and its subsidiaries take on great importance to ensure that both financial and non-financial information relating to the Company's business and operating results is revealed in a complete, accurate, adequate, regular, and timely manner to relevant parties in an equal manner.

The Board of Directors is responsible for preparing the annual report, the Form 56-1, financial statement of the company and its subsidiary and financial information appeared in the annual report and ensure that financial statements are prepared in accordance with Generally Accepted Accounting Principles and adopting the appropriate accounting policies as well as using best discretion along with disclosing adequate key financial information in Notes to Financial statements. The Company's Board of Directors has assigned the Audit Committee to ensure the quality of financial statements and to provide opinions on the financial report to the Board of Directors.

After its listing on the Thai stock market, the company shall disclose its and its subsidiaries' information to shareholders and the public via its and the Stock Exchange of Thailand's channels including the Company's

website. The company has assigned its chief financial officer, Mrs. Araya Tantanasin, to communicate with and provide accurate, complete and correct information to shareholders, investors, securities analysts, relevant authorities, or any other person.

Principle 8 Promoting Shareholder Engagement and Communications

The company places importance on the rights of shareholders without taking any action violating or depriving any lawful rights of shareholders, include the right to buy, sell or transfer (their) securities, the right to receive dividends from the company, and the right to attend shareholders' meetings. Respecting shareholders' right to timely and equal access to complete, accurate, and adequate information on the company and its subsidiaries for decision-making purposes, the Company's Board of Directors has formulated the following guideline:

1. The company shall hold a shareholders' meeting to allow shareholders to consider important matters as required by law or any matters that may affect the Company's business operations.
2. The company shall send the meeting notification letter along with the documentation to the shareholders prior to the meeting date as specified by law or relevant regulations to allow the shareholders an opportunity to study the information completely before the date of the shareholders' meeting. The company shall give shareholders an opportunity to submit questions before the meeting date pursuant to the submission criteria published on the Company's website so that company will collect important questions to be presented at the meeting.
3. The company shall give the opportunity for minority shareholders to nominate a person to be elected as a director or to propose additional meeting agendas prior to the shareholders' meeting subject to the clear criteria notified to shareholders in advance. If such proposed agendas are not raised at the meeting, the company shall provide an explanation.
4. In the event that shareholders are unable to attend the meeting, the company shall enable them to conveniently name a proxy by providing at least one independent director as their possible proxy. At a shareholders' meeting, the proxy can attend and vote on. The names and information of such independent directors will be announced in the notice of the shareholders' meeting.
5. Invitation letter and relevant information shall be available in both English and Thai to facilitate foreign shareholders.
6. The company also made more communication channel available to shareholders via the Company's website. The company shall publish an invitation to its shareholders' meeting on the website at least 28 days in advance so that shareholders can conveniently download complete information on meeting agendas.
7. The company shall facilitate all shareholders on equal basis in attending the meeting by choosing appropriate venue and time.
8. The shareholders' meeting will be conducted according to the laws and the Company's Article of Association. The meeting will proceed without any changes to the sequence of the agenda listed in the invitation letter. The changes in materialized information and additional agendas proposed shall be prohibited unless necessary. Shareholders shall have equal right to ask questions and express opinions or address recommendations in the meeting.
9. The company shall use ballots for voting on important agendas, and provide independent persons such as external auditors or legal advisor, to conduct accuracy check in the meeting.

10. The company encourage all directors and related executives to attend the meeting to answer questions from shareholders.

11. The company shall record complete and accurate information in the minutes of the meetings fast and transparently. These minutes shall list the names of directors/executives, voting procedures, vote counts, vote results, meeting resolutions, and questions and opinions raised at the meeting for shareholders' review. These minutes shall also be made available within 14 days from the relevant shareholders' meeting. The company, moreover, shall record shareholders' meetings and keep these recordings for reference purposes. The company shall also submit the minutes to the Stock Exchange of Thailandor relevant authorities within prescribed timeframe. These minutes shall also be released via theCompany's website.

Other Corporate Governance Principles

The Group adhere to the SET Principles of Corporate Governance for Listed Companies 2017. The principles need to be reviewed and updated at least once a year.

The other corporate governance principles are as follows:

1. Investment in subsidiaries or associated company

The company has a policy to invest in subsidiaries or affiliates which have the same business objectives as the Company's core business or have similar kind of businesses or have the businesses that support the Company's business of which enable to generate additional revenue streaming, create synergy and competitiveness of the company. However, the Board of Directors may consider investing in businesses other than the core business if it is considered the potential business and beneficial to the company and its shareholders.

2. Authorization

As the company is considered the holding company where key business operations are in subsidiaries including, Icare Health and Healthiness. Therefore, the company established an authorized matrix that outlines the functional and financial approval for the company and its subsidiaries by designating subsidiaries' management to be authorized for day-to-day operations except for the crucial decision-making or approval on the over specified authorization limit which have to submit to the Board of Directors for further approval.

2. Corporate Governance Structure and Important Information of the Board of Directors, Sub-committees, Executives, Employees and Others

2.1. Corporate Governance Structure

The responsibilities of The Board of Directors, sub-committees and executives are clearly separated in order to establish a perfect balance between governance and management and must be examinable. The Board of Directors shall oversee and monitor the corporate performance in accordance with the policies, plans and business strategies of the company. The Board of Directors has appointed committees and working groups, namely the Audit Committee and the Risk Management Working Group to screen out important tasks along with Chief Executive Officer, the top management.

2.2. Board of Directors

The Board structure of the company consists of 3 committees consisting of the Board of Directors, Audit Committee and the Executive Committee, which are fully qualified under Section 68 of the Public Limited Companies Act B.E. 2535 (1992) and the relevant Notifications of the Capital Market Supervisory Board.

2.2.1. The Board of Directors

As of December 31, 2021 the Board of Directors consists of the following 7 directors:

Names	Position	Year of Appointment	Term in Office
Mrs. Aphirudee Hemachudha	Chairman	2020	1 year 1 month
Ms. Ampaivan Limprapassorn	Independent director	2020	1 year 1 month
Mrs. Marayart Teeratomorn	Independent director	2020	1 year 1 month
Mr. Thanasak Kulrattanarak	Independent director	2020	1 year 1 month
Mrs. Mataya Bhandhukanonda	Director	2020	1 year 1 month
Mr. Thatchaphon Chonwattanasakul	Director	2020	1 year 1 month
Mr. Supakorn Bhandhukanonda	Director	2020	1 year 1 month

Authorized Directors as of December 31, 2021 are as follows:
The authorized directors are Mrs. Mataya Bhandhukanonda or Mr. Supakorn Bhandhukanonda jointly signs with Mr. Thatchaphon Chonwattanasakul, together with the Company's seal affixed.

Composition and Appointment of the Board of Directors

1. The appointment of directors must be considered and approved by shareholders.
2. The Board of Directors consists of at least 5 directors of which not less than half of the total number of directors must reside in Thailand and must have qualifications as specified by law.
3. The company has a policy that the Chairman of the Board and the Chief Executive Officer shall not be the same person to clearly separate roles and responsibilities of corporate governance and operation management.
4. The composition of the Board of Directors complies with the SEC regulations of which comprise of at least 3 directors and must have at least one third of independent directors out of total directors.
5. The appointment of directors shall be in accordance with the Company's Articles of Association and related law. However, the process for selection, nomination and appointment of directors should be transparent and explicit with adequate detail of their education history, experiences and professional practice of the person given for the Board of Directors and shareholders' consideration.
6. Directors who retire by rotation may be re-elected.

Qualifications and appointment of independent directors

The Company's Board of Directors shall consider the basic qualifications of persons to be appointed independent directors in terms of qualifications and prohibitions of independent directors according to the Public Limited Companies Act, the Securities and Exchange Act, Notifications of the Capital Market Supervisory Board as well as relevant notifications, and/or relevant regulations. In addition, the company shall select qualified, experienced and suitable candidates to be nominated and propose to the Shareholders' meeting for further approval. The company has the policy to have at least 3 independent directors and in the proportion of at least one third of independent directors out of total directors.

Qualifications of Independent Directors

1. Holding less than 1% of the total number of voting rights of the company, parent company, its subsidiaries, affiliates or legal entities owned by person (s) who might have conflicts of interest including shares held by his/her related persons.
2. Not currently holding director position or used to be an executive director, employee, salaried consultant or controlling party of the company, parent company, subsidiaries, affiliates, affiliates or controlling parties of the company unless such position have been resigned for not less than 2 years prior to the date of submission of an application to the SEC.
3. Not being a person who is related by blood or legally related as parents, spouses, siblings, or children including the spouses of the children of the executives, major shareholders, controlling party or candidate for executives or management or controlling parties of the company or its subsidiaries.
4. Not currently having or never had any business relationship with the company, parent company, subsidiaries, affiliates or juristic person that may have conflicts of interest in a manner that may impede the exercise of one's independent judgment including not being or having been a major shareholder, executive director or executive of those who have a business relationship with the company, parent company, subsidiaries, affiliates or juristic person who may have conflict of interest unless the aforementioned position have been resigned for not less than 2 years prior to the date of submission of an application to the SEC.
5. Not being or having been an auditor of the company, parent company, subsidiaries, affiliates or juristic person who may have conflict of interest as well as a major shareholder, executive director, executives or managing partner of the current audit firm of the company, parent company, subsidiaries, affiliates or juristic person who may have conflicts of interest unless such position have been resigned for not less than 2 years prior to the date of submission of an application to the SEC.
6. Not being or having been a professional service provider of any kind, including as a legal or financial advisor received service fees of more than Baht 2 million per year from the company, parent company, subsidiaries, affiliates or juristic person who may have conflict of interest as well as a major shareholder, executive director, executives or managing partner of the current consulting firm of the company, parent company subsidiaries, affiliates or juristic person who may have conflicts of interest unless such position have been resigned for not less than 2 years prior to the date of submission of an application to the SEC.
7. Not currently a director appointed to represent the company's directors, major shareholders, or the shareholder related to major shareholder.
8. Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or

consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary.

9. Not under any conditions that may impede the person from having independent views towards the company's operations.

Terms of Office

The Board of Directors is appointed by the shareholders' meeting. The term of office is in accordance with the Company's Articles of Association (3 years per term according to the Public Limited Company Act) and upon completion of the term may be re-elected to hold another position.

The Role and Responsibility of the Board of Directors

1. Prescribe business objective, main business targets, visions, missions, policies, goal, business strategies, business plans, management structure, authorization, and budget of the company and its subsidiaries. Overseeing the allocation of important resources and considering, reviewing, inspecting, and approving policies, strategies, business plans, operational direction of the company and its subsidiaries proposed by the management.

2. Monitoring and supervising and operating results, operation and management of the Company's management and sub-committees to meet the objectives, main goals of the business, visions, missions, strategies, action plans and budget as set with efficiency and effectiveness to enhance values to the company and shareholders.

3. Monitoring and supervising the management and operation of the company and its subsidiaries in accordance with the Company's policies, good corporate governance principles, and securities laws along with relevant notifications, regulations and rules of the Capital Market Supervisory Board, the SEC and the Stock Exchange of Thailand such as related transaction and acquisition or disposition of assets to the extent that it is not contrary to or inconsistent with other laws.

4. Establish risk management policy to cover the entire organization. Oversee risk management system or process with appropriate supporting measures and controlling methods to reduce impact on the business of the company and its subsidiaries.

5. Ensure an appropriate and efficient accounting system adopted by the company and its subsidiaries as well as establish adequate and effective internal control system and internal audit system, including provision of the process to assess the suitability of the internal control system of the company and its subsidiaries regularly.

6. Consider setting the management structure and appointing sub-committees, Chief Executive Officer and other sub-committees' members as appropriate including determining the scope of authorities and duties of each person.

7. Arrange for the preparation of a written policy and principles on good corporate governance and the effective implementation of such policies in order to conduct business with ethics, respect rights and take responsibility to shareholders and stakeholders as well as conduct business that is beneficial to society and environment and the ability to respond to changing environment.

8. Supervise and manage conflict of interest that may arise between the stakeholders of the Group including the prevention of unreasonable use of assets, information and opportunities of the company as well as entering into transactions with those who have a relationship with the company in an inappropriate manner. Under the circumstance that there is any increase or decrease in interest between director(s) and the company

or in the shareholding in the company and/or its subsidiaries, such director(s) must inform the company of such matter without delay.

9. The Board may delegate powers to one or more directors or any other person to perform any act on behalf of the Board under the control of the Board or may authorize such person to have the power as the Board deems appropriate and within a certain time period deems appropriate. The Board may revoke, terminate, change, or amend such power of attorney when it deems appropriate.

10. However, the delegation of power must not be a power of attorney that allows the delegated person who may have conflict of interest or have a stake or there may be a conflict of interest in any other manner to consider and approve the transaction with the company or its subsidiary, as defined in the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any other notification of relevant agencies unless the approval of such transaction is in accordance with the policies and criteria that the Board has considered and approved.

Policy and procedures to determine the remuneration and remuneration structure of directors

The company arranges for preparation of the structure and remuneration rates of directors to be appropriate for the responsibilities and motivations of the Board of Directors for leading the organization to achieve both short-term and long-term goals. The directors' remuneration must be consistent with the Group's long-term strategy and goals, experiences, accountabilities, roles and responsibilities, including the expected benefits to be obtained from each director. In such a way, it must be comparable to the practical level in the industry. The remuneration structure and moderate remuneration rate of directors must be approved by the shareholders, reflecting obligations and responsibilities of each director.

2.2.2. Audit Committee

The audit committee structure consists of 3 independent directors who have independent characteristics according to the notification of the Stock Exchange of Thailand and the definition of the company. At least one member must have sufficient accounting or finance knowledge, understanding and expertise to review the reliability of financial statements.

As of December 31, 2021 the Audit Committee consists of

No.	Name	Position
1.	Ms. Ampaivan Limprapassorn	Chairman of Audit Committee
2.	Mrs. Marayart Teeratomorn	Member of Audit Committee
3.	Mr. Thanasak Kulrattanarak	Member of Audit Committee

Composition and Appointment of Audit Committee

1. Board of Directors will consider and appoint the Audit Committee consisting of at least 3 members, whereby each member must be independent.

2. Board of Directors or the Audit Committee will elect a member of the Audit Committee to be the Chairman of the Audit Committee.

3. At least one member must have knowledge, understanding and expertise in accounting or finance and has ongoing knowledge on rational to a change in financial reports.

Terms of Office

The term of office for audit committee is 3 years or as long as the term of office of director of the company (whichever earlier) and at the end of the term the directors may be re-elected to hold office.

Role and Responsibilities of Audit Committee

1. Review of accuracy and adequacy of financial reports of the company and its subsidiaries.
2. Review to ensure that the company and its subsidiaries have appropriate and efficient internal control and internal audit system including consider the independence of the internal audit as well as approval on an appointment, transfer and dismissal of the head of the internal audit unit or any other unit responsible for internal audits.
3. Review to ensure that risk management has been followed and implemented according to the risk management policy.
4. Review to ensure that the company has complied with the Securities and Exchange Law, requirements of the SET and laws related to the business of the company and its subsidiaries.
5. Consider, select, and nominate independent persons to act as auditor, suggest the remuneration, and attend non-management meeting with the auditor at least once a year.
6. Consider the connected person transactions or transactions that may cause conflicts of interest, making them in line with the laws and SET's regulations. This is to ensure such transactions are reasonable and for the highest benefit of the company.
7. Prepare the Audit Committee's report to be disclosed in the Annual Report of the company. The report must be signed by the Chairman of the Audit Committee and must contain at least the following information:

a) Opinion on the accuracy, completeness, and reliability of the Company's financial reports

b) Opinion on the adequacy of the Company's internal control system

c) Opinion on compliance with the Securities and Exchange Law, requirements of the SET and laws related to the business of the Group

d) Opinion on the suitability of the auditor

e) Opinion on transactions that may have conflict of interest

f) Number of Audit Committee Meetings and the attendance to the meeting of each member of the Audit Committee

g) Opinion or observation on comment received by the Audit Committee from the performance of duties according to the charter

h) Other transactions that shareholders and general investors should be known under the scope of duties and responsibilities assigned by the Board of Directors as well as review of internal audit plan, performance evaluation of those responsible for internal audits.

8. Audit Committee has the power to seek independent opinions from any other professional advisor when deemed necessary at the expenses of the company.
9. Other operations as assigned by the board of directors.

2.2.3. Executive Committee

As of December 31, 2021, the Executive Committee consists of 4 executive directors as follows:

No.	Name	Position
1.	Mrs. Mataya Bhandhukanonda	President of Executive Committee
2.	Mr. Thatchaphon Chonwattanasakul	Member of Executive Committee
3.	Mr. Supakorn Bhandhukanonda	Member of Executive Committee
4.	Mrs. Araya Tantanasin	Member of Executive Committee

Roles and Responsibilities of the Executive Committee

1. Screen and review proposals presented by the Chief Executive Officer and present the Company's goals, policies and business plans, including the annual budget to the Board of Directors for approval.
2. Control, supervise and monitor the Company's performance and ensure that they go in line with the specified policies, goals, business plans, business strategies and the budget and various administrative authorities as delegated by the Board of Directors with efficiency and effectiveness, conducive to business conditions and also provide management advice and recommendation to top management.
3. Monitor and follow up on the performance and progress of the investment projects of each kind of business and report the results, including problems or obstacles and provide recommendation on improvement guidelines to the Board of Directors.
4. Consider and approve normal business transactions of the company such as investments under investment budget or the budget approved by the Board of Directors, of which the amount for each investment is in accordance with the authorized matrix approved by the Board of Directors.
5. Present an appropriate and suitable organizational structure for the Company's operations to the Board of Directors for approval.
6. Consider and approve the budget of wage increase or annual salary adjustment and the payment for annual bonus to employees of the company and its subsidiaries.
7. Appoint and/or assign executive directors or any other person(s) to perform any action under control of the Executive Committee or may authorize such person to have authority as the Executive Committee deems appropriate and within the duration as the Executive Committee deems appropriate. The Executive Committee may cancel, revoke, change or adjust the authorized person or the delegation of such authority as deemed appropriate.
8. Other operations as assigned by the board of directors.

The delegation of authorities, duties and responsibilities of the Executive Committee must not seem like executing a power of attorney or substitution that allows the person delegated by the Executive Committee to have approval authority for the transaction that oneself or those with potential conflict of interest (pursuant to the definition in the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies) have interest in or may have any other conflict of interest with the company or its subsidiaries and/or related companies. The Executive Committee has no authority to approve such transaction which must be proposed to the Board of Directors' meeting and/or the shareholders' meeting for further

approval. Except for the approval of transactions that are in the normal business practice and normal trading conditions which are in accordance with the notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any other related agencies.

Scope of authorities, duties and responsibilities of the Chief Executive Officer

1. Control and oversee business operations and/or conduct daily administration of the company.
2. Prepare policies and formulate business plans, action plans and annual budget plan including business strategies of the Company and its subsidiaries as presented by the management, including the administrative structure and authority to propose to the Board of Directors for further consideration and approval.
3. Supervise business operations or performance of the company according to the visions, business directions, policies, business strategies, goals, action plans and the budget approved by the Board of Directors. Including monitoring, following-up and evaluating the Company's performance to be in line with the specified policies along with reporting management performance and the progress of the business operation to the Audit Committee and the Board of Directors.
4. Approve the normal business operation of the company, pursuant to the investment budget or budget that already get approved by the Board of Directors. The amount for each investment must be as stipulated in the approval Authorized Matrix that has been approved by the Board of Directors as well as entering into related agreements.
5. Approve the normal operating expenses pursuant to the budget already approved by the Board of Directors and in accordance with the Authorized Matrix that has been approved by the Board of Directors.
6. Approve the recruitment plan, employment, remuneration plan and package, compensation and bonus, employee's promotion or relocation along with delegate and assign duties and responsibilities to employees from the director level and lower.
7. Prescribe orders, regulations, notifications and memos in relation to the Company's operation to ensure that the Company's business operation is in accordance with its policies and for benefits of the company in order to maintain order and disciplines in organization.
8. Appoint a consultant or sub-committees or working groups for the benefits and efficiency of good and transparent management. Appoint any person to perform any action under control of the Chief Executive Officer or may authorize such person to have authority as the Chief Executive Officer deems appropriate and within the suitable duration. The Chief Executive Officer may cancel, revoke, change or adjust the authorized person or the delegation of such authority as deemed appropriate.
9. Other operations as assigned by the board of directors.

However, in relation to any transactions that the Chief Executive Officer or the person authorized by the Chief Executive Officer or those with potential conflict of interest (pursuant to the definition in the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies) have interest in or may have any other conflict of interest with the company or its subsidiaries and/or related companies has no authority to approve such transaction which must be proposed to the Board of Directors' meeting and/or the shareholders' meeting for further approval depending, as the case maybe. Except for the approval of transactions that are in normal business practice and normal trading conditions which are in accordance with the notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any related agencies.

Criminal Records

None of the members of Board of Directors and Executive Officers of the company has history of being fired, discharged, dismissed, removed, or being prosecuted for fraud or being filed for bankruptcy, or committed an offense relating to property with dishonest intent; or law violation on securities and stock exchange or being sentenced for a crime; or have a dispute or being prosecuted but pending judgment for the last 10 years.

2.3. Executives

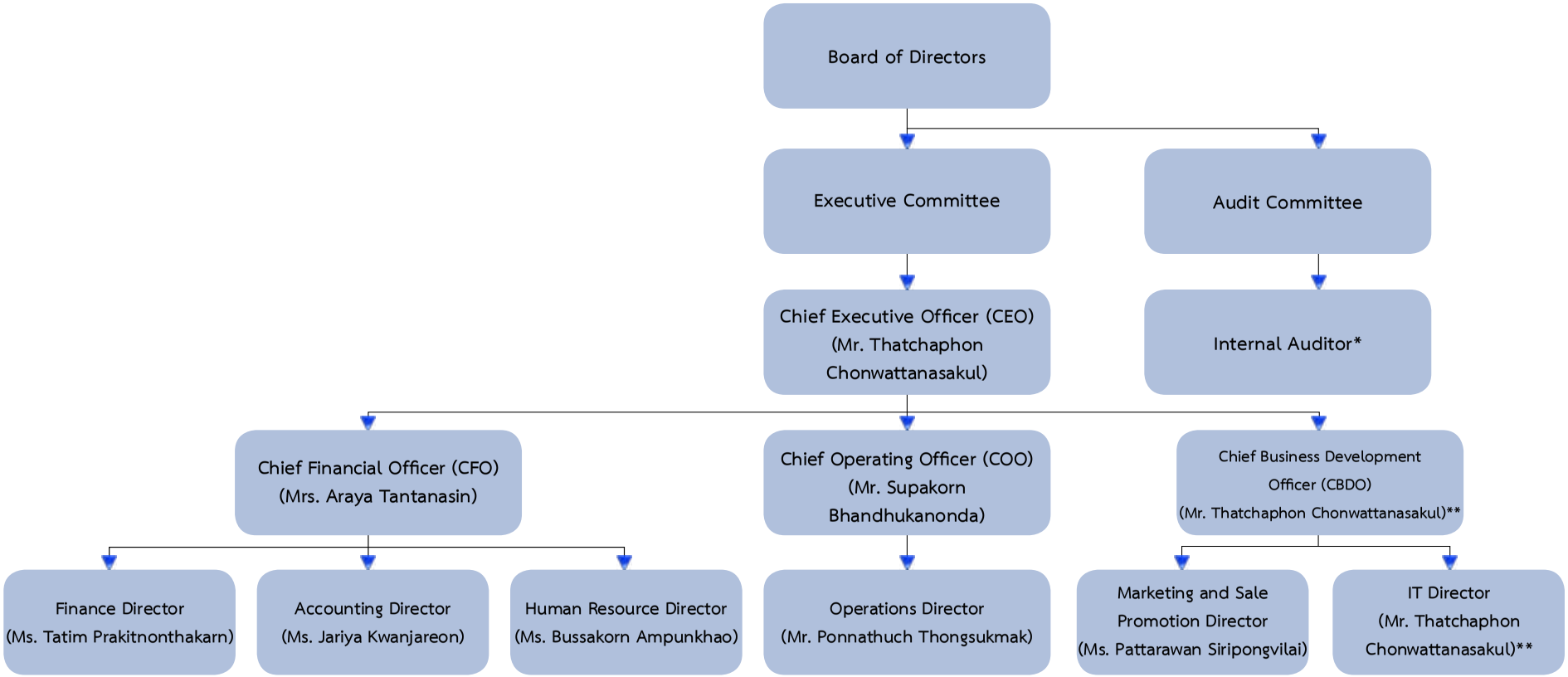
Executives refer to the Company's employees who hold management positions and/or who has authorities and duties in the Company's administration. As of December 31, 2021, the company has 8 executives listed below:

No.	Name	Position
1.	Mr. Thatchaphon Chonwattanasakul	Chief Executive Officer
2.	Mr. Supakorn Bhandhukanonda	Chief Operating Officer
3.	Mrs. Araya Tantanasin	Chief Financial Officer
4.	Mr. Ponnathuch Thongsukmak	Operations Director
5.	Ms. Pattarawan Siripongvilai	Marketing and Sale Promotion Director
6.	Ms. Jariya Kwanjareon	Accounting Director
7.	Ms. Tatim Prakitnonthakarn	Finance Director
8.	Ms. Bussakorn Ampunkhao	Human Resource Director

Performance Evaluation of the Chief Executive Officer

The Board of Directors shall prescribe the evaluation criteria for the Chief Executive Officer and approve the performance evaluation and compensation of Chief Executive Officer.

Organization Chart



Note: * The company outsourcing P&L International Audit Company Limited and P&L IT Audit Company Limited to audit the Company's internal control system.

** Acting

Executive Compensation

Compensation of the Managing Director and the first four executives succeeding the Deputy Managing Director and every person holding the position equivalent to the fourth rank are as follows:

Total Compensation	2021		2020	
	No. Person	Amount (Baht: million)	No. Person	Amount (Baht: million)
Monthly wages, bonus, contributions to the provident fund and commission	9	11.85	9	10.93

Note: Executives compensation includes the compensation of Mrs. Mataya Bhandhukanonda, who is the Chairman of Executive Committee

2.4. Employee

Total number of employees

As of December 31, 2021, the Group have 246 employees as follows:

Type	Number of employees (person)			
	HL	ICARE	HN	Total
Full time pharmacist	-	44	-	44
Part Time Pharmacist	-	112	-	112
General staff	35	164	3	202
Grand Total	**35**	**208**	**3**	**246**

Significant change in headcount for the past 3 years

- None -

Significant labor disputes in the past 3 years

- None -

Total compensation to all employees

Monetary Compensation

In 2019-2021 the Group paid monetary compensation to employees (excluding the executives) in the form of salary, commissions, overtime pay, bonuses, contributions to the social security fund and contributions to the Provident Fund amounted Baht 66.62 million, Baht 84.36 million, and Baht 88.64 million, respectively.

Other kinds of compensation

The 2020 Extraordinary General Meeting of Shareholders, held on December 1, 2020, resolved to allocate 7,200,000 newly issued ordinary shares, representing 2.65% of the total number of shares sold after initial

public offering to the directors, executives and employees of the company and its subsidiaries at the offering price of Baht 9.80 per share which is the same price offered to the public.

The allocation and issuance of the aforementioned shares to directors and executives of the Group are as follows:

Name	Position	Allocated Shares	% of ordinary shares offered this time
Mrs. Aphirudee Hemachudha	Chairman of the Board of Directors	150,000	0.21
Ms. Ampaivan Limprapassorn	Director and Chairman of the Audit Committee	150,000	0.21
Mrs. Marayart Teeratomorn	Director and member of the Audit Committee	150,000	0.21
Mr. Thanasak Kulrattanarak	Director and member of the Audit Committee	150,000	0.21
Mr. Thatchaphon Chonwattanasakul	Director, Chief Executive Officer Acting Chief Business Development Officer and Acting Director of IT	800,000	1.11
Mr. Supakorn Bhandhukanonda	Director and Chief Operating Officer	446,300	0.62
Mrs. Araya Tantanasin	Chief Financial Officer	446,200	0.62
Ms. Jariya Kwanjareon	Accounting Director	10,300	0.01
Mr. Ponnathuch Thongsukmak	Operations Director	102,100	0.14
Ms. Pattarawan Siripongvilai	Marketing and Sale Promotion Director	56,200	0.08

No employee got allocated more than 5% of the total number of ordinary shares offered at this time.

Human Resource Development Policy

The Group is committed to operate the business in accordance with good corporate governance, transparency, fairness, as well as social culture and environment responsibility, along with enhancing the potential development of to achieve excellency in all aspects. The Group realizes that personnel are valuable resources and core driving factor of the organization, therefore the company focus on developing personnel to be qualified with morality and ethics, adhering to honesty and integrity, and having responsibility to the organization and society. In addition, the Group also encourages employees to participate in Corporate Social Responsibility in which the Group believes that the human resource development to become better and competent persons will help promoting sustainable growth of the organization. The Group has also developed various fields in human resources work to support the business of the Group for effectiveness of the business operation as follows:

1. **Executives Development Program**

1.1 The Group arranges training courses to develop the potential of executives in various fields both in resources management and in administration management.

1.2. The Group arranges management meetings for discussing business operation and sharing work experiences.

2. **Personnel management**

The Group will select, promote and take care of the employees with leverage skills, knowledge, competence, morality, and ethics as well as encourage employees to use their knowledge and ability to work effectively and efficiently for the Group to achieve business goals and the objectives. In order to achieve the personnel management goal, the Group has established the following policies as a guideline for human resource management:

2.1. Fair treatment in the workplace.

2.2. Equitably and fairly recruitment activities by considering the qualifications for each position, skills, knowledge, capabilities, and other necessary qualifications required for the job. The task will be assigned in accordance to the employees' ability. The replacement or rotation might be considered as deem appropriate.

2.3 The Group realizes that proper communication brings efficiency and good relationship in working environment. Therefore, the Group encourages all employees to obtain relevant information as much as possible.

2.4. Fair compensation program according to their performance, experience, and job requirements.

2.5. The performance evaluation of employees at all levels will be conducted at least once a year in order to improve work efficiency and increase the core competence of each employee as well as provide advice and guidance for human resources development plan according to the results of the evaluation.

3. **Employee Development**

Appropriate ongoing skill, knowledge and competency development program has been laid out to improve employees' thinking skills, personal skills and technical skills as follows:

3.1. Appropriate ongoing skill, knowledge and competency development programs as follows:

- Pharmacist: service mind and pharmacy training
- Human Resource: Labor law, social security law, compensation fund law training
- Accounting-Financing: accounting standards, taxation training
- Marketing: marketing basics, increase sales volume strategy
- Procurement: how to reduce procurement cost training
- Pharmacy Staff: service mind and professional sales training
- Warehouse-Transportation: warehouse space management
- IT: network & security training
- Housekeeper: service mind training
- Administration staff: administrative system development training

3.2. External training through external organizations and company visits both domestic and aboard to develop potentiality, knowledge, and capability.

3.3. In-house training for idea, potentiality, knowledge, and operation development aligns with business objectives and current competition environment.

3.4. Workforce planning and succession planning are established to survive the uncertainties in order to drive stability and achievement as well as minimize damages as follows:

- 30-day notice is required for resignation for replacement.
- Job descriptions for every position are developed as a recruitment guideline.
- Performance evaluation has been adopted to prepare manpower plan for supporting future succession plan.
- Internal training for knowledge and competency development align with job descriptions for succession plan preparation.

2.5. Other Information

2.5.1. Company Secretary

At the Board of Directors' Meeting No. 5/2020 held on November 13, 2020, approved to appoint Mrs. Araya Tantanasin to be the Company Secretary according to Section 89/15 of the Securities and Exchange Act B.E. 2535 (1992) amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008). The duties and responsibilities of the Company Secretary are as follows:

1. Prepare and maintain the Company's statutory books, including a register of present and past directors, invitation letters to the board and shareholder meetings, minutes of the board and shareholder meetings and annual report.

2. Organize and accurately and fully retain the following documents for 5 years from the preparation date.

(1) Necessary information for requesting a resolution of the shareholders' meeting.

(2) Financial statements and financial reports or any other reports that are required to be disclosed by

(3) The Opinion of the company on Tender Offer

(4) Any other information or reports relating to the business prepared by the company required to make public by the Capital Market Supervisory Board.

The retention of the above documents and records is also allowed in electronic format or any other format that is retrievable and uneditable.

3. Maintain Report of Conflict of Interest prepared by directors or executives and send the copy of such reports to Chairman of the Board of Directors and Chairman of Audit Committee within 7 working days of receipt of the report.

4. Provide basic advice on laws, regulations, corporate legislation and the articles of association of the company along with inform any material changes in the applicable regulations or legislations.

5. Arrange meetings of the directors and the shareholders in accordance with relevant laws, regulations and codes of conduct.

6. Record and prepare minutes of the board and shareholder as well as coordinate to ensure that all resolutions have been implemented.

7. Oversee the relevant information disclosure to relevant authorities.

8. Advise directors on their duties to be complied with corporate legislation and/or applicable laws and regulations required by the Capital Market Supervisory Board and/or as assigned by the Board of Directors.

9. Perform any other duties as prescribed by the Capital Market Supervisory Board.

Chief Accountant

Ms. Jariya Kwanjareon, Accounting Director, is assigned to supervise and oversee the accounting activities of the Group. Ms. Jariya Kwanjareon has been joined the Group since June 8, 2020.

2.5.2. Head of Internal Audit

The Audit Committee Meeting No. 1/21, held on February 22, 2021, has approved the appointment of P&L Internal Audit Company Limited and P&L IT Audit Company Limited as external internal audit by which assigned Ms. Wanwimol Jongsuriyaphas to act as the head of the internal audit in 2021. Audit Committee is of the opinion that Ms. Wanwimol Jongsuriyaphas is qualified to hold a position as head of internal audit by her education background, experience and related training programs as follows:

Internal Auditor : P&L Internal Audit Co., Ltd. and P&L IT Audit Co., Ltd.
Ms. Wanwimol Jongsuriyaphas (Head of Internal Audit)

Education : Executive MBA
Faculty of Business Administration, National Institute of Development Administration
Bachelor of Business Administration major in Accounting,
Dhurakij Pundit University

Working Experience :

Period	Position	Company
2013 - Present	Executive Director	P&L IT Audit Company Limited
2006 - Present	Vice President - Operations	P&L Group, (P&L Corporation Co., Ltd. and P&L Internal Audit Co., Ltd.)

Relevant Training :

- Internal Auditing Certificate Program – IACP
  Federation of Accounting Professions under Royal Patronage
- Certified Internal Auditor (CPIAT)
  Institute of Internal Auditors of Thailand (IIA)
- Prepared Course for Certified Internal Auditor: Pre – CIA: Chulalongkorn University
- Audits and Audit Considerations for Computerization Class 2/2018,
  Federation of Accounting Professions under the Royal Patronage (TFAC)
- Integrated Audit Training 1/2561 (2018)
  Federation of Accounting Professions under Royal Patronage (TFAC)
- Certificate of Business Management for Internal Audit in Digital 4.0 Era, Federation of Accounting Professions under Royal Patronage
- Clinic IA: Topic “Fraud Audit and Caution for Auditor” Institute of Internal Auditors of Thailand (IIA)
- Clinic IA: Topic “COSO 2 014” Institute of Internal Auditors of Thailand (IIA)

The consideration and approval of the appointment, removal and transfer of the Head of Internal Audit Unit must be approved (or agreed) by the Audit Committee.

2.6. Auditor’s Compensation

2.6.1. Audit Fee

The 2020 Annual General Meeting of Shareholders held on April 30, 2020, approved the auditor’s remuneration for the year 2020 in the amount of Baht 3,000,000 to A.M.T. Associates Office for audited and reviewed financial statements of the company and its subsidiaries as details shown below:

1. The company: Baht 850,000
2. Icare Health: Baht 1,300,000
3. Healthiness: Baht 850,000

The 2021 Annual General Meeting of Shareholders held on March 16, 2021 approved the auditor's remuneration for the year 2021 in the amount of Baht 3,000,000 to A.M.T. Associates Office for audited and reviewed financial statements of the company and its subsidiaries as details shown below:

1. The company: Baht 850,000
2. Icare Health: Baht 1,300,000
3. Healthiness: Baht 850,000

2.6.2. Non-audit Fee

In the fiscal year 2021 ending December 31, 2021, the company and its subsidiaries did not engage the external auditor or related parties of the external auditor to provide any other services than audit services and there is no non-audit fee service from the ongoing services provided by the auditor in the future.

3. Corporate Governance Report

3.1 Summary of the Board of Directors' Performance in 2021

3.1.1. Nomination and Appointment of Directors and Top Executives

Director

Due to no Nomination Committee has been established, the selection and nomination of directors will be done through the shareholders' meeting. The Board of Directors will select and nominate the director by considering the following criteria: experience, knowledge, competency and qualifications as required by law. Then the shareholders' meeting will approve by using a majority vote of the shareholders who attended the meeting and voted. Practicing on voting for director appointment are as follows:

a) One share of each shareholder is counted as one vote, not multiplied by the number of directors to be elected.

b) Each shareholder shall exercise all the votes' follows to (a) to elect one or several directors but shall not exercise a portion of vote for one or several directors. In case of electing more than 1 director, each shareholder shall cast the vote for the number of nominated directors not more than the total number of nominated directors.

c) After the vote, the candidates shall be ranked in a descending order and shall be appointed as directors in that order, until all the vacate director positions are filled. In the case that the equality of votes cast for candidates leading to the number of appointed directors exceeding the number of vacate positions, the chairman shall extra vote to decide.

Top Executives

When the position of Chief Executive Officer or C-suite or any equivalent level position becomes vacant, or those in the position unable to perform their duties, the company will manage to find personnel on the equivalent level or succeeding level to temporality take over until the recruitment and selection process is completed.

Executive Committee will select the candidate with vision, knowledge, capability, experience, that align with the company culture to propose to the Board of Directors for further approval.

3.1.2. Self-Assessment of the Board of Directors

The self-assessment of the individual performance of a member of the Board of Directors and the Board of Directors as a whole for the year 2021 covering 3 areas: (1) Structure and Qualifications of the Board of Directors (2) Meeting Attendance (3) Roles, Duties and Responsibilities showed the good performance of the Board of Directors both individual and as a whole.

3.1.3. Meeting Attendance and Compensation of the Board Members

Board Meeting

The Board of Directors schedules meetings every quarter and may arrange additional meetings as necessary In 2021, the meetings were held as follows:

Name		Attendance / Total Meetings (number)				
		AGM	Board of Director	Audit Committee	Executive Committee	Risk Management Working Group
1.	Mrs. Aphirudee Hemachudha	1/1	5/5	-	-	-
2.	Mrs. Mataya Bhandhukanonda	1/1	5/5	-	6/7	-
3.	Mr. Thatchaphon Chonwattanasakul	1/1	5/5	-	7/7	3/3
4.	Mr. Supakorn Bhandhukanonda	1/1	5/5	-	7/7	3/3
5.	Mrs. Ampaivan Limprapassorn	1/1	5/5	5/5	-	-
6.	Mrs. Marayart Teeratomorn	1/1	5/5	5/5	-	-
7.	Mr. Thanasak Kulrattanarak	1/1	5/5	5/5	-	-
8.	Mrs. Araya Tantanasin	-	-	-	7/7	3/3
9.	Ms. Bussakorn Ampunkhao	-	-	-	-	3/3
10.	Mr. Ponnathuch Thongsukmak	-	-	-	-	3/3

Directors' Compensation

(1) The company

Monetary Compensation

The 2021 Annual General Meeting of Shareholders held on March 16, 2021, approved the directors' compensation for the year 2021 as follows:

Position	Attendance Fee / Person / Number
Board of Directors	
- Chairman	20,000
- Member	10,000
Audit Committee	
- Chairman	15,000
- Member	10,000

However, there is no compensation provided to executive directors.

In 2021, the total amount of remuneration paid to directors by the company is Baht 425,000 as detailed below:

Name	Position	Remuneration (Baht)		
		Board of Directors	Audit Committee	Total
1. Mrs. Aphirudee Hemachudha	Chairman of the Board of Directors	100,000	-	100,000
2. Mrs. Ampaivan Limprapassorn	Chairman of Audit Committee Independent Director	50,000	75,000	125,000
3. Mrs. Mataya Bhandhukanonda	Chairman of Executive Committee Director	-	-	-
4. Mrs. Marayart Teeratomorn	Independent Director Member of Audit Committee	50,000	50,000	100,000
5. Mr. Thanasak Kulrattanarak	Independent Director Member of Audit Committee	50,000	50,000	100,000
6. Mr. Thatchaphon Chonwattanasakul	Chief Executive Officer Director Executive Committee	-	-	-
7. Mr. Supakorn Bhandhukanonda	Chief Operating Officer Director Executive Committee	-	-	-
Grand Total		**250,000**	**175,000**	**425,000**

Other remuneration or other benefits

The 2020 Extraordinary General Meeting of Shareholders, held on December 1, 2020, resolved to allocate 7,200,000 newly issued ordinary shares, representing 2.65% of the total number of shares sold after initial public offering to the directors, executives and employees of the Group at the offering price of Baht 9.80 per share which is the same price offered to the public.

The allocation and issuance of the aforementioned shares to directors and executives of the Group are disclosed under the topic "Total compensation to all employees" above.

(2) Subsidiaries

The company has no policy to pay remuneration to the directors of subsidiaries, other than monthly salary and other benefits.

Summary of the Positions of Directors

Name	The Board of Directors	Audit Committee	Executive Committee
1. Mrs. Aphirudee Hemachudha	Chairman and Independent Director	-	-
2. Mrs. Mataya Bhandhukanonda	Director	-	Chairman
3. Mr. Thatchaphon Chonwattanasakul	Director	-	Director
4. Mr. Supakorn Bhandhukanonda	Director	-	Director
5. Mrs. Ampaivan Limprapassorn	Independent Director	Chairman	-
6. Mrs. Marayart Teeratomorn	Independent Director	Director	-
7. Mr. Thanasak Kulrattanarak	Independent Director	Director	-
8. Mrs. Araya Tantanasin	-	-	Director

3.2. Training and Development Program for Directors and Executives

The Board of Directors and executives aware of the roles, duties and responsibilities to promote the development program for employees throughout the organization to enhance knowledge, capability and potentiality by encouraging the Board of Directors and executives to participate in the training courses both in-house and external to strengthen professional leadership potential with deep understanding in the their roles and being a role model to drive the organization towards good corporate governance.

The company encourages and support all directors and executives to participate in DIRECTOR ACCREDITATION PROGRAM (DAP) organized by The Thai Institute of Directors (IOD), as well as other courses greatly beneficial to the organization and the participants. All 7 directors of the company have already passed DAP of IOD.

These include the persons involve in the corporate governance to participate in training courses organized by the Office of the SEC, The Stock Exchange of Thailand, Thai Listed Companies Association and various institutions on continually basis.

Trainings of the Company's directors in 2021 consist of:

List of Directors	Position	Training course/Location
Mr. Thatchaphon Chonwattanasakul	Chief Executive Officer	- Data Protection PDPA & Beyond The Association of Thai ICT Industry
Mr. Supakorn Bhandhukanonda	Chief Operating Officer	- Data Protection PDPA & Beyond The Association of Thai ICT Industry

3.3. Corporate Governance of Subsidiaries and Affiliates

The company has established a policy to supervise and manage the business of its subsidiaries and affiliates with the objective to ensure the Company's ability to monitor, supervise and manage the business of its subsidiaries and affiliates, both directly and indirectly along with setting up guidelines to monitor the management of its subsidiaries and affiliates, ("Subsidiaries" and "Affiliates" refer to any subsidiary or affiliates that operates its core business as defined in the Notification of the Capital Market Supervisory Board in conjunction with the relevant notifications of the Securities and Exchange Commission (SEC)).

Any transaction or action that has a material or adversely effect on the financial position and operating results of the subsidiaries or affiliates required the approval from the Board of Directors or the shareholders' meeting of the company (as the case may be). The directors of the company shall arrange board and/or shareholder meeting to consider and approve the transaction. In this regard, the company shall accurately and completely disclose the information related to the transaction in compliance with the applicable rules, conditions, procedures and methods specified in the Public Limited Companies Act, the Civil and Commercial Code, Securities and Exchange Act, and related laws, as well as notifications, regulations and rules of the Capital Market Supervisory Board, the Office of the SEC, and the Stock Exchange of Thailand mutatis mutandis (to the extent not contradicted or contravened).

1. The following transactions or actions of subsidiaries or affiliates require an approval from the Board of Directors.

(1) The number of board seats and executives appointed or nominated in subsidiaries or affiliates is determined at least based on its shareholding and required approval from the Board of Directors of the Company, unless specified otherwise. The designated directors and executives shall have the rights at their discretion to cast a vote in the meeting of the Board of subsidiaries and affiliates in matters relating to general management and normal business operations for the benefit of the company. (as the case may be).
The abovementioned designated directors or executives have to be listed in the Issuing Company's Director and Executive Database (Thai White List) and have to have qualifications, roles, duties and responsibilities set out in the applicable laws as well as do not have untrustworthy characteristics according to the SEC Notification Re: Determination of Untrustworthy Characteristics of Company Directors and Executives.

(2) The issuance and allocation of shares of the subsidiaries, the reduction of the registered capital and/or the paid-up capital of the subsidiaries which is not in accordance with the shareholding proportion of the shareholders and any other actions that cause the decreasing voting rights of the company at the shareholders'

meeting of the subsidiaries in any succeeding level lower than 10% of the total votes of the subsidiaries unless as specified in the business plan or annual budget of the subsidiary which has been approved by the Board of Directors of the company.

(3) Consideration and approval of the annual and interim dividends payment (if any) of the subsidiaries.

(4) Amendment of the Articles and Association of the subsidiaries, except for the amendment of the important matters under clause 2 (5)

(5) Consideration and approval of the annual consolidated budget of the company and its subsidiaries, except for the matters specified in the Delegation of Authority

(6) Appointment of the auditors of the subsidiaries who are not full member of network company of the Company's audit firm as stipulated in the Company's policy.

Item (7) - (10) below are deemed as material transactions that may cause significant impacts on the financial position and operating results of the subsidiaries. Such transactions require to get approval from the Company's Board of Directors before being casted votes in subsidiaries' board meeting by the designated directors according to the calculation of the transaction size by applying the classification pursuant to the Notification of Capital Market Supervisory Board regarding Related Transactions or an Acquisition or Disposition of Assets, as the case may be. Such transactions are as follows:

(7) Related transactions between related parties of the company or its subsidiaries entered by the subsidiaries or the acquisition or disposition of subsidiaries' assets including but not limited to the following transactions:

(a) Transfer or relinquishing of benefits including the relinquishing of the rights of claim that causing damages to the subsidiaries.

(b) Sale or transfer of the business of the subsidiaries, in whole or in part, to another person.

(c) Acquisition or transfer of business of another company to the subsidiaries.

(d) Entering, amending or terminating leasing agreements of the subsidiaries, in whole or in part. Assigning other persons to manage the subsidiary's business or merging the subsidiary's business with other persons for the purpose of sharing profit and loss.

(e) Renting or leasing out of core business or assets of the subsidiaries, in whole or in part.

(8) Borrowing, lending, granting credit, guarantees, and legal binding acts that raise financial obligation in subsidiaries. Providing financial assistance in any other manner to other persons in substantial amount which is not a normal business of the subsidiaries.

(9) Liquidation of the subsidiaries.

(10) Any other transaction which is not a normal business transaction of the subsidiaries and cause substantial impact on the subsidiaries.

2. Before the subsidiaries entered into the following transactions, it must be approved by the shareholders' meeting of the company with a vote of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the rights to vote.

(1) Related transactions between related parties of the company or its subsidiaries entered by the subsidiaries or the acquisition or disposition of subsidiaries' assets of which has the transaction size calculated

by applying the classification pursuant to the Notification of Capital Market Supervisory Board regarding Related Transactions or an Acquisition or Disposition of Assets (as the case may be), that is required the Shareholder's Meeting approval.

(2) The issuance and allocation of shares of the subsidiaries, the reduction of the registered capital and/or the paid-up capital of the subsidiaries which is not in accordance with the shareholding proportion of the shareholders and any other actions that cause the voting rights of the company at the shareholders' meeting of the subsidiaries in any succeeding level less than the proportion specified in the subsidiaries' legislations resulting in completely loss of control in the subsidiaries of which has the transaction size calculated by applying the classification pursuant to the Notification of Capital Market Supervisory Board regarding Related Transactions or an Acquisition or Disposition of Assets, as the case may be, that is required the Shareholder's Meeting approval.

(3) Liquidation of the subsidiaries of which has the transaction size calculated by applying the classification pursuant to the Notification of Capital Market Supervisory Board regarding Related Transactions or an Acquisition or Disposition of Assets (as the case may be), that is required the Shareholder's Meeting approval.

(4) Any other transaction which is not a normal business transaction of the subsidiaries and cause substantial impact on the subsidiaries of which has the transaction size calculated by applying the classification pursuant to the Notification of Capital Market Supervisory Board regarding Related Transactions or an Acquisition or Disposition of Assets (as the case may be), that is required the Shareholder's Meeting approval.

(5) Amendments of the subsidiary's Articles of Association in matters that may cause material effect on the financial position and operating results of subsidiaries, including but not limited to, amendments of the Articles of Association of the Subsidiaries that affect the Company's voting rights at the subsidiaries' Board of Directors meeting, and/or the shareholders' meeting or the dividend payment of subsidiaries.

3. Board of Directors shall establish appropriate, efficient and concise internal control system, risk management system and fraud prevention system as well as business operation monitoring guidelines in subsidiaries and affiliates, to ensure that the subsidiaries and affiliates' business operations are performed truly and continuously as outlined in the business direction, budgets, and policies of the company. This policy also includes the laws and announcements regarding good corporate governance of listed companies as prescribed by the Capital Market Supervisory Board, the Securities and Exchange Commission of Thailand. Together with, monitoring the financial and operational information disclosure, related transaction disclosure, conflict of interest disclosure, acquisition and disposition of material assets disclosure along with any other substantial transaction disclosure of the subsidiaries and/or affiliates in accordance with the corporate governance of subsidiaries and affiliates prescribed in relevant notifications of the Capital Market Supervisory Board and the Notification of the Board of Governors of the Stock Exchange of Thailand (as amended and to be amended later) (as the case may be).

4. The company shall ensure that all agendas in board meeting that may have significant impact on subsidiaries or affiliates' business operation will be considered and voted by the designated directors or executives in accordance with the resolutions or recommendation of the Board of Directors of the company.

5. Assign the following duties to the designated directors or executives:

(1) Establish an internal control system and other necessary work systems including prescribe business operation monitoring guidelines of the subsidiaries and affiliates as deemed appropriate. Establish communication

channels for directors and executives of the company to monitor financial and operating results, connected transactions and conflict of interest transactions along with the acquisitions or disposition of assets and any other significant transactions to the company and be informed completely, accurately and within a timely manner as specified by the company to be consistent with the corporate governance of subsidiaries and affiliates under Clause 3 above.

(2) Disclose and submit conflict of interest report of each designated directors and executives with subsidiaries or affiliates to the Board of Directors of the company within the specified time as evidence for consideration or approval with the maximum benefit of the company and its subsidiaries. The interested directors or executives shall refrain from participating in consideration and voting.

The following actions which cause the designated directors or executives or related parties of such obtain monetary benefits other than normal benefits or cause damages to subsidiaries will be assumed material conflict of interest with subsidiaries and affiliates:

(a) Transactions between subsidiaries and affiliates with the designated directors or executives of subsidiaries and affiliates or related parties of such, which is not qualified according to the rules of related transactions.

(b) The manipulation of insider information of the subsidiaries and affiliates, except for the publicly disclosed information.

(c) Use of assets or business opportunities of the subsidiary and affiliates in violation to the rules or general practice under the notifications of the Capital Market Supervisory Board.

(3) Business plans, business expansion, and mega investment project along with joint venture must be reported to the company through regular operating results report as prescribed by the directors of the Company and clarification and/or submission of related document for consideration upon request.

(4) Clarify and/or submit information or documents related to business operations or any documents to the company upon request as deem appropriate.

3.4 Corporate Governance Compliance and Monitoring System

The Board of Directors Meeting No. 1/2021 held on February 22, 2021, reviewed the Company's corporate governance practices to analyze improvement and apply them to its business activities. In 2021, the Company's corporate governance practices deviated from the recommended standards have been adopted as deemed suitable in their business contexts.

3.4.1. Conflicts of Interest

The company has a policy to conduct business with honesty, rational and independency. All parties in the organization must act to maximize benefits of the company, without taking advantages of being directors, executives, or employees of the company and/or using inside information and assets for his/her own personal benefit or in favour of his/her family, relatives, or intimate companions.

Conflicts of interest guidelines for directors, executives, and employees are as follows:

1. Avoid entering into related transactions with the company or its subsidiaries that may cause conflicts of interest.

2. In the evitable circumstances for the benefit of the company, such transactions shall be treated the same as those of the outside parties. Interested directors, executives or employees must not participate in any decision-making process.

3. Such transactions shall be executed in accordance with the Company's and the Stock Exchange of Thailand's regulations and be completely and adequately disclosed.

4. Refrain from taking advantage of being directors or employees and inside information to seek for personal benefits and conduct business of the same nature as and competing with or related to that of the company.

5. Refrain from manipulating of inside information to benefit personal or other people trading of the Company's securities.

3.4.2. Supervision on the Use of Inside Information

The Group formulated the guidelines and practices to control the exploitation of inside information by the directors and executives for their personal benefits and securities trading in order to establish the transparency as follows:

1. Directors, executives, employees of the company and its subsidiaries are prohibited from disclosure of trade secret and/or inside information of the company and its subsidiaries to seek personal or other people's benefits, whether directly or indirectly and whether obtaining compensation or not.

2. Directors, executives, and employees of the company and its subsidiaries including spouses or cohabiting partners and minor children of such persons are prohibited from exploitation of inside information, which has not been publicly disclosed, of the company and its subsidiaries that have or may have a material effect on the price of the Company's securities, whether such action is done for personal benefit or for others or being done by others to benefit oneself. This violation is subject to punishment according to the disciplinary measures of the company and its subsidiaries.

3. The company and its Subsidiaries has communicated to the directors and executives to understand and acknowledge the obligation to report the ownership of all securities issued by the company and the movement of those securities, pertaining to themselves, their spouses or cohabiting partners and/or minor children including a juristic person in which they, their spouse or cohabiting partners, minor children hold more than 30% of the total number of shares of that juristic person to the Office of the Securities and Exchange Commission in accordance with Section 59 and penalties under the Securities and Exchange Act (No. 5) B.E. 2559.

The directors and executives of the company and its subsidiaries, including their spouses or cohabiting partners and/or minor children including a juristic person in which they, their spouse or cohabiting partners, minor children hold more than 30% of the total number of shares of that juristic person, are prohibited from trading the Company's securities during the period of one month before the disclosure of the financial statements to the public.

The company and its subsidiaries have already notified the directors, executives and employees of the foregoing requirements.

3.4.3. Anti-fraud and Anti-corruption

The Group established policy to govern their business operate business according to the corporate legislations and applicable laws and ensure that the business make beneficial contribution to society along with building business ethic motivation to their employees and its subsidiaries. The Group also promote transparency and honesty to the business partners and its subsidiaries for peaceful society.

The Group therefore define anti-corruption and bribery as one of the essential policies of the company and its subsidiaries. In order to make assurance that the anti-corruption policy is sufficiently implemented, therefore, the Board of Directors' Meeting No. 5/2020 held on November 13, 2020, approved the "Anti-Fraud and Anti-Cor-ruption Policy" to be used as a guideline in business conduct as follows:

- Directors, executives and all employees of the Group shall not be corrupt or accept corruption in any form, either directly or indirectly, for personal or others benefits, in forms of offering, promising, asking, claiming, demanding or receiving benefits, inducing unlawful conducts or breaking of faith or any other actions that may lead to fraud or corruption.
- Directors, executives and all employees of the Group are required to comply with anti-fraud and anti-corruption policies and guidelines and the laws that relevant to anti-corruption. Failure to do so shall be subject to penalties according to the Group's disciplinary action or legal proceeding (as the case may be.
- Directors, executives, and employees shall not be negligent in any corruption involved with the Group. All employees must immediately notify such acts to supervisors or via whistleblowing channels provided by the company and its subsidiaries.
- The Group shall put strong safeguards on the details of the whistleblower. The whistleblower who acts in good faith including those who refuse to commit fraud shall be protected by the company and its subsidiaries and shall not have any adverse effects from such whistleblowing.
- Establish policies and guidelines to prevent fraud and corruption in various forms, for examples, political contributions, charity contributions, sponsorships, gifts, and hospitality along with provide supervision and monitoring principles transparently, legally with no illicit benefit.
- Provide an adequate and appropriate internal control system to prevent corruption and operations that do not comply with the principles of good corporate governance.
- Arrange risk assessment on fraud and corruption and appropriate guidelines of anti-fraud and anti-corruption.
- Provide communication channels for employees and stakeholders to be aware of the anti-fraud and corruption policy to report clues of wrongdoing, complaints and recommendations to the company and its subsidiaries for further fact-finding investigation and improvement.
- Provide human resource development system to cultivate anti-corruption values and culture. The company shall communicate and disseminate the anti-corruption policy, including ethical practices organization wide.
- Procurement process must be transparent and perform according to legislation, work process and procedures prescribed by the company and its subsidiaries. The company shall arrange regular inspection process.

3.4.4 Whistleblowing or Complaints

The Board of Directors define whistleblowing method as follows:

Whistleblowers

1. Employee who witnesses the violation of laws, rules, regulations, or business ethics of the company.
2. Employee who experiences adverse actions from exposing information or providing assistance to examination and investigation process as well as taking any legal action or giving cooperation to court or government agencies, such as intimidation, harassment and disciplining.

Complaint Recipients

1. All level trusted supervisors
2. Human Resources Manager
3. Head of Internal Audit
4. Any board member

Whistleblowing Channels

Complaints can be made through the following channels:

1. Direct verbal or written complaints
2. E-Mail Address of the Recipients
   - Human Resources Manager E-Mail Address: Hr@healthleadgroup.com
   - Audit Committee E-mail Address: Ac@healthleadgroup.com
3. Sealed letter to the Recipients

3.5 Securities Held by Directors and Executives

Report of the Company's securities held by directors and executives as of December 31, 2021 are as follows:

Directors and Executives	December 31, 2021	
	Directors/Executives	Spouse
1. Mrs. Aphirudee Hemachudha	150,000	None
2. Ms. Ampaivan Limprapassorn	150,000	None
3. Mrs. Marayart Teeratomorn	150,000	None
4. Mr. Thanasak Kulrattanarak	150,000	None
5. Mrs. Mataya Bhandhukanonda	117,375,000	None
6. Mr. Thatchaphon Chonwattanasakul	4,800,000	None
7. Mr. Supakorn Bhandhukanonda	66,008,800	30, 700
8. Mrs. Araya Tantanasin	446,200	None
9. Ms. Jariya Kwanjareon	10,300	None
10. Mr. Ponnathuch Thongsukmak	50,000	600
11. Ms. Pattarawan Siripongvilai	16,200	None

4. Internal Control and Related Transactions

The Board of Directors take great importance on internal control system both in financial reporting and compliance with rules, regulations, and policies by stipulating the internal audit unit to be responsible for overseeing the implementation of the defined internal control system to report to the Audit Committee and the Board of Directors. The aforementioned internal audit is independent to performing its duties. The Board of Directors shall consider the adequacy and suitability of the internal control system annually, at least once a year, based on 5 key elements, namely control environment, risk assessment, control activities, information and communication systems and monitoring system.

4.1 Control Environment

The Board of Directors' opinion on the Company's internal control system

The Board of Directors Meeting No. 1/2021 held on February 22, 2021, with the attendance of the entire Audit Committee, jointly reviewed and considered internal control system assessment form prepared by Securities and Exchange Commission which followed the framework developed by the COSO (The Committee of Sponsoring Organizations of the Treadway Commission). The assessment form has already been approved by the Audit Committee.

The results of the assessment showed that the company has adequate and appropriate performance standards according to the assessment of the 5 key elements according to the COSO principles detailed as follows:

1. Control Environment

The company has an organization structure and environment that promote efficient operation with adequate internal control system and clearly defines responsibilities upon segregation of duties that benefit conciseness and effectiveness of operational monitoring and improvement in the sub-unit systems including reduce redundant work so that all departments can continue operating under the same standards. In addition, annual clear business goals was established by concerning the following factors such as the economy, market and competitive conditions.

2. Risk Assessment

The company developed risk management policy in accordance with the nature and appropriateness of the business and types of risk by considering from both internal and external factors in order to find preventative measures and manage the risks to be in the Company's safety level and acceptable to employees along with having no significantly affect to the Company's business operations.

3. Control Activities

The company clearly defined the scope of duties and responsibilities of the Board of Directors and the management team as well as formulated management authority and approval matrix that was agreed by the Executive Committee and the Board of Directors to ensure transparency and maximum benefit of shareholders and stakeholders and avoid causing any conflict of interest.

4. Information & Communication

The company adopted modern information technology and communication systems both internally and externally that allow quick, up-to-date, and efficient communication throughout the organization. The company also perform continuous information system development to support flexibility and improve potentiality of the working system in response to the Company's growth.

5. Monitoring System

The company set an excellent evaluation and monitoring system to ensure that the effective measures and internal control system and to be timely and appropriately responsive to changes environment. In addition, the company has arranged the performance monitoring system and evaluation guidelines performed by supervisors toward the lower-ranked officers. The management committed to the timely and effective management system to achieve the target goals and be able to report operating results clearly and consistently to the Board of Directors.

Audit Committee's Opinion on the Company's Internal Control System

The Audit Committee Report was presented in the Board of Directors Meeting No. 1/2021 held on February 22, 2021, regarding the Company's internal control system for the year 2021, by considering internal control system assessment form prepared by Securities and Exchange Commission which followed the framework developed by the COSO (The Committee of Sponsoring Organizations of the Treadway Commission). The overall assessment demonstrated the appropriate and adequate internal control standards and performances.

The Audit Committee considered a summary of the internal audit reports and reviewed internal control system according to the 2013 COSO Assessment Framework. No material issues were reported. The company focus on internal control to assure the reasonably confidence that the company has an adequate, efficient and effective internal control system.

The Audit Committee was of the opinion that the Company's internal audit system is independent, sufficient, appropriate and effective. The performance of the internal audit unit corresponds to the business goals, with good coordination between the management and auditor and supporting the Audit Committee practice during the course of their duties.

Audit Committee independently expressed opinions and approved the Company's internal control system in the aspects of the management system, corporate operations, approving financial reports, providing advice, and assessing the internal audit work of the company together with assurance of appropriate organization management developed by the Board of Directors in accordance with the regulations of the Stock Exchange of Thailand, and the applicable laws.

Internal Auditor is responsible for examination of internal affairs to achieve internal control objectives. The Executive Committee together with the Audit Committee jointly reviewed and considered internal control report in order to develop systematic and effective operation or working process. In this regard, all executives are involved in considering the improvement or amendment of the internal control system to be adequate and consistent with the Company's policy.

4.2 Related Transactions

The summary of related party transactions between the Group and the persons that may have conflicts of interest including directors, shareholders, executives and related companies for the year 2021 are as follows:

Related Parties	Relationship
1. Mrs. Mataya Bhandhukanonda	- An authorized director of Icare Health and Healthiness - Chairman of Executive Committee - Holding 117,375,000 shares of the company, representing 43.15% of the total shares sold of the company as of December 31, 2021 - Mother of Mr. Supakorn Bhandhukanonda and Mr. Thanyakorn Bhandhukanonda
2. Mr. Supakorn Bhandhukanonda	- An authorized director of Icare Health and Healthiness - Chief Operating Officer - Holding 66,008,800 shares of the company, representing 24.27% of the total shares sold of the company as of December 31, 2021 - Son of Mrs. Mataya Bhandhukanonda and elder brother of Mr. Thanyakorn Bhandhukanonda
3. Mr. Wichai Sitthinawawit	- Younger brother of Mrs. Mataya Bhandhukanonda - A pharmacy owner
4. Siriravee Company Limited ("Siriravee") Space and room rental	- Common directors, namely Mrs. Mataya Bhandhukanonda and Mr. Supakorn Bhandhukanonda - Common shareholders, namely Mrs. Mataya Bhandhukanonda, Mr. Supakorn Bhandhukanonda and Mr. Thanyakorn Bhandhukanonda, holding 4,000, 3,000 and 3,000 shares of Siriravee, representing 40%, 30% and 30% of the total shares sold as of April 30, 2021, respectively.
5. Pakinpawat Co., Ltd. ("Pakinpawat") Space rental business	- Mr. Nuttavut Manosuthi, director, related to Mrs. Araya Tantanasin, the Chief Financial Officer of the company - Mr. Nuttavut Manosuthi holds 299,998 shares, representing 99.99% of the total number of shares sold of Pakinpawat as of May 31, 2021
6. Wonjin Beauty Medical Group (Thailand) Co., Ltd. ("Wonjin") Providing beauty care, skin care and beauty consultant services	- Mr. Nuttavut Manosuthi, director, related to Mrs. Araya Tantanasin, the Chief Financial Officer of the company - Mr. Nuttavut Manosuthi holds 87,500 shares, representing 17.50% of the total number of shares sold of Wonjin as of April 29, 2021

Related Parties	Relationship
7. 9801 Group (Thailand) Co., Ltd. ("9801") Event organizer	- Mr. Nuttavut Manosuthi, director, related to Mrs. Araya Tantanasin, the Chief Financial Officer of the company - Mr. Nuttavut Manosuthi holds 12,498 shares, representing 25% of the total number of shares sold of 9801 as of May 31, 2021 - Pakinpawat holds 37,500 shares, representing 75% of the total number of shares sold of 9801 as of May 31, 2021 - No common director and shareholder as of October 18, 2021
8. Im Oun Food and Service Co., Ltd ("Im Oun") Food service business	- Mrs. Mataya Bhandhukanonda and Mr. Supakorn Bhandhukanonda as common directors. - Mrs. Mataya Bhandhukanonda and Mr. Supakorn Bhandhukanonda as common shareholders, holds 15,000 shares representing for 30% of the issued and paid-up shares and 10,000 shares representing for 20% of the total number of shares sold of Im Oun as of August 27, 2020, respectively. (The remaining 15,000 and 10,000 shares representing 30% and 20% of the total number of shares sold, held by Senee Group Company Limited and Ms. Pichanun Kupakarapinyo, respectively). - No common director nor shareholder as of July 22, 2021

The summary of related party transactions between the Group and the persons that may have conflicts of interest for the year 2021 are as follows:

1) Selling Transactions

Related Parties	Transaction Type	Transaction Value/ Outstanding Value 2021 (Baht : million)	Necessity and Rational of Transactions
1. Wonjin Beauty Medical Group (Thailand) Co., Ltd.	Sales revenues	0.11	Icare Health provided medicines and medical devices to Wonjin which is considered a normal business transaction. The selling price of the transaction is comparable to the price that Icare Health sells its products to other customers with normal business terms and conditions.
	Trade accounts receivable	0.004	The Audit Committee was of the opinion that the aforementioned transaction is a normal business transaction and reasonable along with beneficial to the Group.
2. Im Oun Food and Service Co., Ltd.	Sales revenues	-	Icare Health provided alcohols and fabric masks to Im Oun, which is considered a normal business transaction. The selling price is comparable to the price that Icare Health sells its products to other customers with normal business terms and conditions. - In 2021, there was no sale transaction between Icare Health and Im Oun Food and Service.
3. Mr. Vichai Sitthinavawit	Sales revenues	0.12	Icare Health provided medicines and medical supplies to pharmacy, operated by Mr. Vichai Sitthinavawit, the younger brother of Mrs. Mataya Bhandhukanonda. The transaction is considered a normal business transaction. The selling price is comparable to the price that Icare Health sells to other customers with normal business terms and conditions.
	Trade accounts receivable	-	Audit Committee was of an opinion that the aforementioned transaction is reasonable and considered a normal business transaction, that benefits the Group.

Related Parties	Transaction Type	Transaction Value/ Outstanding Value 2021 (Baht : million)	Necessity and Rational of Transactions
4. 9801 Group (Thailand) Co., Ltd	Sales revenues	-	Healthiness provided alcohol gel to 9801 which is considered a normal business transaction. The selling price of these products is comparable to the price that Healthiness sells its products to other customers with normal business terms and conditions. - In 2021, there was no transaction between Healthiness and 9801 Group (Thailand).

2) Purchasing Transactions

Related Parties	Transaction Type	Transaction Value/ Outstanding Value 2021 (Baht : million)	Necessity and Rational of Transactions
1. Wonjin Beauty Medical Group (Thailand) Co., Ltd.	Purchasing	-	Icare Health purchased medical devices (Hot Cold Pad) from Wonjin. to be sold at Icare Health's branches which is considered a normal business transaction. - No transaction between Icare Health and Wonjin Beauty Medical Group (Thailand) in 2021.
2. 9801 Group (Thailand) Co., Ltd.	Purchasing	-	Icare Health purchased Besuto deodorant spray from 9801 to be sold in Icare Health's branches. The price of such products is comparable to the price 9801 sold to other customers with normal business terms and conditions. At present, 9801 Group (Thailand) Co., Ltd. ceases its business in distribution of consumer products and plans to carry on an event organizer services in the future. - No transaction between Icare Health and 9801 Group (Thailand) in 2021,
	Purchasing	-	Healthiness purchased packaging products (bottles and spray nozzles) from 9801 as raw materials for At present, 9801 ceases its business in distribution of consumer products and plans to carry on an event organizer services in the future. - No transaction between Healthiness and 9801 Group (Thailand) in 2021,

3) Space rental service transaction*

Related Parties	Transaction Type	Transaction Value/ Outstanding Value 2021 (Baht : million)	Necessity and Rational of Transactions
1. Mrs. Mataya Bhandhukanonda	Space Rental and Service Fee	1.52	Icare Health rented the total space of 507.50 square meters located at 349/512 Phutthamonthon Sai 2 Road, Bang Phai, Bang Khae, Bangkok from Mrs. Mataya Bhandhukanonda to open a pharmacy. The lease and service agreements period are 3 years, commencing on October 1, 2019 and ending on September 30, 2022. The total rental and service fees are based on the rental and service rates assessed by an approved independent appraiser of the Securities and Exchange Commission. Such assessment is for public purposes. Audit Committee was of an opinion that such transactions are reasonable because the total rental and service fees are based on the rental and service rates assessed by an independent appraiser and for the benefits of the Group.
2. Siriravee Company Limited	Space Rental and Service Fee	1.21	Icare Health rented the total space of 270.64 square meters located at 99/188 , 99/189 Tessaban Songkhro Road, Ladyao, Chatuchak, Bangkok from Siriravee to open a pharmacy. The lease and service agreements period are 3 years, commencing on October 1, 2019 and ending on September 30, 2022. The total rental and service fees are based on the rental and service rates as assessed by an independent appraiser approved by the Securities and Exchange Commission. Such assessment is for public purposes.
	Account Payable	0.10	Audit Committee was of an opinion that such transactions are reasonable because the total rental and service fees are based on the rental and service rates as assessed by an independent appraiser and for the benefits of the Group.

3) Space rental service transaction*

Related Parties	Transaction Type	Transaction Value/ Outstanding Value 2021 (Baht : million)	Necessity and Rational of Transactions
3. Pakinpawat Co., Ltd.	Space Rental and Service Fee Public Utility Expenses Other Account Payable	2.43 0.72 0.07	Icare Health rented the total space of 270 square meters located at 275 Praditmanutham Road, Wang Thonglang, Wang Thonglang, Bangkok from Pakinpawat to open a pharmacy. The lease agreement is for a period of 3 years, commencing on October 1, 2019, and ending on September 30, 2022. The total rental and service fees are comparable to the rental and service rates assessed by an independent appraiser approved by the Securities and Exchange Commission. Such assessment is for public purposes. Regarding the public utilities expenses, the payment was made according to actual usage at the rate comparable to the rate Pakinpawat collects from another lessees The Audit Committee was of an opinion that such transactions are reasonable because the total rental and service fees are close to the rental and service rates appraised by an independent appraiser and for the benefits of the Group.
4. Pakinpawat Co., Ltd.	Space rental and service fee Public utilities Expenses Other Account Payable	1.94 0.16 0.01	The company rented the total space of 359 square meters at 275 Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok from Pakinpawat for office space and document storage facility. The lease agreement is for a period of 3 years, commencing on October 1, 2019, and ending on September 30, 2022. The total rental and service fees are based on the rental and service rates as assessed by an independent appraiser approved by the Securities and Exchange Commission. Such assessment is for public purposes. Regarding public utilities according to actual usage at the rate comparable to the rate Pakinpawat collects from another lessee. The Audit Committee was of an opinion that such transactions are reasonable because the total rental and service fees are based on the rental and service rates assessed by an independent appraiser and for the benefit of the Group.

* Space rental and service fee was presented in the statement of income under the-right-of-use assets in accordance with Thai Financial Reporting Standard No. 16 Re: Leases.

4) Guarantees

Related Parties	Transaction Type	Transaction Value/ Outstanding Value 2021 (Baht : million)	Necessity and Rational of Transactions
1. Mrs. Mataya Bhandhukanonda	Personal Guarantee	Baht 80.00 million of Guaranteed Limit Utilized Baht 4.24 million	Mrs. Mataya Bhandhukanonda provided personal guarantee and personal property for securing Icare Health's loans facilities from financial institutions without any compensation for such guarantee (The Group does not have a policy to give consideration in return of a guarantee.) The Audit Committee was of an opinion that the guarantee of Mrs. Mataya Bhandhukanonda is reasonable because it is a guarantee for Icare Health according to the terms and conditions of the financial institution without any compensation.
2. Mr. Supakorn Bhandhukanonda	Personal Guarantee	Baht 28.00 million of Guaranteed Limit Utilized Baht 2.78 million	Mr. Supakorn Bhandhukanonda provided personal guarantees for securing Icare Health's loans facilities from financial institutions without any compensation for such guarantee (The Group does not have a policy to give consideration in return of a guarantee.) The Audit Committee was of an opinion that the guarantee of Mr. Supakorn Bhandhukanonda is reasonable it is a guarantee for Icare Health according to the terms and conditions of the financial institution without any compensation.

5) Advance Payment made to the related parties

In 2021, there was no advance payment made to the related parties and there is no outstanding amount shown in financial statement for the year 2021.

Related Parties	Transaction Type	Transaction Value/ Outstanding Value 2021 (Baht : million)	Necessity and Rational of Transactions
1. Mrs. Mataya Bhandhukanonda	Brought Forward	-	Icare Health made advance payment to Mrs. Mataya Bhandhukanonda of Baht 3,500,000 in Q2/2019 for personal use, with interest rate at 7.125% per annum, equivalent to the interest rate of Icare Health's overdraft loan. However, on May 19, 2020, Mrs. Mataya Bhandhukanonda repaid the advancement plus accrued interest in full.
	Repayment	-	The Audit Committee was of an opinion that such transactions occurred in the past, with interest charge at the same rate of Icare Health's loan. However, the Board of Directors Meeting No. 5/2020 held on November 13, 2020, resolved that the Group shall no longer make such advance payment or giving loans in such manner.
	Carried Forward		
	Interest earned in 2021		

6) Other Transactions

In 2021, there was no related transaction nor other transaction remained in the financial statement for the year 2021.

Related Parties	Transaction Type	Transaction Value/ Outstanding Value 2021 (Baht : million)	Necessity and Rational of Transactions
1. Pakinpawat Co., Ltd.	Brought Forward	-	Pakinpawat had the total outstanding of Baht 5,344,177.83 in inventories deposit, with Healthiness since 2018. According to the terms and conditions of the share acquisition from the existing shareholders of Healthiness, all the outstanding liabilities of Pakinpawat with Healthiness shall be paid back within 12 months from the date the shares transferred. In this regard, all such liabilities were made by Pakinpawat on May 26, 2020
	Repayment	-	The Audit Committee was of an opinion that the aforementioned transaction is one of the conditions provided in share purchase agreement of the Healthiness that has already been settled.
	Carried Forward		
	Service fee for registration of trademark	-	According to the terms and conditions of the share acquisition from the existing shareholders of Healthiness, Pakinpawat shall transfer all the trademarks related to the Company's business operations to the purchaser of which bear the related expenses incurred. Icare Health as the transferee of the trademarks then gave back such actual expenses to Pakinpawat. The Audit Committee was of an opinion that such transactions are reasonable and for the benefit of the Group.

Related Transactions Policy

The Group have been establishing the guidelines for entering into related party transactions between the Group and persons who may have conflicts of interest by requiring an opinion from the Audit Committee on the necessity, reasonableness and the appropriateness of the price of such transaction based on the normal business transactions with the market prices comparable to the price offered to outside parties. In the event that the Audit Committee does not have expertise in considering any of such transactions, the company will assign persons with special expertise such as auditors, appraisers, legal consultants, who are independent from the company and the persons who may have conflicts of interest to give opinions on the mentioned related transactions as references in the decision making process of the Audit Committee prior to proposal to the Board of Directors and/or shareholders' meeting (as the case may be) for approval.

In addition, The Group have set a measure of preventing the executives or stakeholders who directly or indirectly have interest in related transaction to be participated in the approval process of such transaction. The Board of Directors shall monitor the company and its subsidiaries practices to be complied with the Securities and Exchange Act, regulations, notifications, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as the requirements of the information disclosures policy concerning the connected transactions and the acquisition or disposition of significant assets of the company or its subsidiaries along with the accounting standards prescribed by the Federation of Accounting Professions and the Certified Public Accountant of Thailand. The related transactions shall be disclosed in the notes to the financial statements that have been audited or reviewed by the auditor of the company and its Subsidiaries.

Future Related transactions

The company and its subsidiaries may continue to have related-party transactions in the future as normal business transactions and will clearly defined the conditions of the related transaction policy in relation to pricing and trading conditions applicable to normal business transaction similar to those applied to individuals and/or companies not connected with the company or its subsidiaries, for instance, procurement, providing or receiving services, including the provision of guarantee for securing credit facilities by directors. The related transaction shall be considered as necessity and benefits for the company and its subsidiaries' business operation. In addition, neither the company nor its subsidiaries have a policy to provide financial support to directors, executives, and employees. The Audit Committee will review and monitor the compliance with the rules regarding related transactions and give opinions on the rational of the transaction on quarterly basis. At present, The Group is carrying out negotiation with commercial banks to release the guarantee of their directors and shareholders.

For the transactions that are not considered normal business transaction that might be occurred in the future, the company will have the Audit Committee to examine and review the compliance with the applicable rules and regulations and give opinions on the necessity, rational and appropriateness of the price of the transactions based on the normal business transactions with the market prices comparable to the price offered to outside parties prior to enter into such transactions. In the event that the Audit Committee does not have expertise in considering any of such transactions, the company will assign persons with special expertise such as auditors, appraisers, legal consultants, who are independent from the company and the persons who may have conflicts

of interest to give opinions on the mentioned related transactions as references in the decision making process of the Audit Committee prior to proposal to the Board of Directors and/or shareholders' meeting (as the case may be) for approval according to the measures and principles of approval of related transactions as mentioned above.

Regarding the related transactions that may cause conflict of interest in the future, the Board of Directors of the company and its subsidiaries must comply with the Securities and Exchange Act and regulations, announcements, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand including compliance with the disclosure requirements of the related transactions, and the acquisition or disposition of assets of the Group or its subsidiaries as well as compliance with accounting standards set by the Federation of Accounting Professions and the Certified Public Accountant of Thailand.

Part 4



Financial Statements and Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

Healthlead Public Company Limited and its subsidiaries ("the Group") would like to submit the discussion and analysis of significant changes of financial statements for the year ended December 31, 2021 as follows:

	FOR THE YEAR ENDED					
STATEMENT OF INCOME	**31 December 2020**		**31 December 2021**		**Changes**	
	(MB)	(%)	(MB)	(%)	(MB)	(%)
Revenue from sales	1,064.09	98.52	1,198.76	98.55	134.67	12.66
Interest income	0.11	0.01	0.04	0.00	(0.07)	(61.55)
Other income	15.91	1.47	17.62	1.45	1.71	10.75
Total revenues	**1,080.11**	**100.00**	**1,216.41**	**100.00**	**136.31**	**12.62**
Expenses						
Cost of sales	831.18	76.95	922.42	75.83	91.24	10.98
Selling expenses	123.58	11.44	124.04	10.20	0.46	0.37
Administrative expenses	51.82	4.80	67.27	5.53	15.45	29.82
Finance costs	6.99	0.65	5.34	0.44	(1.65)	(23.62)
Total expenses	**1,013.57**	**93.84**	**1,119.07**	**92.00**	**105.50**	**10.41**
Profit (loss) before income tax	66.54	6.16	97.35	8.00	30.81	46.31
Income tax	14.46	1.34	17.68	1.45	3.22	22.28
Net profit (loss) for the period	**52.08**	**4.82**	**79.66**	**6.55**	**27.59**	**52.98**

	31 December 2020	**31 December 2021**
Gross margin (%)	21.89	23.05
Net margin (%)	4.82	6.55
EPS (Baht)	0.32	0.39

Revenue

In 2021, the Group reported a total of 1,198.76 MB revenue from sales, increased 12.66% YoY. Majority of revenue from sales were from medicine and dietary supplement products (Professional Healthcare) 68.66%, followed by medical equipment and home healthcare products (Home Healthcare) 17.97%. The highest revenue growth was from medical equipment and home healthcare is 27.26% YoY and medical food 21.62% YoY. This was mainly due to Covid-19, together with a higher demand of Medical food, Medical equipment, and home healthcare as Thailand is gradually entering aging society whilst family-oriented culture makes elderly in Thailand preferably be taken care at home.

The Group has opened 3 new branches in 2021 including Pharmax Market Place Krung thep Kreetha, Pharmax Robinson Lad Krabang, and iCare Talad Thanommit and has closed 2 branches – Vitaminclub Central Rama 9 and iCare Ekamai. As a result, the Group had an outstanding of 26 branches at the end of 2021.

REVENUE BREAKDOWN	2020		2021		Changes
	(MB)	(%)	(MB)	(%)	(%)
Medicine and dietary supplement	753.18	70.78	823.00	68.66	9.27
Medical equipment and home healthcare	169.27	15.91	215.41	17.97	27.26
Personal healthcare	95.79	9.00	104.57	8.72	9.17
Medical food	45.85	4.31	55.77	4.65	21.62
Total revenue from sales	**1,064.09**	**100.00**	**1,198.76**	**100.00**	**12.66**

Gross margin

The Group had a total of 276.34 MB gross profit in 2021, gross margin of 23.05% which was higher than 21.89% as of 2020. The increase of gross margin was mainly due to an increase of medical and dietary supplement gross margin and the outstanding performance of Healthiness Co., Ltd., its subsidiary. Healthiness's revenue from sales jumped to 88.65% YoY in 2021 and its gross margin rose from 31.60% in 2020 to 39.34% in 2021. Total revenue of 48.52 MB of Healthiness's products was sold via Icare Health's drug stores which was accounted for 4.05% of consolidated revenue from sales in 2021.

Selling expenses

Selling expenses were accounted for 10.35% of revenue from sales and 10.20% of total revenue in 2021. Selling expenses mainly comprised of staff related expenses and rental fees. The Group's staff related expenses were accounted for 56.61% of total selling expenses in 2020 and dropped to 51.31% in 2021 as staff related expenses declined 9.15% YoY in 2021 because the Group have moved a group of management in sales department to head quarter.

In addition, to comply with the accounting policy regarding depreciation method of building improvement under lease or rental contract, the depreciation method uses the shorter method of useful-life or lease term. As a result, the Group has recognized a total of 6.79 MB depreciation adjustment as an expense in 2021.

Administrative expenses

The Group had a total of 67.27 MB of administrative expenses in 2021, an increase of 29.82% YoY. Staff related expenses were accounted for 48.67% of administrative expenses in 2020 and 54.36% in 2021. Since the Group has moved a group of management from saless department to head quarter, staff related expenses in administrative expenses rose 45.01% YoY in 2021. Additionally, the Group had booked a total of 6.14 MB as an Initial Public Offering (IPO) related expenses in 2021.

Finance costs

Most of our finance costs were from the right-of-use interest. In 2021, finance costs were 5.34 MB, a 23.62% YoY decrease, as the Group has continually paid its long-term debt. After it has received cash from the IPO in late November 2021, the Group had a total of 4.24 MB outstanding loans from financial institutions as of December 31, 2021.

Net profit

The Group reported net profit of 52.08 MB in 2020 and 79.66 MB in 2021, net margin of 4.82% and 6.55% respectively. Increased net margin was owing largely to an increase of gross margin and lower growth rate of selling and administrative expenses as compared to revenue growth since most of them were fixed cost.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF FINANCIAL POSITION

	As of 31 December,					
	2020		2021		Changes	
	(MB)	(%)	(MB)	(%)	(MB)	(%)
Total assets	413.81	100.00	1,118.30	100.00	704.49	170.24
Total liabilities	273.23	66.03	252.41	22.57	(20.81)	(7.62)
Total shareholder's equity	140.59	33.97	865.89	77.43	725.30	515.91

Financial ratios	2020	2021
Current ratio (X)	1.11	6.14
ROE (%)	39.41	15.83
ROA (%)	14.35	10.40
Debt to equity ratio (X)	1.94	0.29

Total assets

Total assets increased by 170.24% YoY from 413.81 MB as of December 31, 2020 to 1,118.30 MB as of December 31, 2021. This is due to cash and cash equivalent increased from 34.85 MB as of 2020 to 705.01 MB as of 2021 as the Group has offered an Initial Public Offering (IPO) of 72 million shares, par value Baht 0.50 per share, at Baht 9.80 per share in November 2021. In addition to a significantly increase of cash and cash equivalent, inventory rose 21.58% YoY from 130.96 MB as of 2020 to 159.22 MB as of 2021. However, the Group's days inventory turnover has continually declined from 59 days in 2020 to 57 days in 2021.

Total liabilities

Total liabilities decreased by 7.62% YoY from 273.23 MB as of 2020 to 252.41 MB as of 2021. Trade and other account payable – Others were the largest proportion of current liabilities, accounted for 39.37% and 46.54% of total liabilities in 2020 and 2021 respectively. Liabilities under financial lease agreement was the largest proportion in non-current liabilities, accounted for 35.79% in 2020 and 40.18% of total liabilities in 2021. As of December 31, 2021, the Group had total borrowings from financial institution outstanding 4.24 MB, decreased 87.26% YoY from 33.30 MB as of December 31, 2020.

Total shareholder's equity

The Group's total shareholder's equity was 865.89 MB as of 2021, an increase of 515.91% YoY from 140.59 MB as of 2020 since the Group has issued 72 million new ordinary shares for an IPO, par value Baht 0.50 per share, at Baht 9.30 per share in late November 2021. Consequently, the company's issued and fully paid-up capital increased from 100.00 MB to 136.00 MB and premium on ordinary shares of 647.64 MB as of December 31, 2021. On February 25, 2022, the board of directors committee have approved legal reserve of 3.98 MB. As a result, the company has legal reserve of 7.94 MB and unappropriated retain earnings of 45.66 MB as of December 31, 2021.

Please be informed accordingly.

Yours sincerely,



Chief Finance Officer
Healthlead Public Company Limited

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF HEALTHLEAD PUBLIC COMPANY LIMITED

1. Opinion

I have audited the consolidated financial statements of Healthlead Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Healthlead Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2021, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and 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 consolidated and separate financial statements present fairly, in all material respects, the financial position of Healthlead Public Company Limited and its subsidiaries and of Healthlead Public Company Limited as of December 31, 2021, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

2. Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

3. Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matters included Audited Procedures are as follows:

Presentation of inventories valuation (the consolidate financial statements)

As describe in note 2.3 and note 6 to the financial statement, the Group has significant amount of inventories which stated at the lower of cost and net realizable value, which the main products are medicines, dietary supplements, pharmaceuticals, medical supplies and equipment and health care products.

The Group operates the main business in the form of a pharmacy (retail) which many branches in Bangkok and around. 43% of total stocks has been kept in head office warehouse, and 57% has been kept at branches of the Group. The management determine allowance of declining value of long outstanding and slow-moving stock by stock movement report, and compare with the amount sold of the stock, including to consideration the appropriation of the prior year estimation of obsolete, damage, and slow-moving stock.

Most of the Company stock are under the stock returnable agreement, and are fundamentals products which low risk of obsoleteness.

The Company has Stock Checking Policy which determined on periods of monthly, quarterly and half-year, and write-off lost stock after counted, including destroy / write-off damaged goods ever year. Therefore, the allowance of stock declining value has been determined as actual.

Therefore, I have identified that the valuation of inventories is the significant matter that requires special attention in the audit.

My Audited Procedures to the Key Audit Matters

I assessed and tested the internal control of the Company Inventory system, which had been kept at the head office warehouse and the branch, observe the inventory taking, review methodology of preparing the inventory aging analysis report, review the ending period of inventory obsolete report, review approval of inventory destroy / write-off, making inquiries of the management about appropriation of allowance for inventory declining value, testing the allowance whether corresponding to the policy including testing calculation of the allowance and test compare the cost of inventory with and net realizable value (NRV). In addition I also consider to the appropriation of inventory valuation disclosure.

4. Other Matter

Without qualify opinion to the financial statement as mentioned in paragraphs 1, I have drawn attention to the Note 1.5 to the Financial Statement that during 2021 the Company reconsidered the transaction of business combination of the group, and concluded that business combination of Healthlead Public Company Limited and Healthiness Co., Ltd. is not business combination under common control as presented in prior year financial statement. Then, the different amount of the consideration transferred in business combination and net identifiable assets acquired and liabilities assumed, shall be presented as "goodwill" in Consolidated Financial Statement. Therefore, the Company retrospective adjusted its consolidated Financial Statement as of December 31, 2020. However, the adjusted transection is not affected to the Profit and Loss Statement.

And, note to financial statement no. 27 the Company had added more Disclosure in the Financial Statement year ended 2020 and for the Three-month ended March 31, 2021 for comparation purpose, which is not affected to the Statement of Financial Position, Statement of Income, and Comprehensive Income, which had been approved by board of directors since October 6, 2021.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF HEALTHLEAD PUBLIC COMPANY LIMITED

6. Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 Group's and 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF HEALTHLEAD PUBLIC COMPANY LIMITED

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year 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.



(Chaiyuth Angsuwithaya)
Certified Public Accountant
Registration No. 3885

STATEMENTS OF FINANCIAL POSITION

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS OF 31 DECEMBER 2021

		Baht				
		Consolidated financial statements			Separate financial statements	
	Note	December 31,2021	January 1,2021	January 1,2020	December 31,2021	December 31,2020
		(Audited)	*(Restated)*	*(Restated)*	*(Audited)*	*(Audited)*
Assets						
Current Assets						
Cash and cash equivalents	4	705,005,109.18	34,845,848.67	27,425,960.69	669,018,595.17	908,260.23
Trade receivables and other receivables						
- related companies	3.1	4,050.00	35,650.00	8,953,559.75	1,893,780.59	1,361,664.46
- other companies	5	16,409,643.77	13,472,427.09	10,792,132.45	98,200.83	44,623.71
Inventories, Net	6	159,217,264.53	130,959,940.70	138,946,333.91	-	-
Short-term loans to related parties	3.3	-	-	-	23,014,808.22	-
Other current assets	7	6,328,267.77	6,208,578.20	2,310,596.04	2,318,159.76	5,853,808.82
Total Current Assets		886,964,335.25	185,522,444.66	188,428,582.84	696,343,544.57	8,168,357.22
Non-current Assets						
Investment in subsidiaries	8	-	-	-	154,030,297.60	115,382,106.25
Goodwill	1.5	15,617,283.19	15,617,283.19	15,617,283.19	-	-
Property, plant and equipment - Net	9	73,399,046.04	75,578,326.57	69,649,377.64	2,839,750.84	2,670,681.39
Right of use assets	11	118,161,972.33	117,159,286.89	-	10,726,408.78	5,411,243.20
Intangible assets - Net	10	8,581,013.47	7,342,753.19	6,891,307.80	385,454.04	254,663.35
Deferred tax assets	18.3	1,034,593.40	1,131,936.16	968,780.36	341,116.60	246,853.00
Other non-current assets						
Leasehold rights - Net		-	-	12,713,344.78	-	-
Restricted bank deposits		-	-	3,000,000.00	-	-
Deposit - related parties	3.2	1,774,563.00	1,774,563.00	1,774,563.00	484,650.00	484,650.00
Deposit - other parties		11,554,540.94	9,080,831.25	11,988,388.06	7,800.00	7,800.00
- Input tax refundable		814,466.85	231,579.37	595,948.19	709,561.81	231,579.37
- Other		400,973.66	374,791.78	588,153.58	-	-
Total other Non-current Assets		231,338,452.88	228,291,351.40	123,787,146.60	169,525,039.67	124,689,576.56
Total Assets		1,118,302,788.13	413,813,796.06	312,215,729.44	865,868,584.24	132,857,933.78

The accompanying notes to financial statements are an integral part of these statements.

STATEMENTS OF FINANCIAL POSITION

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS OF 31 DECEMBER 2021

		Baht				
		Consolidated financial statements			Separate financial statements	
	Note	December 31,2021	January 1,2021	January 1,2020	December 31,2021	December 31,2020
		(Audited)	*(Restated)*	*(Restated)*	*(Audited)*	*(Audited)*
Liabilities and Shareholders' Equity						
Current Liabilities						
Bank overdraft and short term loan from financial institutions	13	-	24,000,000.00	27,138,112.26	-	-
Trade and other payables						
- related companies	3.4	180,136.16	175,050.08	769,275.51	12,319.34	761,102.80
- other	14	117,460,916.05	107,572,500.42	119,899,539.73	3,265,445.13	3,113,640.37
Current portion of liabilities under financial lease agreements	12	12,372,438.35	11,297,917.09	-	824,092.86	1,070,017.84
Current portion of long-term loans from financial institutions	16	3,934,556.91	5,828,457.12	12,999,400.79	-	-
Short-term loan from related persons	3.5	-	-	-	5,284,092.49	-
Other current liabilities						
- Accrued corporate income tax		8,903,731.40	8,499,679.55	5,898,677.10	-	-
- Other	15	1,621,914.26	9,464,318.60	1,497,897.95	796,172.67	3,781,578.05
Total Current Liabilities		144,473,693.13	166,837,922.86	168,202,903.34	10,182,122.49	8,726,339.06
Non-Current Liabilities						
Liabilities under financial lease agreements - Net	12	101,413,737.15	97,783,470.60	-	10,240,250.14	4,459,450.38
Liabilities of long-term loans from financial institutions - Net	16	307,980.68	3,470,984.20	16,164,514.09	-	-
Employee benefit obligations	17	4,959,469.04	3,970,642.04	3,154,864.00	1,705,583.00	1,234,265.00
Deposit and employee insurance		1,258,500.00	1,164,500.00	982,500.00	2,000.00	2,500.00
Total Non-current Liabilities		107,939,686.87	106,389,596.84	20,301,878.09	11,947,833.14	5,696,215.38
Total Liabilities		252,413,380.00	273,227,519.70	188,504,781.43	22,129,955.63	14,422,554.44

The accompanying notes to financial statements are an integral part of these statements.

STATEMENTS OF FINANCIAL POSITION

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS OF 31 DECEMBER 2021

		Baht				
		Consolidated financial statements			Separate financial statements	
	Note	December 31,2021	January 1,2021	January 1,2020	December 31,2021	December 31,2020
		(Audited)	*(Restated)*	*(Restated)*	*(Audited)*	*(Audited)*
Shareholders' Equity						
Share capital						
Authorized share capital of Baht 10 each				80,000,000.00	136,000,000.00	136,000,000.00
8,000,000 ordinary shares						
Authorized share capital of Baht 0.50 each		136,000,000.00	136,000,000.00		136,000,000.00	136,000,000.00
272,000,000 ordinary shares						
Issued and fully paid - up - 8,000,000 ordinary shares	20			80,000,000.00		
Issued and fully paid - up - 200,000,000 ordinary shares	20		100,000,000.00			100,000,000.00
Issued and fully paid - up - 272,000,000 ordinary shares	20	136,000,000.00			136,000,000.00	
Premium on ordinary shares	20	647,639,269.84	-	-	647,639,269.84	-
Surplus from business combination under common control		22,151,112.29	22,151,112.29	22,151,112.29	-	-
Retained earnings						
Appropriated:						
Legal reserve - the company	21	7,939,741.40	3,034,773.46	-	7,939,741.40	3,034,773.46
Legal reserve - subsidiaries	21	6,500,000.00	5,720,073.95	-	-	-
Unappropriated		45,659,284.60	9,680,316.66	21,559,835.72	52,159,617.37	15,400,605.88
Total Shareholders' Equity		865,889,408.13	140,586,276.36	123,710,948.01	843,738,628.61	118,435,379.34
Total Liabilities and Shareholders' Equity		1,118,302,788.13	413,813,796.06	312,215,729.44	865,868,584.24	132,857,933.78

The accompanying notes to financial statements are an integral part of these statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER, 2021

		Baht							
		Consolidated financial statements							
					Retained earnings (loss)				
	Note	Issued and fully paid - up share capital	Premium on ordinary shares	Surplus from business combination under common control	Appropriated-Legal reserve		Unappropriated	Total equity holders of the parent	Total Shareholders' Equity
					Company's part	Subsidiaries's part			
as of January 1, 2020 - Restated		80,000,000.00	-	22,151,112.29	-	-	21,559,835.72	123,710,948.01	123,710,948.01
in equity for the year									
al Share increase		20,000,000.00	-	-	-	-	-	20,000,000.00	20,000,000.00
l reserve		-	-	-	3,034,773.46	5,720,073.95	(8,754,847.41)	-	-
lends paid		-	-	-	-	-	(55,200,215.27)	(55,200,215.27)	(55,200,215.27)
prehensive income (loss) for the year		-	-	-	-	-	52,075,543.62	52,075,543.62	52,075,543.62
as of December 31, 2020		100,000,000.00	-	22,151,112.29	3,034,773.46	5,720,073.95	9,680,316.66	140,586,276.36	140,586,276.36
as of January 1, 2021 - Restated		100,000,000.00	-	22,151,112.29	3,034,773.46	5,720,073.95	9,680,316.66	140,586,276.36	140,586,276.36
in equity for the year									
al Share increase	20	36,000,000.00	647,639,269.84	-	-	-	-	683,639,269.84	683,639,269.84
l reserve	21	-	-	-	4,904,967.94	779,926.05	(5,684,893.99)	-	-
lends paid	22	-	-	-	-	-	(38,000,117.50)	(38,000,117.50)	(38,000,117.50)
prehensive income (loss) for the year		-	-	-	-	-	79,663,979.43	79,663,979.43	79,663,979.43
as of December 31, 2021		136,000,000.00	647,639,269.84	22,151,112.29	7,939,741.40	6,500,000.00	45,659,284.60	865,889,408.13	865,889,408.13

mpanying notes to financial statements are an integral part of these statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER, 2021

		Baht				
		Separate financial statements				
				Retained earnings (loss)		
	Note	Issued and fully paid - up share capital	Premium on ordinary shares	Appropriated Legal reserve	Unappropriated	Total Shareholders' Equity
Balance as of January 1, 2020		80,000,000.00	-	-	21,559,835.72	101,559,835.72
Changes in equity for the year						-
Capital Share increase		20,000,000.00	-	-	-	20,000,000.00
Legal reserve		-	-	3,034,773.46	(3,034,773.46)	-
Dividends paid		-	-	-	(55,200,000.00)	(55,200,000.00)
Comprehensive income (loss) for the year		-	-	-	52,075,543.62	52,075,543.62
Balance as of December 31, 2020		100,000,000.00	-	3,034,773.46	15,400,605.88	118,435,379.34
Balance as of January 1, 2021		100,000,000.00	-	3,034,773.46	15,400,605.88	118,435,379.34
Changes in equity for the year						
Capital Share increase	20	36,000,000.00	647,639,269.84	-	-	683,639,269.84
Legal reserve	21	-	-	4,904,967.94	(4,904,967.94)	-
Dividends paid	22	-	-	-	(38,000,000.00)	(38,000,000.00)
Comprehensive income (loss) for the year		-	-	-	79,663,979.43	79,663,979.43
Balance as of December 31, 2021		136,000,000.00	647,639,269.84	7,939,741.40	52,159,617.37	843,738,628.61

The accompanying notes to financial statements are an integral part of these statements.

STATEMENTS OF INCOME

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER, 2021

		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	December 31,2021	December 31,2020	December 31,2021	December 31,2020
Revenue					
Revenue from sale		1,198,756,054.48	1,064,090,093.02	-	-
Revenue from management fee		-	-	32,241,177.79	22,159,031.63
Other Income					
Interest income		41,941.35	109,081.07	49,492.61	49,366.14
Other income		17,615,614.10	15,906,188.14	546,793.49	174,584.16
Total revenues		1,216,413,609.93	1,080,105,362.23	32,837,463.89	22,382,981.93
Expenses					
Cost of sales		922,417,661.21	831,182,255.46	-	-
Cost of management fee		-	-	14,343,832.05	8,148,947.49
Selling expenses		124,042,993.70	123,580,899.29	-	-
Administrative expenses		67,270,512.82	51,818,549.98	15,110,841.47	13,896,148.02
Finance costs		5,337,329.23	6,988,100.70	648,648.40	268,459.48
Total expenses		1,119,068,496.96	1,013,569,805.43	30,103,321.92	22,313,554.99
Share of profit from investments in subsidiaries	8	-	-	76,835,573.85	51,936,027.48
Profit (loss) before income tax		97,345,112.97	66,535,556.80	79,569,715.82	52,005,454.42
Income tax	18	17,681,133.54	14,460,013.18	(94,263.61)	(70,089.20)
Net profit (loss) for the period		79,663,979.43	52,075,543.62	79,663,979.43	52,075,543.62
Net profit (loss) attributable to					
Equity holders of the parent		79,663,979.43	52,075,543.62	79,663,979.43	52,075,543.62
		79,663,979.43	52,075,543.62	79,663,979.43	52,075,543.62

The accompanying notes to financial statements are an integral part of these statements.

STATEMENTS OF COMPREHENSIVE INCOME

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER, 2021

		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	December 31,2021	December 31,2020	December 31,2021	December 31,2020
Net profit (loss) for the year		79,663,979.43	52,075,543.62	79,663,979.43	52,075,543.62
Total comprehensive income (loss) for the yaer		79,663,979.43	52,075,543.62	79,663,979.43	52,075,543.62
Total comprehensive income (loss) attributable to					
Equity holders of the parent		79,663,979.43	52,075,543.62	79,663,979.43	52,075,543.62
		79,663,979.43	52,075,543.62	79,663,979.43	52,075,543.62
BASIC EARNING (LOSS) PER SHARE					
Earnings (loss) per share of the Equity holders of the parent	19	0.39	0.32	0.39	0.32
Number of weighted average ordinary shares (share)		206,312,328.77	161,863,013.70	206,312,328.77	161,863,013.70

The accompanying notes to financial statements are an integral part of these statements.

STATEMENTS OF CASH FLOW

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER, 2021

	Baht			
	Consolidated financial statements		Separate financial statements	
	December 31,2021	December 31,2020	December 31,2021	December 31,2020
Cash flows from operating activities				
Net Profit (Loss)	79,663,979.43	52,075,543.62	79,663,979.43	52,075,543.62
Adjustments to reconcile net profit (loss) to net cash -				
- provided from (used in) operating activities:				
Depreciation	14,482,498.79	6,740,223.25	422,421.79	90,841.51
Depreciation right of use assets	15,272,418.86	17,373,857.64	1,147,558.79	1,142,165.53
Amortisation of intangible assets	1,179,398.49	941,102.61	77,589.31	29,136.65
(Gain) loss from sale of fixed assets	66,245.29	709,597.69	-	-
(Gain) from the termination of the lease	(48,850.94)	(47,044.46)	-	-
Losses from lost and deteriorated products	708,691.02	1,534,542.55	-	-
Allowance for doubtful account	-	159,776.78	-	-
Employee benefits obligation	988,827.00	815,778.04	471,318.00	415,587.00
Share of profit from investments in subsidiaries under the equity method	-	-	(76,835,573.85)	(51,936,027.48)
Interest income	(41,941.35)	(109,081.07)	(49,492.61)	(49,366.14)
Finance costs	5,337,329.23	6,988,100.70	648,648.40	268,459.48
Deferred income tax expenses (income)	17,681,133.54	14,460,013.18	(94,263.61)	(70,089.20)
Profit (loss) from operations before changes in operating assets				
and liabilities	135,289,729.36	101,642,410.53	5,452,185.65	1,966,250.97
Decrease (increase) in operating assets :-				
Trade and other receivables	(2,905,616.68)	6,077,838.33	(585,693.25)	(644,865.34)
Inventories	(28,966,014.86)	6,451,850.66	-	-
Other current assets	(119,689.43)	(3,897,982.17)	3,535,649.04	(5,851,739.85)
Other non current assets	(2,499,891.57)	3,120,918.61	-	-
Increase (decrease) in operating liabilities;				
Trade and other payables	9,893,502.70	(12,921,264.74)	(596,978.69)	1,380,261.17
Other current liabilities	(7,842,404.34)	7,966,420.44	(2,985,405.38)	3,591,668.80
Other non-current liabilities	94,000.00	182,000.00	(500.00)	(8,000.00)
Cash receipt(Paid) in operating activities	102,943,615.18	108,622,191.66	4,819,257.37	433,575.75
Cash paid for income tax	(17,762,626.41)	(11,657,797.52)	(477,982.43)	(13,028.20)
Net cash provided by (use in) operating activities	85,180,988.77	96,964,394.14	4,341,274.94	420,547.55

The accompanying notes to financial statements are an integral part of these statements.

STATEMENTS OF CASH FLOW (Continue)

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER, 2021

	Baht			
	Consolidated financial statements		Separate financial statements	
	December 31,2021	December 31,2020	December 31,2021	December 31,2020
Cash flows from investing activities:				
Decrease in restricted bank deposits	-	3,000,000.00	-	-
Cash paid for purchase of property, plant and equipment	(12,805,044.09)	(13,403,253.85)	(591,491.24)	(2,718,560.02)
Cash received from sale of property, plant and equipment	20,567.23	24,485.98	-	-
Cash paid for purchase of intangible assets	(2,002,646.58)	(1,392,550.00)	(208,380.00)	(283,800.00)
Cash paid for investment in subsidiaries	-	-	-	(20,000,000.00)
Dividend income	-	-	38,187,382.50	59,199,784.73
Interest received	41,941.35	109,081.07	49,492.61	49,366.14
Net cash provided by (used in) investing activities	(14,745,182.09)	(11,662,236.80)	37,437,003.87	36,246,790.85
Cash flows from financing activities				
Increase (decrease) in overdrafts and short-term loans from financial institutions	(23,938,020.15)	(3,138,112.23)	(23,014,808.22)	-
Short-term loans to related parties	-	-	5,000,000.00	-
Cash received from long-term loans from financial institutions	-	3,500,000.00	-	-
Cash paid for long-term loans from financial institutions	(5,056,903.73)	(23,364,473.56)	-	-
Repayment of liabilities under finance lease	(11,521,465.55)	(12,691,367.60)	(927,849.58)	(1,023,940.52)
Cash received from capital increase	683,639,269.84	20,000,000.00	683,639,269.84	20,000,000.00
Dividends paid	(38,000,117.50)	(55,200,215.27)	(38,000,000.00)	(55,200,000.00)
Cash paid for interest expenses	(5,399,309.08)	(6,988,100.70)	(364,555.91)	(268,459.48)
Net cash provided by (used in) financing activities	599,723,453.83	(77,882,269.36)	626,332,056.13	(36,492,400.00)
Net increase (decrease) in cash and equivalents	670,159,260.51	7,419,887.98	668,110,334.94	174,938.40
Cash and cash equivalents at beginning of the year	34,845,848.67	27,425,960.69	908,260.23	733,321.83
Cash and cash equivalents at end of the year	705,005,109.18	34,845,848.67	669,018,595.17	908,260.23
Non Cash items:				
Right of used asset,decrease(increase)	(16,226,253.36)	(134,008,623.12)	(6,462,724.36)	(6,553,408.74)
Leasehold - Net, decrease	-	12,713,344.78	-	-
Liabilities under financial lease increase (decrease)	16,226,253.36	121,295,278.34	6,462,724.36	6,553,408.74
Transfer property, plant and equipment to intangible asset				
Property, plant and equipment, increase	(415,011.19)	-	-	-
Intangible assets - Net, increase	415,011.19	-	-	-

The accompanying notes to financial statements are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2021

1. General information

1.1 General information

Healthlead Company Limited was incorporated as a limited company under the Civil and Commercial Code of Thailand on December 28, 2018 with its head office located at 37 Soi Sirikasem 7, Bang Phai Subdistrict, Bang Khae District, Bangkok. Subsequently, the company registered its conversion to a public limited company on December 9, 2020. The company operates in Thailand. The main business is to invest in other companies.

The major shareholder as of December 31, 2021 is the Bhandhukanonda family (72% shareholding).

1.2 The Corona Virus 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved

In the 1st quarter of year 2021, the Group has decided to discontinue application of the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic for all temporary relief measures on accounting alternatives, which the Group had complied in year 2020, due to the expiration of the period of use of relief measures, which the cancellation of the said Accounting Guidance with no significant impact on the Group's financial statements.

1.3 Preparation basis for financial statements

These Financial Statements were prepared in accordance with the Accounting standards including the interpretation that were issue and revised by the Federation of Accounting Professions by adhering to financial reporting standards and the presentation of transactions prepared according to the summary form that must be included in the financial statements for a public company as specified by the announcement of the Department of Business Development, Ministry of Commerce Issued under the Accounting Act B.E. 2543

The consolidated financial statements of the Company have included the financial statements of Healthlead Public Company Limited and its subsidiaries after the significant balances and inter-transactions are eliminated.

These financial statements have been prepared by using the original cost basis, unless stated otherwise in the accounting policies.

This English version of the financial statements has been prepared from the financial statements that are in Thai language. Both language versions are considered to be equally authentic. In the event of any discrepancy between the two aforementioned versions, the Thai version shall be the governing and prevailing version.

1.4 Adoption of new financial reporting standards

1.4.1 Financial Reporting Standards which are effective in the current period

During the year, the Company has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company financial statements.

1.4.2 Financial Reporting Standards which are not effective for the current period

During the year, the Federation of Accounting professions has revised financial reporting standards, which are effective for financial statements year beginning on or after January 1, 2022, are as follows:

Financial reporting standards

TFRS	1	First-time Adoption of Financial Reporting Standards
TFRS	16	Lease

The management of the Company has assessed that TFRS 1 and TFRS 16 will not have impact on the financial statement when they are applied.

1.5 Retrospective adjustments to financial statements

During 2021 the Company reconsidered the transaction of business combination of the group, and concluded that business combination of Healthlead Public Company Limited and Healthiness Co., Ltd. is not a business combination under common control as presented in prior year financial statement. Then, the different amount of the consideration transferred in a business combination and net identifiable assets acquired and liabilities assumed, shall be presented as “goodwill” in Consolidated Financial Statement. Therefore, the Company retrospective adjusted its consolidated Financial Statement as of December 31, 2020. However, the adjusted transection is not affected to the Profit and Loss Statement as follows:

	Consolidated financial statement		
	as previously reported	effect	Restated
Assets			
Non-current asses			
Goodwill	-	15,617,283.19	15,617,283.19
Liabilities and Shareholders' Equity			
Shareholders' Equity			
Surplus from business combination under common control	6,533,829.10	15,617,283.19	22,151,112.29

2. Significant accounting policies

The Company has important accounting policies which can be summarized as follows:

2.1 Revenue recognition

The company records income and expenses on an accrual basis.

- Sale income is recognized as revenue when goods are delivered, and the risk and reward of goods ownership is transferred to customers That is when the product is delivered Except in the case of revenue from sales of products manufactured by customers with special orders Will recognize income by considering the stage of work completion
- Service income is recognized as revenue, taking into account the stage of completion
- Interest income is recognized as income on an accrual basis, taking into account the real rate of return.
- Dividends are recognized as income when the company has the right to receive dividends. dividends received from investments in subsidiaries accounted for under the equity method be deducted from the book value of that investment

2.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposit at banks on saving accounts, current accounts and fixed deposits terms to be matured within 3 months which are not pledged

2.3 Inventories

Inventories recorded at cost by first-in, first-out method or the expected net realizable value whichever is lower
The company set up an allowance for the decline in the value of the products. when the inventories are expected to wear out or become obsolete, taking into account the current condition of the inventories and consumer trends

2.4 Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are recorded under the cost method. Allowance for impairment of investments have provided by taking the net book value and other relevant factors into consideration.

2.5 Property, plant and equipment

Land is presented as cost method deduct with provision of impairment (if there is)

Building and equipment are presented as cost method net of accumulated depreciation and provision of impairment (if there is)

Depreciation has been calculated on a straight-line method over their approximate useful-life as follows;

	Years
Building and building improvement	20
Computer	3-5
Office furniture and fixture	5
Vehicle	5
Building improvement under lease or rental contract use the shorter method of useful-life or lease term.	

2.6 Income tax

Income tax for the year consists of current and deferred income taxes. Current and deferred income taxes are recognized in the statement of income. with the exception of those relating to transactions related to business combinations or items recognized directly in shareholders' equity or other comprehensive income

Current income tax is the tax expected to be paid to a state taxing authority on the basis of taxable profits established in taxation laws using tax rates enacted or expected to be effective as of the date of taxation. report

Deferred income tax recorded on the basis of temporary differences arising between the carrying amount of assets and liabilities at the end of the reporting period and the asset's tax base. and related liabilities

Deferred income tax is measured at the tax rate expected to apply to temporary differences. when a reversal is based on a law enacted or expected to be effective as of the reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be exploited. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that the tax benefits are likely to be used.

2.7 Employee benefits

The Company and its subsidiaries recorded salaries, wages, bonuses, contributions to the social security fund and provident fund and other benefits are recognized as expenses when incurred.

Compensation paid upon retirement of employees as stipulated by the laws of Thailand. It is recorded as an expense in profit and loss over the employee's service life.

Severance payments as specified in the Thai Law which estimated under the actuarial assumptions by a qualified actuary are recognized as expenses along the service period of employees. However, the actual benefit obligations may be different from the estimate.

The Company and its subsidiaries recognize gain (loss) from estimation under the actuarial assumption in Statements of comprehensive income when incurred.

2.8 Accounting judgments and estimates

In the preparation of financial statements in accordance with accounting standards and financial reporting standards; Management may make judgments and estimates about the effects of uncertain future events that may affect amounts reported in the financial statements and the disclosures in the notes to the financial statements. As a result, actual results may differ from these estimates.

2.9 Basic earnings (loss) per share

Basic earnings (loss) per share are determined by dividing the profit (loss) for the year by the weighted average number of shares outstanding.

2.10 Dividend payment

Dividends paid to the Company's shareholders are recognized as a liability in the financial statements in the accounting period in which the dividend payment has been approved by the Company's shareholders' meeting. Interim dividends will be recognized upon approval by the Board of Directors.

2.11 Financial instruments

Classification and measurement
Financial assets that are debt instruments are measured at amortized cost.

Financial assets which are the equity instruments are measured at fair value through profit or loss. through other comprehensive income. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

Financial liabilities are classified and measured at amortized cost.
Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets measured at amortized cost. The Group applies general or simplified approach for credit-impaired consideration which depends on the significant of credit risk.

2.12 Leases

The Group as lessee

Right of usage assets

The Group recognizes the right-of-use assets on the date of first use. For lease Which was previously classified as an operating lease About the lease A lessee shall measure the leasehold asset by selecting an amount method equal to the lease liability adjusted by the amount of prepaid or accrued lease payments in connection with the lease recognized in the statement of financial position. Before the date of first use.

The group recognizes rights of usage assets at the commencement date of the leases. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any) ,and adjust for any remeasurement of lease liabilities(if any). The cost of right-of-use assets includes the amount of lease liabilities recognized through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

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

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liabilities are subsequently measured using the effective interest method and by reducing the carrying amount to reflect the lease payments made. The Group recognizes interest from lease liability in the statement of income. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Lease payments included in the measurement of the lease liability comprise

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by the lessee under residual value guarantees;
- Exercise price of purchase options, if the lease is reasonably certain to exercise the options;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Short-term leases and Leases of low-value assets

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

NOTES TO FINANCIAL STATEMENTS

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2021

3. Related parties' transactions

The Company has accounting transactions with its subsidiaries, related companies and related persons which occurs in the normal course of business. Such transactions are based on general market prices. or in accordance with the agreed contract for the item without market price.

Balance of assets and liabilities, account and trade items with the subsidiary related companies and related persons which are included as part of the statements of financial position as at December 31, 2021 and 2020.

are as follows:

3.1 Trade and account receivable – related companies

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade receivable				
Icare Health Co., Ltd.	-	-	1,893,780.59	1,361,664.46
Wonjin Beauty Medical Group (Thailand) Co., Ltd	4,050.00	35,650.00	-	-
Total	4,050.00	35,650.00	1,893,780.59	1,361,664.46
Total trade receivables and other receivables – related parties	4,050.00	35,650.00	1,893,780.59	1,361,664.46

As of December 31, 2021 and 2020, trade accounts receivable - related companies, classified by aging as follows:

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade receivable – related parties				
- Undue	4,050.00	35,650.00	1,893,780.59	1,361,664.46
- Overdue 0-3 months	-	-	-	-
- Overdue 4-6 months	-	-	-	-
- Overdue 7-12 months	-	-	-	-
- Over 12 months	-	-	-	-
Total trade receivable – related parties	4,050.00	35,650.00	1,893,780.59	1,361,664.46

NOTES TO FINANCIAL STATEMENTS

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2021

3.2 Lease deposit - related parties

The deposit of the rental contract is a deposit for rent of building and branch location (pharmacy) paid to businesses and related parties in total of 8 contracts.

3.3 Short -term loans to related parties Subsidiaries

	Baht				
	Separate financial statement				
	December 31, 2020	Increase	Decrease	December 31, 2021	Policy on cost of loans between each other
Subsidiaries					
Icare Health Co., Ltd.					
Principle	-	23,000,000.00	-	23,000,000.00	5.875%
Interest	-	14,808.22	-	14,808.22	
	-	23,014,808.22	-	23,014,808.22	

3.4 Trade and other payables – related companies

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Other payable				
Icare Health Co., Ltd.	-	-	-	571,273.00
Healthiness Co., Ltd.	-	-	-	177,620.00
Siriravee Co., Ltd.	100,596.00	100,596.00	-	-
Pakinpawat Co., Ltd.	79,540.16	74,454.08	12,319.34	12,209.80
Total	180,136.16	175,050.08	12,319.34	761,102.80
Total trade and other payable – related companies	180,136.16	175,050.08	12,319.34	761,102.80

NOTES TO FINANCIAL STATEMENTS

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2021

3.5 Short - term loan to related companies

	Baht				
	Separate financial statement				
	December 31, 2020	Increase	Decrease	December 31, 2021	Policy on cost of loans between each other
Subsidiaries					
Icare Health Co., Ltd.					
Principle	-	5,000,000.00	-	5,000,000.00	5.875%
Interest	-	284,092.49	-	284,092.49	
	-	5, 284,092.49	-	5, 284,092.49	

3.6 Related parties' transactions

	Baht				
	Consolidated financial statement		Separate financial statement		Pricing Policy
	For the year ended		For the year ended		
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	
Subsidiaries					
Management income	-	-	32,241,177.79	22,159,031.63	Contract price
Rental and service income	-	-	162,000.00	162,000.00	Contract price
Interest income	-	-	14,808.22	48,155.74	Contract price
Cost of consumables	-	-	-	1,891.59	Criteria as per mutually agree price
Interest expense	-	-	284,092.49	-	Contract price
Related companies					
Sale of goods	226,991.59	198,573.86	-	-	Market price
Purchase of finished goods	-	425,466.45	-	-	Market price
Rental fee and service fee*	5,575,752.00	5,575,752.00	1,938,600.00	1,938,600.00	Contract price
Utility fee	870,557.06	997,111.85	155,525.40	226,012.45	Criteria as per mutually agree price
Other service	-	25,000.00	-	-	Criteria as per mutually agree price
Cost of consumables	-	420.56	-	-	Criteria as per mutually agree price
Director					
Interest income	-	95,389.34	-	-	Criteria as per mutually agree price
Rental fee and service fee*	1,522,500.00	1,522,500.00	-	-	Contract price

*Rental fee and service fee, is presented in the income statement as the depreciation account of the right to use in accordance with Thai Financial Reporting Standard No. 16 Leases.

NOTES TO FINANCIAL STATEMENTS

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2021

Management remuneration for the year ended December 31, 2021 and 2020 comprised salaries, bonuses, and other benefits of directors and management.

	Baht			
	Consolidated financial statement		Separate financial statement	
	For the year ended			
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Short-term benefits	10,957,334.90	10,537,543.50	8,939,103.90	8,244,740.00
Post-employment benefits	9,796,251.00	8,807,191.00	4,040,020.00	3,271,482.00
Total	20,753,585.90	19,344,734.50	12,979,123.90	11,516,222.00

Entities with power to control the company is controlled by the company or under the same control as the Company directly or indirectly and businesses that are affiliated companies with common shareholders or directors are as follows:

Name companies	Type of Business	Relationship	Country of Registration	% of Shares Held	
				Dec-31, 2021	Dec-31, 2020
Subsidiaries:					
Icare health Co., Ltd.	Pharmacy business distributing medicines, medical supplies, cosmeceuticals, supplements, medical devices and other healthcare products	Hold the shares and have the same directors	Thailand	100.00	100.00
Healthiness Co., Ltd.	Importer and distributor of innovative healthcare related products including dietary supplements, medical supplies, and healthcare related products	Hold the shares and have the same directors	Thailand	100.00	100.00
Related companies:					
Siri Ravee Co., Ltd.	Building rental	Have the same directors/directors are shareholders	Thailand	-	-
Pakinpawat Co., Ltd.	Building rental	Directors are related persons to management	Thailand	-	-
Wonjin Beauty Medical Group (Thailand) Co., Ltd	Medical clinic	Directors are related persons to management	Thailand	-	-
9801 Group (Thailand) Co., Ltd.	Event Organizer	Executives are shareholders and directors are related to executives.	Thailand	-	-
Im Oun food and service Co., Ltd.**	Restaurant business/restaurant	Have common directors/directors are shareholders	Thailand	-	-

NOTES TO FINANCIAL STATEMENTS

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2021

Pharmacy (Lopburi)	Pharmacy business distributing medicines, medical supplies, cosmeceuticals, supplements, medical devices and other healthcare products	A shareholder is a person related to the director.	Thailand	-	-

Related person:

Mrs.Mataya Bhandhukanonda	Director
Mr. Supakorn Bhandhukanonda	Director

* 1 of the company executive is a shareholder of 9801 Group (Thailand) Co., Ltd. and sold all shares on May 8, 2020

** 2 directors of the company are shareholders of the company. Im Oun Food and Service Co., Ltd. and sold all shares and resigned from the director on July 22, 2021.

4. Cash and cash equivalents

As of December 31, 2021 and 2020, cash and cash equivalents consisted of:

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash	3,510,469.83	3,736,045.57	-	-
Saving deposits and current accounts	701,494,639.35	31,109,803.10	669,018,595.17	908,260.23
Total cash and cash equivalents	705,005,109.18	34,845,848.67	669,018,595.17	908,260.23

NOTES TO FINANCIAL STATEMENTS

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2021

5. Trade receivables and other receivables

As of December 31, 2021 and 2020, trade accounts receivable and other current receivables consisted of:

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade receivable				
Trade receivable	799,724.06	1,769,366.93	-	-
Less Allowance for expected credit losses	-	(159,776.78)	-	-
Trade receivable – Net	799,724.06	1,609,590.15	-	-
Other receivable	4,349,759.26	6,859,162.90	-	-
Accrued income	5,437,614.07	600,737.02	-	-
Prepaid expenses	1,342,369.14	1,084,484.00	98,200.83	44,623.71
Short term deposit	4,480,177.24	3,318,453.02	-	-
Total other receivables	15,609,919.71	11,862,836.94	98,200.83	44,623.71
Total trade receivable and other receivables	16,409,643.77	13,472,427.09	98,200.83	44,623.71

As of December 31, 2021 and 2020, trade receivable – others classified by aging as follows:

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade receivable – other companies				
- Undue	688,099.50	1,421,771.65	-	-
- Overdue 0-3 months	111,537.56	61,818.50	-	-
- Overdue 4-6 months	87.00	126,000.00	-	-
- Overdue 7-12 months	-	159,776.78	-	-
- Over 12 months	-	-	-	-
Total trade receivable – other companies	799,724.06	1,769,366.93	-	-
Less Allowance for expected credit losses	-	(159,776.78)	-	-
Total trade receivable – other companies net	799,724.06	1,609,590.15	-	-

NOTES TO FINANCIAL STATEMENTS

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2021

6. Inventories, net

As of December 31, 2021 and 2020, net inventories consist of:

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Professional healthcare	106,020,980.48	83,276,203.70	-	-
Personal healthcare	16,422,244.57	13,802,090.18	-	-
Medical equipment and home healthcare	31,755,943.11	30,059,353.20	-	-
Medical food	4,620,818.10	3,156,235.75	-	-
Goods waiting to be destroyed	-	1,689,037.79	-	-
Consumables	738,659.25	666,057.87	-	-
Total	159,558,645.51	132,648,978.49	-	-
Less allowance for obsolete goods	(341,380.98)	(1,689,037.79)	-	-
Inventories, net	159,217,264.53	130,959,940.70	-	-

7. Other current assets

As of December 31, 2021 and 2020, other current assets consist of:

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Deferred Input vat	391,430.12	345,703.52	67,991.12	95,839.18
Withholding tax	966,122.45	4,102,874.68	959,683.02	3,997,969.64
Deferred IPO cost*	-	1,760,000.00	-	1,760,000.00
VAT receivable	4,970,715.20	-	1,290,485.62	-
Total	6,328,267.77	6,208,578.20	2,318,159.76	5,853,808.82

*Cost that directly related to issuing new share that will be deducted from equity.

NOTES TO FINANCIAL STATEMENTS

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2021

8. Investment in subsidiaries

Investment in subsidiaries	Paid up capital		สัดส่วนเงินลงทุน		Separate financial statement (Cost Method)		Separate financial statement (Equity Method)	
	31-Dec 2021	31-Dec 2020	31-Dec 2021	31-Dec 2020	31-Dec 2021	31-Dec 2020	31-Dec 2021	31-Dec 2020
	(Million Baht)	*(Million Baht)*	*(Million Baht)*	*(Million Baht)*	*(Million Baht)*	*(Million Baht)*	*(Million Baht)*	*(Million Baht)*
Icare Health Co., Ltd.	65	65	100	100	65.00	65.00	118.45	89.15
Healthiness Co., Ltd.	35	35	100	100	35.00	35.00	35.58	26.23
Total Investment in subsidiaries					100.00	100.00	154.03	115.38

Changes in investments in subsidiaries as at December 31,2021 and 2020 are as follows:

	Baht	
	Separate financial statement	
	Equity Method	
	December 31, 2021	December 31, 2020
Beginning balance	115,382,106.25	102,645,863.50
Capital Share increase	-	20,000,000.00
Increase from share of profit from investments in subsidiaries	76,835,573.85	51,936,027.48
Decrease from dividend	(38,187,382.50)	(59,199,784.73)
Ending balance	154,030,297.60	115,382,106.25

9. Property Plant and Equipment – net

As of December 31, 2021 and 2020, property, plant and equipment - net consist of

	Baht								
	Consolidated financial statement								
	Land	Building	Leased property improvements	Office equipment	Vehicle	Computer and equipment	Furniture and furnishings	Assets under construction	Total
Cost									
As of December 31, 2020	8,176,160.00	14,953,223.46	46,224,285.18	8,462,952.77	4,095,700.93	4,676,127.15	10,795,097.95	-	97,383,547.44
Increase	-	-	60,000.00	1,464,360.13	47,663.55	2,814,365.63	705,030.44	7,713,624.34	12,805,044.09
Decrease	-	-	-	(107,975.08)	(36,915.89)	(23,813.74)	(66,131.35)	-	(234,836.06)
Transfer in(out)	-	-	10,621,533.94	280,118.79	-	(596,146.68)	(3,907,427.76)	(6,951,230.63)	(553,152.34)
As of December 31,2021	8,176,160.00	14,953,223.46	56,905,819.12	10,099,456.61	4,106,448.59	6,870,532.36	7,526,569.28	762,393.71	109,400,603.13
Accumulated Depreciation									
As of December 31, 2020	-	(3,569,938.27)	(7,777,170.51)	(3,326,375.86)	(3,616,039.60)	(1,331,430.77)	(2,184,265.86)	-	(21,805,220.87)
Increase	-	(747,661.00)	(9,433,793.36)	(1,669,397.69)	(156,860.74)	(1,073,784.21)	(1,401,001.79)	-	(14,482,498.79)
Decrease	-	-	-	74,603.95	36,914.89	16,045.38	20,459.32	-	148,023.54
Transfer in(out)	-	-	(438,517.06)	26,033.20	-	125,018.63	425,604.26	-	138,139.03
As of December 31,2021	-	(4,317,599.27)	(17,649,480.93)	(4,895,136.40)	(3,735,985.45)	(2,264,150.97)	(3,139,204.07)	-	(36,001,557.09)
Net book value									
As of December 31, 2020	8,176,160.00	11,383,285.19	38,447,114.67	5,136,576.91	479,661.33	3,344,696.38	8,610,832.09	-	75,578,326.57
As of December 31,2021	8,176,160.00	10,635,624.19	39,256,338.19	5,204,320.21	370,463.14	4,606,381.39	4,387,365.21	762,393.71	73,399,046.04

NOTES TO FINANCIAL STATEMENTS

HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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	Separate financial statement				
	Office equipment	Computer and equipment	Furniture and furnishings	Leased property improvements	Total
Cost					
As of December 31, 2020	368,396.86	439,076.46	326,170.53	1,631,900.20	2,765,544.05
Increase	118,099.53	429,508.54	43,883.17	-	591,491.24
Decrease	-	-	-	-	-
As of December 31, 2021	486,496.39	868,585.00	370,053.70	1,631,900.20	3,357,035.29
Accumulated Depreciation					
As of December 31, 2020	(26,068.25)	(40,715.14)	(21,168.22)	(6,911.05)	(94,862.66)
Increase	(79,871.83)	(131,368.54)	(68,536.24)	(142,645.18)	(422,421.79)
Decrease	-	-	-	-	-
As of December 31, 2021	(105,940.08)	(172,083.68)	(89,704.46)	(149,556.23)	(517,284.45)
Net book value					
As of December 31, 2020	342,328.61	398,361.32	305,002.31	1,624,989.15	2,670,681.39
As of December 31, 2021	380,556.31	696,501.32	280,349.24	1,482,343.97	2,839,750.84

Depreciation for the year ended December 31, 2021 and 2020 is shown in the income statement as follows:

	Baht			
	Consolidated financial statement		Separate financial statement	
	For the year end			
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cost of management fee	-	-	274,013.72	43,947.24
Selling expenses	9,291,148.18	2,090,144.48	-	-
Administrative expenses	5,191,350.61	4,650,078.77	148,408.07	46,894.27
Total	14,482,498.79	6,740,223.25	422,421.79	90,841.51

10. Intangible assets - net

As of December 31, 2021 and 2020, intangible assets consist of:

	Baht	
	Computer software	
	Consolidated financial statement	Separate financial statement
Cost		
As of December 31, 2020	13,904,617.48	283,800.00
Increase	2,002,647.58	208,380.00
Decrease	-	-
Transfer	553,150.34	-
As of December 31, 2021	16,460,415.40	492,180.00
Accumulated Amortization		
As of December 31, 2020	(6,561,864.29)	(29,136.65)
Increase	(1,179,398.49)	(77,589.31)
Decrease	-	-
Transfer	(138,139.15)	-
As of December 31, 2021	(7,879,401.93)	(106,725.96)
Net book value		
As of December 31, 2020	7,342,753.19	254,663.35
As of December 31, 2021	8,581,013.47	385,454.04

11. Right of use assets

The balance of right-of-use assets as at December 31, 2021and 2020 has been separately presented in the statement of financial position. The details are as follows:

	Baht	
	Consolidated financial statement	Separate financial statement
Book value		
As of December 31, 2020	133,802,745.13	6,553,408.74
Increase	34,265,896.09	6,462,724.37
Decrease (termination of the lease)	(5,816,564.66)	-
Decrease (change of contract)	(13,686,543.48)	-
As of December 31, 2021	148,565,533.08	13,016,133.11
Accumulated depreciation		
As of December 31, 2020	(16,643,458.24)	(1,142,165.54)
Increase	(15,272,418.86)	(1,147,558.79)
Decrease (termination of the lease)	1,512,316.35	-
As of December 31, 2021	(30,403,560.75)	(2,289,724.33)
Net book value		
As of December 31, 2020	117,159,286.89	5,411,243.20
As of December 31, 2021	118,161,972.33	10,726,408.78

12. Liabilities under financial lease agreement-net

The Company has financial lease payable which consists of 27 lease agreements to procure Building and Vehicle, With monthly rental payments between 29 - 156 installments.

Liabilities under lease agreements as December 31, 2021 and 2020 consist of:

	Baht	
	Consolidated financial statement	Separate financial statement
Lease liabilities	135,453,161.91	6,138,900.00
Less deferred interest expenses	(26,371,774.22)	(609,431.78)
Lease as at January 1,2021	109,081,387.69	5,529,468.22
Increase (Decrease) for year:		
Add lease liabilities increasing during the year	40,800,236.50	9,046,800.00
Less deferred interest expenses increasing during the year	(7,990,070.51)	(2,584,075.63)
Add interest expenses	4,925,885.01	364,550.41
Less payments	(16,447,350.74)	(1,292,400.00)
Less lease liabilities decreased due to contract changes.	(13,686,543.48)	-
Less cancel the contract	(2,897,368.97)	-
Lease liabilities as at December 31, 2021	113,786,175.50	11,064,343.00
Less current portion	(12,372,438.35)	(824,092.86)
Lease liabilities net of current portion	101,413,737.15	10,240,250.14

Lease expenses recognized in profit or loss for the year ended 31 December 2021 and 2020 are shown below.

	Baht			
	Consolidated financial statement		Separate financial statement	
	For the year end			
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Depreciation of the usage rights assets	15,272,418.86	17,373,857.64	1,147,558.79	1,142,165.53
Interest expenses from debt under lease-agreement	4,925,885.01	5,082,986.63	364,550.41	268,459.48
Expenses related to short-term leases	518,418.65	184,839.37	-	-
Expenses related to leases of low-value assets	229,936.00	108,708.00	37,200.00	37,200.00
Total	20,946,658.52	22,750,391.64	1,549,309.20	1,447,825.01

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HEALTHLEAD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Details of the amount payable of the lease liability in the separate financial statements as at December 31, 2021 and 2020 are as follows:

	Baht					
	Consolidated financial statement					
	December 31, 2021			December 31, 2020		
	Principle	Deferred interest	Total	Principle	Deferred interest	Total
Due within one year	17,132,163.92	(4,759,725.57)	12,372,438.35	15,882,348.84	(4,584,431.75)	11,297,917.09
Due over one year	121,797,347.85	(20,383,610.70)	101,413,737.15	119,570,813.07	(21,787,342.47)	97,783,470.60
Total	138,929,511.77	(25,143,336.27)	(113,786,175.50)	135,453,161.91	(26,371,774.22)	109,081,387.69

	Baht					
	Separate financial statement					
	December 31, 2021			December 31, 2020		
	Principle	Deferred interest	Total	Principle	Deferred interest	Total
Due within one year	1,292,400.00	(468,307.14)	824,092.86	1,292,400.00	(222,382.16)	1,070,017.84
Due over one year	12,600,900.00	(2,360,649.86)	10,240,250.14	4,846,500.00	(387,049.62)	4,459,450.38
Total	13,893,300.00	(2,828,957.00)	11,064,343.00	6,138,900.00	(609,431.78)	5,529,468.22

13. Bank overdraft and short-term loan from financial institutions

As of December 31, 2021 and 2020, bank overdrafts and short-term loans from financial institutions consist of:

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Bank overdraft	-	-	-	-
Short term loan	-	24,000,000.00	-	-
Total	-	24,000,000.00	-	-

The Group of Companies has entered into overdraft and short-term loan agreements, with local commercial banks with interest rate MLR-1 percent per year and MOR per year by mortgage land, buildings, buildings of the group of companies and directors, as a guarantee and have shareholders and directors of the Company's group be a guarantor. Under the loan agreement The Company must comply with certain financial conditions and restrictions as stipulated in the contract, such as maintaining the Debt-to-Equity Ratio of not more than 3 to 1, but not less than 0. and maintain a Debt Service Coverage Ratio (DSCR) of not less than 1.25 and a limitation on transfer of assets to be in accordance with the contract, etc.

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14. Trade and other payable – other companies

As of December 31, 2021 and 2020, trade payables and other payables - other companies consist of:

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade payable – other companies				
Outstanding cheque	1,220,569.00	6,874,098.64	-	-
Trade payable	106,230,640.10	87,410,238.85	-	-
Total	107,451,209.10	94,284,337.49	-	-
Other payable – other companies				
Other payable	1,567,399.71	2,718,435.23	545,123.05	677,877.07
Accrued expense	7,835,719.67	10,279,559.42	2,720,322.08	2,435,763.30
Advance income	351,814.77	236,456.14	-	-
Other	254,772.80	53,712.14	-	-
Total other payable	10,009,706.95	13,288,162.93	3,265,445.13	3,113,640.37
Total trade and other payable – other companies	117,460,916.05	107,572,500.42	3,265,445.13	3,113,640.37

15. Other current liabilities

As of December 31, 2021 and 2020, other current liabilities consist of:

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
VAT Payable	207,540.09	1,532,343.66	-	117,438.13
Withholding tax	1,026,889.87	7,441,771.22	672,280.47	3,575,059.07
Deferred Output vat	387,484.30	490,203.72	123,892.20	89,080.85
Total	1,621,914.26	9,464,318.60	796,172.67	3,781,578.05

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16. Long-term loans from financial institutions Net

As of December 31, 2021 and 2020, long-term loans from financial institutions consist of:

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Beginning balance as January 1,2021	9,299,441.32	29,163,914.88	-	-
Add increase from principle	-	3,500,000.00	-	-
Less repayment	(5,056,903.73)	(23,364,473.56)	-	-
Ending balance	4,242,537.59	9,299,441.32	-	-
Less current portion of long-term loans from financial institutions	(3,934,556.91)	(5,828,457.12)	-	-
Long-term loans from financial institutions Net	307,980.68	3,470,984.20	-	-

Long-term loans from financial institutions can be classified by credit line as follows;

	Million Baht					
	Credit Limit		Outstanding balance at		Interest rate (percentage)	Loan repayment
	31-Dec 21	31-Dec 20	31-Dec 21	31-Dec 20		
Icare Health Co., Ltd.						
1st Limit	-	5.5	-	0.60	4.0%	Monthly payment 107,000 baht per From April 2016 to December 2020.
2nd limit*	-	4.5	-	0.41	4.0%	Pay monthly, 89,000 baht per installment. From April 2016 to December 2020.
3rd limit*	6.0	6.0	2.10	3.47	MLR-1.0%	Monthly payment 125,000 baht per From January 2018 to June 2022.
4th limit	3.0	3.0	0.68	1.32	MLR-1.0%	Monthly payment 57,000 baht per From July 2017 to June 2022.
5th limit	3.5	3.5	1.46	3.50	2.0%	Monthly payment 291,666.67 baht per From May 2021 to April 2022
Total	12.5	22.5	4.24	9.30		
Less Current portion of long-term loans from financial institutions			(3.93)	(5.83)		
Net			0.31	3.47		

The Group of Companies entered into a long-term loan agreement. with local commercial banks The interest rate is 2.0% per annum and MLR-1 per annum by mortgage the land, buildings, buildings of the group of companies and directors as collateral. and have shareholders and directors of the Company's group be a guarantor

Under the loan agreement The Company must comply with certain financial conditions and restrictions as stipulated in the contract, such as maintaining the Debt-to-Equity Ratio of not more than 3 to 1, but not less than 0. and maintain a Debt Service Coverage Ratio (DSCR) of not less than 1.25 and a limitation on transfer of assets to be in accordance with the contract, etc.

17. Employee benefit obligations

Changes in the present value of the benefit obligations for as December 31, 2021 and 2020 are as follows:

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Beginning balance of the years	3,970,642.04	3,154,864.00	1,234,265.00	818,678.00
Current service cost and interest cost	988,827.00	815,778.04	471,318.00	415,587.00
Ending balance of the years	4,959,469.04	3,970,642.04	1,705,583.00	1,234,265.00

Expenses recognized in profit or loss for the year ended December 31, 2021 and 2020 are as follows:

	Baht			
	For the year end December 31,			
	Consolidated financial statement		Separate financial statement	
	2021	2020	2021	2020
Current service cost	932,139.00	770,690.04	454,042.00	404,131.00
Interest cost	56,688.00	45,088.00	17,276.00	11,456.00
Total	988,827.00	815,778.04	471,318.00	415,587.00

The key actuarial assumptions used in calculating employee benefit obligations as of December 31, 2021 are as follows:

	Consolidated financial statement	Separate financial statement
Discount rate	1.40-2.11 %	1.40%
Expected rate of salary increase	3.00-5.00 %	3.00-5.00 %
Voluntary resignation rate	0-23 %*	0-8 %*
Mortality rate	TMO2017 **	TMO 2017 **

* Based on weighted rate by age group of employees

** Referred to Thai Mortality Ordinary Tables of 2017 (TMO 2017 : Thai Mortality Ordinary Tables of 2017)

The sensitivity analysis of key assumptions in forecasting according to actuarial insurance

The key actuarial assumptions used in the sensitivity analysis are discount rate, salary increase rate, and mortality, and other assumptions are assumed to remain unchanged. The impact of the sensitivity analysis from the changes in the above-mentioned assumptions that may reasonably be expected for the year 2021 is as follows:

- If the discount rate increases (decreases) by 1 %, employee benefit obligation will decrease by Baht 0.00 -0.23 million (increases by Baht 0.00-0.28 million).
- If the rate of salary raises increases (decreases) by 1.0 %, employee benefit obligation will increases by Baht 0.00-0.34 million (decreases by Baht 0.00-0.29 million).
- If the rate of resignation of employee raise increases (decreases) by 1.0 %, employee benefit obligation will decrease by Baht 0.00-0.25 million (increases by Baht 0.00-0.14 million).

In the sensitivity analysis report above, the present value of employee benefit obligation is calculated by using the same method as calculation of employment benefit obligation acknowledged in Statements of financial position.

18. Income tax

The Company has calculated its net taxable profit (loss) by taking both any forbidding expenditures and any reduced and exceptionable accounting transactions to adding – up or deducting from net profit (loss) under Revenue code.

The rate to calculate income tax and the rate to calculate deferred income tax for the year 2021 and 2020 were 20%.

18.1 Income tax expenses for the year ended December 31, 2021 and 2020 consist of:

	Baht			
	For the year end December 31,			
	Consolidated financial statement		Separate financial statement	
	2021	2020	2021	2020
Corporate Income tax for the year	17,583,790.33	14,623,168.98	-	13,028.20
Deferred Tax:				
- Deferred tax from temporary difference and reversal of temporary difference	97,343.21	(163,155.80)	(94,263.61)	(83,117.40)
Income tax illustrated in income statement	17,681,133.54	14,460,013.18	(94,263.61)	(70,089.20)

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18.2 The reconciliation of the amount between income tax expenses and the product of accounting profits and the tax rate applicable for the year ended December 31, 2021 and 2020 can be seen as follows:

	Baht			
	For the year end December 31,			
	Consolidated financial statement		Separate financial statement	
	2021	2020	2021	2020
Income tax as per the financial statement	97,345,112.98	66,535,556.80	79,569,715.83	52,005,454.42
Corporate income tax rate	20%	20%	20%	20%
Income tax value account	19,469,022.60	13,307,111.36	15,913,943.17	10,401,090.88
Deferred tax from temporary difference and reversal of temporary difference	97,343.21	(163,155.80)	(94,263.61)	(83,117.40)
Tax effect for:				
- Income that does not include income tax	-	-	(15,367,114.77)	(10,387,205.50)
- Tax losses that are eligible to apply	(1,785,949.45)	(86,297.08)	-	(86,297.08)
- Exempted income or expenses(deductible) increase	(4,818,341.78)	(33,853.46)	(3,934,263.68)	(21,753.46)
- Forbidden expenses	1,195,657.27	649,349.92	53,600.82	107,193.36
-Tax loss for the period	3,523,401.70	786,858.24	3,333,834.46	-
Income tax presented in the income statement	17,681,133.54	14,460,013.18	(94,263.61)	(70,089.20)

18.3 The components of deferred tax assets and liabilities consist of the following items:

	Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Deferred tax assets:				
Inventory	68,276.20	337,807.56	-	-
Employee benefits obligation	966,317.20	794,128.60	341,116.60	246,853.00
Deferred tax assets:	1,034,593.40	1,131,936.16	341,116.60	246,853.00

19. Basic earnings (loss) per share

Basic EPS For the year ended December 31, 2021 and 2020, calculated from the profit for the period attributable to ordinary shareholders of the Company and the number of ordinary shares issued during each period by the weighted average method. The calculation is shown as follows.

	Baht			
	For the year end December 31,			
	Consolidated financial statement		Separate financial statement	
	2021	2020	2021	2020
Earnings (loss) per share of the Equity holders of the parent	79,663,979	52,075,544	79,663,979	52,075,544
Number of weighted average ordinary shares (share)	206,312,328	161,863,013	206,312,328	161,863,013
Basic earnings (loss) per share	0.39	0.32	0.39	0.32

The Company registered the change of the original par value of 10 per share to 0.50 baht per share on December 9, 2020 for comparison. In presenting earnings per share information, the years ending on December 31, 2021 and 2020, the Company has calculated weighted average number of ordinary shares as if the change in the value of such shares has been registered since the comparison period

Transection	For the year end December 31, 2020	
	as previously reportec	**Restated**
Amount of capital	80,000,000	136,000,000
Original share value	10.00	-
Number of existing shares	8,000,000	-
As of December 1, 2020, the share value was reduced from 10 baht per share to 0.50 baht.		
New share value	-	0.50
Number of new shares	-	272,000,000
Net profit	52,075,543.62	52,075,543.62
Weighted average number of ordinary shares (shares)	8,000,000	161,863,013
Earnings per share	6.51	0.32

20. Share capital and Premium on Ordinary Shares

Changes in the value of ordinary share

On December 1, 2020, the Extraordinary General Meeting of Shareholders No. 1/2020 resolved to approve the change in the par value of the Company's shares from the original value of 10 baht per share to 0.50 baht per share. to the Department of Business Development Ministry of Commerce as of December 9, 2020, the change in par value has resulted in an increase in the number of shares of the Company from 8 million shares to 160 million shares.

Capital Share increase

On December 1, 2020, the Extraordinary General Meeting of Shareholders of the Company No. 1/2020 resolved to approve the increase of the Company's registered capital from 160 million shares to 272 million shares by issuing 112 million newly issued ordinary shares at the value of 0.50 baht per share. The company received a capital increase of 20 million baht on December 14, 2020. As a result, the number of paid-up shares of the company increased from 160 million shares to 200 million shares (paid-up capital from 80 million baht to 100 million baht) The company has registered the capital increase and amended the memorandum of association. to the company registrar Department of Business Development Ministry of Commerce on December 16, 2020

Between 25 and 30 November 2021, the Company offered to sell 72,000,000 newly issued ordinary shares to the general public at a par value of 0.50 baht per share, which was sold at a price of 9.80 baht per share, representing money. Total amount of 706 million baht, which the company received the payment for the said capital increase in full amount on November 30, 2021 and registered the increase of paid-up capital with the Ministry of Commerce on December 23, 2021.

The Company's ordinary shares began trading on the Market for Alternative Investment (MAI) on December 3, 2021.

However, in the offering of newly issued ordinary shares. as a result, the company had a share premium of 669.60 million baht and expenses related to the offering of shares amounted to 21.96 million baht, which the company showed deducted from the premium on ordinary shares as of December 31, 2021. Premium Ordinary shares remain at 647.64 million baht.

21. Legal reserve

According to the Public Limited Company Act. The Company must allocate a portion of the annual net profit as a reserve of not less than 5% of the annual net profit less the accumulated loss brought forward (if any) until this reserve. There will be no less than 10 percent of the registered capital. This legal reserve is prohibited for dividend distribution.

According to the provisions of the Civil and Commercial Code Subsidiaries must allocate at least 5 percent of net profit. It is a legal reserve every time a dividend is declared. until the legal reserve is equal to 10 percent of the registered capital This reserve cannot be used to allocate dividends.

22. Dividends

According to the minutes of the Board of Directors Meeting No. 1/21, dated February 22, 2021, the Board of Directors' meeting of the Company Propose the shareholders' meeting to consider and approve the annual dividend payment to shareholders at the rate of 0.07 baht per share, totaling 14 million baht, which is scheduled to be paid on March 18, 2021.

Subsequently, according to the minutes of the Board of Directors Meeting No. 3/21 dated August 13, 2021, the Board of Directors' meeting of the Company Propose to the shareholders' meeting to consider and approve the payment of interim dividends to shareholders at the rate of 0.12 baht per share, totaling 24 million baht, which is scheduled to be paid on August 25, 2021.

23. Segment information

The operating segment information presented herein is consistent with the Company's internal reports that are regularly received and reviewed by the Chief Operating Decision Maker. To make decisions about allocating resources to segments and assessing segment performance. The company's chief operating decision maker is the Chief Executive Officer.

In presenting the financial information by segment. the results of these operations have been reviewed by the Chief Executive Officer. The Group operates its main business in the pharmacy business by distributing drugs, pharmaceuticals, cosmetic products, dietary supplements. medical equipment and various health products including inventing, developing, importing and distributing innovative health products All of them are classified as health products for external use and dietary supplements. Therefore, there is a single segment which is shown in the profit (loss) statement.

24. Expenses by nature

The significant expenses for the year ending December 31, 2021 and 2020, classified by nature as follows:

	Baht			
	For the year end			
	Consolidated financial statement		Separate financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Change in inventories of finished goods	(30,111,701.89)	5,215,359.99	-	-
Purchase of finished goods	951,885,859.90	820,269,674.36	-	-
Salary, wage and employee benefits	100,218,808.36	95,286,656.93	18,147,966.51	15,194,399.75
Depreciation and amortization	29,768,737.13	25,055,406.95	1,647,569.89	1,262,143.70
Rental fee and service fee	17,072,764.39	16,621,881.17	962,237.45	750,027.58
Utilities Fee	9,607,273.77	7,477,503.13	182,331.90	246,981.55
Other services	14,088,665.29	11,095,806.07	6,355,970.55	3,625,997.83

25. Financial instrument

25.1 Risk Management Policy

The Company's key financial instruments presented in the statement of financial position consist of deposits at financial institutions. Accounts Receivable and Account Payable The Company is exposed to risks associated with such financial instruments and has a policy to manage the risks as follows:

Credit risk

(a.) Trade accounts receivable

The Company has credit risk related to trade accounts receivable. The management controls this risk by establishing appropriate credit control policies and procedures. Therefore, The Company does not expect to any material damage to incur damage from credit granting. The maximum amount that the company Loss from credit is the carrying amount of trade accounts receivable shown in the statement of financial position.

(b.) Deposits at financial institutions

The Company has risks arising from deposits at financial institutions. which The Company considers to have low credit risk

Liquidity risk

The Company monitors liquidity risks and maintains cash and cash equivalents levels- considered by the management to be sufficient to finance the Company's operations. and reduce the impact of volatility in cash flow.

The contractual remaining maturity periods of the financial liabilities at the reporting date are as follows:

	Million Baht					
		Contract cash flow (Consolidated financial statement)				
	Book value	within 1 year	More than 1 year but not more than 2 years	More than 2 years but not more than 5 years	More than 5 years	Total
As of December 31, 2021						
Non-derivative financial liabilities						
- Other payable	10.01	10.01	-	-	-	10.01
- Liabilities under financial lease agreements Net	113.79	12.38	12.21	33.04	56.16	113.79
- Payable to the Revenue Departm	0.21	0.21	-	-	-	0.21
- Accrued corporate income tax	8.82	8.82	-	-	-	8.82
Total non-derivative financial liabilities	132.83	31.42	12.21	33.04	56.16	132.83
Derivative financial liabilities	-	-	-	-	-	-

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	Million Baht					
		contract cash flow (Separate financial statement)				
	Book value	within 1 year	More than 1 year but not more than 2 years	More than 2 years but not more than 5 years	More than 5 years	Total
As of December 31,2021						
Non-derivative financial liabilities						
- Other payable	3.27	3.27	-	-	-	3.27
- Liabilities under financial lease agreements Net	11.06	0.82	0.86	2.82	6.56	11.06
- Payable to the Revenue Departm	-	-	-	-	-	-
Total non-derivative financial liabilities	14.33	4.09	0.86	2.82	6.56	14.33
Derivative financial liabilities	-	-	-	-	-	-

Market Risk

Foreign exchange risk

The Company and its subsidiaries have no foreign exchange risk because The Company does not have transactions with foreign debtors and creditors.

Risk from interest rate

The Company is exposed to have significant interest rate risk in relation to its deposits at financial institutions. However, most of its financial assets and liabilities bear interest rates that fluctuate according to market rates or have fixed interest rates which are close to the market rates in the market. Currently, The Company's Interest Rate Risk therefore is low

Fair value

All financial assets and financial liabilities of the Company are measured using the amortized cost method, And because most of the Company's financial assets and liabilities. are classified as short-term with interest rates close to market rates, The Company’s estimated the fair value of financial assets and liabilities is nearly identical to the carrying amount shown in the statement of financial position.

Fair value is the amount of money a buyer and seller agree to exchange assets while both are knowledgeable and willing to trade and can negotiate a price independently. in an unrelated manner. The method of determining fair value depends on the nature of the financial instrument. The fair value is determined based on the latest market price or is determined using appropriate measurement criteria.

26. Commitment

As of December 31, 2021, the Company and its subsidiaries have long-term service agreements with related and unrelated companies and persons as follows:

	Number of contracts and service rates as of December 31, 2021		
	Related Companies and Persons	**Unrelated companies and individuals**	**Total**
Number of contracts (Unit: Issue)	4	17	21
Monthly service fee	40,569 - 81,000 Baht	5,035 – 154,003 Baht	

	Value of contractual obligations as of December 31, 2021 (Unit: Million Baht)		
	Related Companies and Persons	**Unrelated companies and individuals**	**Total**
Due within 1 year	2.26	11.00	13.26
Due over one year but no longer than 5 years	-	4.40	4.40

27. Adjustments to the information disclosed in the notes to the financial statements for the year Ending December 31, 2020 and for the three-month period ending March 31, 2021

For the purpose of providing comparative information to users of the financial statements, the Company has added information for the year. ended December 31, 2020 for comparison and for the three-month period ended March 31, 2021 without affecting the statement of financial position, statement of income and statement of comprehensive income of 2020 and for the three-month period ended March 31, 2021 as follows;

27.1 Income tax

In note 21.2 to the financial statements for the year 2020, the Company has added information for comparison as follows;

	Baht					
	Consolidated financial statement					
	For the year end December 31,2020			For the year end December 31,2019		
	as previously reported	effect	Restated	as previously reported	effect	Restated
Income tax as per the financial statement	66,535,556.80	-	66,535,556.80	28,725,620.62	-	28,725,620.62
Corporate income tax rate	20%	20%	20%	20%	20%	20%
Income tax value account	24,511,426.82	(11,204,315.46)	13,307,111.36	11,229,919.81	(5,484,795.69)	5,745,124.12
Deferred tax from temporary difference and reversal of temporary difference	(163,155.80)	-	(163,155.80)	(221,073.20)	-	(221,073.20)
Tax effect for:						
- Income that does not include income tax	(10,417,457.22)	10,417,457.22	-	(4,529,252.70)	4,529,252.70	-
- Tax losses that are eligible to apply	(86,297.08)	-	(86,297.08)	208,730.68	(208,730.68)	-
- Exempted income or expenses (deductible) increase	(33,853.46)	-	(33,853.46)	-	-	-
- Forbidden expenses	649,349.92	-	649,349.92	270,950.31	-	270,950.31
Income tax presented in the income statement	-	786,858.24	786,858.24	-	1,164,273.67	1,164,273.67
Income tax as per the financial statement	14,460,013.18	-	14,460,013.18	6,959,274.90	-	6,959,274.90

	Baht					
	Separate financial statement					
	For the year end December 31,2020			For the year end December 31,2020		
	as previously reported	effect	Restated	as previously reported	effect	Restated
Income tax as per the financial statement	52,156,713.02	(151,258.60)	52,005,454.42	21,602,610.12	-	21,602,610.12
Corporate income tax rate	20%	20%	20%	20%	20%	20%
Income tax value account	10,431,342.60	(30,251.72)	10,401,090.88	4,320,522.02	-	4,320,522.02
Deferred tax from temporary difference and reversal of temporary difference	(83,117.40)	-	(83,117.40)	(163,735.60)	-	(163,735.60)
Tax effect for:						
- Income that does not include income tax	(10,417,457.22)	30,251.72	(10,387,205.50)	(4,529,252.70)	-	(4,529,252.70)
- Tax losses that are eligible to apply	(86,297.08)	-	(86,297.08)	208,730.68	(208,730.68)	-
- Exempted income or expenses (deductible) increase	(21,753.46)	-	(21,753.46)	-	-	-
- Forbidden expenses	107,193.36	-	107,193.36	-	-	-
Income tax presented in the income statement	-	-	-	-	208,730.68	208,730.68
Income tax as per the financial statement	(70,089.20)	-	(70,089.20)	(163,735.60)	-	(163,735.60)

27.2 Expenses by nature

In note 27 to the financial statements for the year 2020, the Company added and adjusted the information for the year 2019 that are used for comparison as follows;

	Baht					
	Consolidated financial statement			Separate financial statement		
	For the year end December 31,2019			For the year end December 31,2019		
	as previously reported	effect	Restated	as previously reported	effect	Restated
Change in inventories of finished goods	(308,533.06)	(17,728,505.87)	(18,037,038.93)	-	-	-
Purchase of finished goods	531,002,867.87	231,247,088.10	762,249,955.97	-	-	-
Salary, wage and employee benefits	54,068,846.37	21,740,486.34	75,809,332.71	3,449,273.50	4,538,801.75	7,988,075.25
Depreciation and amortization	8,314,483.60	4,509,653.39	12,824,136.99	1,922.91	2,098.24	4,021.15
Rental fee and service fee	27,786,181.11	8,202,837.87	35,989,018.98	849,452.61	(526,352.61)	323,100.00
Utilities Fee	-	6,406,527.26	6,406,527.26	-	13,602.06	13,602.06
Other services	-	7,699,379.51	7,699,379.51	-	1,000,000.00	1,000,000.00

In note 22 to the financial statements for the first quarter of 2021, the Company added and updated the information as follows;

Baht

	Consolidated financial statement			Separate financial statement		
	For the three-month period end March 31,2021			For the three-month period end March 31,2021		
	as previously reported	effect	Restated	as previously reported	effect	Restated
Change in inventories of finished goods	6,028,116.55	(4,955,729.96)	1,072,386.59	-	-	-
Purchase of finished goods	199,640,203.20	(1,603,860.69)	198,036,342.51	-	-	-
Salary, wage and employee benefits	23,006,903.35	79,085.20	23,085,988.55	4,267,898.84	78,870.00	4,346,768.84
Depreciation and amortization	5,689,484.31	(0.02)	5,689,484.29	374,774.74	-	374,774.74
Rental fee and service fee	4,292,956.15	90,000.00	4,382,956.15	314,494.10	-	314,494.10
Utilities Fee	2,039,322.94	-	2,039,322.94	43,084.80	-	43,084.80
Other services	1,793,893.71	50,500.00	1,844,393.71	212,499.99	10,500.00	222,999.99

Baht

	Consolidated financial statement			Separate financial statement		
	For the three-month period end March 31,2020			For the three-month period end March 31,2020		
	as previously reported	effect	Restated	as previously reported	effect	Restated
Change in inventories of finished goods	(8,823,940.66)	17,447,767.08	8,623,826.42	-	-	-
Purchase of finished goods	228,206,283.91	(134.44)	228,206,149.47	-	-	-
Salary, wage and employee benefits	21,550,857.24	81,676.56	21,632,533.80	3,755,150.93	(65,000.00)	3,690,150.93
Depreciation and amortization	6,236,579.74	(185,893.86)	6,050,685.88	286,377.02	-	286,377.02
Rental fee and service fee	773,678.30	4,481,591.96	5,255,270.26	164,550.00	-	164,550.00
Utilities Fee	1,795,429.15	-	1,795,429.15	107,472.51	-	107,472.51
Other services	-	1,851,585.26	1,851,585.26	-	212,499.99	212,499.99

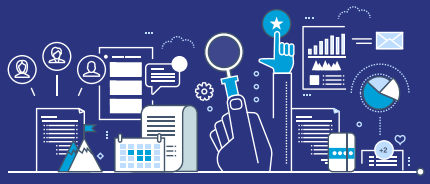
28. Events after the reporting period

On February 25, 2022, a meeting of the Board of Directors of the Company Approved to convene the annual shareholders' meeting on April 22, 2022 and propose to the shareholders' meeting to consider and approve the payment of dividends from the operations of January 1, 2021 to December 31, 2021 to the shareholders. Shares at the rate of 0.16 baht per share. Dividends are scheduled to be paid to shareholders on May 20, 2022.

29. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors on February 25, 2022

Part 5



Other Information

Issuer's Information

1.1 Company's General Information

Name :
Healthlead Public Company Limited

Head Office :
37 Soi Siri Kasem 7, Khwaeng Bang Phai,
Khet Bang Khae, Bangkok 10160

Registration No. :
0107563000347

02-118-0884
www.healthleadgroup.com

Business Sector :
Healthlead is a holding company that invests in other companies, which currently involves in pharmacy business offering wide range of medicines and dietary supplements, medical equipment and home healthcare, personal healthcare, and medical food and invention and development with collaborative outsourcing, together with outsourcing manufacturing to produce and distribute innovative healthcare products such as dietary supplements, disinfectant products, deodorizing products and mask products, etc.



Registered Capital :
Baht 136,000,000

Paid-up Capital :
Baht 136,000,000

1.2 Securities Registrar

Thailand Securities Depository Company Limited
93 Ratchadaphisek Road, Din Daeng, Din Daeng,
Bangkok 10400
0-2900-9000 0-2900-9991
www.set.or.th/tsd

1.3 Auditor

A.T.M Associate
491/27 Silom Plaza Building, Silom Road,
Silom, Bang Rak, Bangkok 10500
0-2234-1678 0-2237-2133

1.4 Internal Auditor

P&L Internal Audit Co., Ltd.
and P&L IT Audit Co., Ltd.
281/158 and 281/160 Bangkok-Nonthaburi Road,
Bang Khen, Mueang, Nonthaburi 11000
0-2526-6100
www.plcorporation.com

1.5 Financial Advisor

Finansia Syrus Securities Public Company Limited
Fl. 18, 25 The Offices@CentralWorld Building
No. 999/9 Rama 1 Road, Pathumwan,
Pathumwan, Bangkok 10330
0-2646-9999 0-2646-9993
http://www.fnsyrus.com/th/home/

Details of Icare Health Branches

Thossakan Intersection
349/512, Phutthamonthon Sai 2 Road,
Bang Phai, Bang Khae, Bangkok

Save Center
Unit A.5 42-42/1 - 42/34 Borommaratchachonnani
Road, Sala Thammasop, Thawi Watthana, Bangkok

2009

Sai 2 Market
238 Phutthamonthon Sai 2 Road, Bang
Khae Nua, Bang Khae, Bangkok

Prachaniwet 1
99/188,189 Tessaban Songkhro Road, Ladyao,
Chatuchak, Bangkok

Mar 2010

Ekkamai (Closed on Nov 25, 2021)
436/2-3 Soi Sukhumvit 63 (Ekkamai),
Sukhumvit Road, Klongton Nua, Wattana, Bangkok

Seri Market Rama 9
999/5 Units U013, U014, Praram 9 Road,
Praram 9, Suan Luang, Bangkok

Dec 2014

The Trio
170/14 Phutthamonthon Sai 3 Road,
Bang Phai, Bang Khae, Bangkok

Seni Market Phetkasem 28
194/14 Pak Khlong Phasi Charoen,
Phasi Charoen, Bangkok

Aug 2016

Phetkasem 56
618/3 - 618/4 Phetkasem Road,
Bangwa, Phasi Charoen, Bangkok

Aug 2019

Victoria Garden
1871 Building B, Unit B109, Phetkasem Road,
Lak Song, Bang Khae, Bangkok

Jun 2020

Thanommit Market
88 Unit 2-60D, Plaza Zone Soi 2,
Ramindra 55/8, Tha Raeng,
Bang Khen, Bangkok

Nov 2021

Pradit Manutham
275 Pradit Manutham Road, Wang Thonglang,
Wang Thonglang, Bangkok

Chamchuri Square
317 Chamchuri Square Building, B Floor, Unit B03-B03/1,
Phaya Thai Road, Pathumwan, Pathumwan, Bangkok

2013

Pure Place Ramkhamhaeng 110
86/1 Pure Place Shopping Center, Building B,
1st Floor, Units B105-B106, Ramkhamhaeng Road,
Saphan Sung, Saphan Sung, Bangkok

Nuanchan
17/63 Nuanchan Road, Nuanchan,
Bueng Kum, Bangkok

The JAS Wanghin
728 The JAS Wanghin Shopping Center,
Unit B102, 1st Floor, Lat Phrao - Wanghin
Road, Lat Phrao, Lat Phrao, Bangkok

Dec 2014

The Nine Rama 9
999/2 The Nine Center, Rama 9 Road,
Phatthanakan, Suan Luang, Bangkok

Food Villa Ratchaphruek
77/11 Food Villa Ratchaphruek,
Bang Ramat, Taling Chan, Bangkok

Feb 2016

The Street Ratchada
139 The Street Ratchada Shopping Center,
Ratchadaphisek Road, Din Daeng,
Din Daeng, Bangkok

Jun 2016

The Crystal Ekkamai-Ramindra
209 The Crystal Ekamai-Ramindra, Building J,
1st Floor, Unit 101, Pradit Manutham Road,
Lat Phrao, Lat Phrao, Bangkok

Jul 2017

Lotus Ladkrabang
362 Luang Phaerng Road, Tub-Yao,
Lat Krabang Road, Lat Krabang, Bangkok

Sep 2020

Market Place Krungthep Kreetha
241 Marketplace Krungthep Kreetha Project,
Units KTK01LS107,109, 1st Floor, Huamark,
Bang Kapi, Bangkok

Oct 2021

Robinson Ladkrabang
308/1 Unit RLK-1F-RR-102/3, RLK-1st Floor,
Lat Krabang Road, Lat Krabang, Bangkok

Sep 2021

vitaminclub

Central Ladprao
1697 Central Plaza Ladprao, G Floor,
Unit G17, Phahonyothin Road,
Chatuchak, Chatuchak, Bangkok

May 2016

Fashion Island
587, 589, 589/7-9 Fashion Island
Shopping Center, Unit B037C, B Floor,
Ramindra Road, Khan Na Yao, Bangkok

Dec 2015

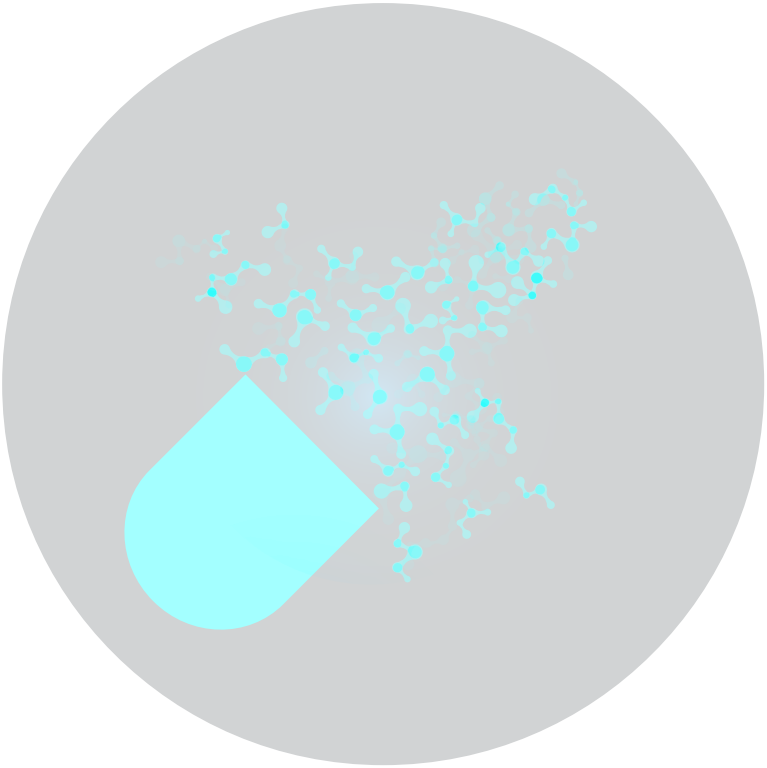
Central Pinklao
7/222 Central Plaza Pinklao, Room No. 325/1,
3rd Floor, Borommaratchachonnani Road,
Arun Amarin, Bangkok Noi, Bangkok

Nov 2018

Super Drug ซุปเปอร์ ดรัก

Super Drug
40/9 Phran Nok - Phutthamonthon
Sai 4 Road, Bang Phrom,
Taling Chan, Bangkok

Mar 2017



เฮลท์ลีด
Healthlead

Head Office Address
37 Soi Siri Kasem 7, Bang Phai,
Bang Khae, Bangkok 10160

02-118-0884

https://www.healthleadgroup.com