



Principal Capital Public Company Limited

Annual Report 2020



Purpose

“A Corporation that attracts and nurtures people with compassion, in order to provide care to our customers, the community and society.”

Vision

PRINC will become more healthcare focused, invest in healthcare property and be a trusted hospital management organization with emphasis on digitalization and efficiency, while fully utilize the properties we currently own, for the utmost benefits of all stakeholders.

Mission

- To take part in enhancing the health of the community through building hospitals in areas with shortages for the benefit of people in the community and society and creating a sustainable healthy society.
- To provide professional hospital management services, along with non-medical shared services, to our subsidiary hospitals as well as our partner hospitals.
- To efficiently operate the hospital, with the use of IT, to deliver the desired outcomes in every perspective including financial, service quality, and customer satisfaction.
- To strengthen our network of hospitals through partnership and new acquisitions.
- To develop viable health-related projects to serve potential markets both in our own properties and in new promising sites.
- To continually develop our human resources to be competent with up-to-date technology, enhanced with new capabilities, and adaptive to our fast-growing organizations and to instill giver's consciousness among them so that they, in turn, deliver heartfelt service to the community and society.
- Determine to develop excellence in service providing of existing hotel and serviced apartment in order to build customer satisfaction.

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Message from Chairman of the Board of Directors



COVID-19 Pandemic brought about public health as well as economic crisis all over the world. To limit the spread of COVID-19, we all have to adjust our way of living. As vaccine become available, we hope that crisis phase of the pandemic will be over soon. However, the impact of COVID-19 pandemic on society, economics and healthcare industry will be felt for a long long time.

At Principal Capital PCL, we experience the impact of COVID-19 in many ways. Our clinical team, management, together with all our staff have made contribution and sacrifice in order to continue in operations. Our customers have cooperated with us in the efforts to prevent spread of COVID-19. To all who have worked so hard, I want to express our deep appreciation.

As we face the crisis, we also see opportunities to improve our services to the customers and do better in emerging as a stronger and better company post COVID-19.

The management has worked tirelessly to conserve resources, especially financial resources. We have also look for possibilities of serving the community better. Thus, innovative service products were created that help the community and bringing in revenue.

We also see major changes in the healthcare market. Thus, we have initiated new lines of services. Setting up primary care clinic is one of the examples. We expanded beyond the hospitals to serve our customers closer to their home. Use of information technology will help enhance connection between the hospitals to clinics to our patients.

Recognising that healthcare and business environment will never be the same post COVID-19, we have intensified training of our management and staff, enhancing their skill so we can serve better.

Acquisition and building new hospitals continue through the last year. We will continue our growth strategies, shifting emphasis from property sector to healthcare sector, while creating greater shareholders value.

We thank our shareholders and customers for their trust and encouragement. We look forward to a better year in 2021 and beyond.



(Mr. John Lee Kohshun)

Chairman of the Board of Directors



Message from Managing Director |

In 2020 Principal Capital Public Company Limited operated the business according to the plan and also started a new business with high potential. Also, the Company expands the network in terms of business, social care, and environment in parallel with the transparent business operation. Shared services also expanded to cover more areas to enhance efficiency and develop the standard and search for a new business alliance to strengthen the ecosystem under the Covid-19 outbreaks situation.

According to the expansion plan of the healthcare business, the Company targets to have 20 hospitals in the network within 2023. The Company opened 3 new hospitals including Viratsilp Hospital in Chumphon Province, Princ Hospital Ubonratchathani, Princ Hospital Lamphun making the existing hospital of 10 hospitals in 9 provinces by the end of 2020. In addition, the primary care serviced will be provided by Klai Baan Klai Jai Co., Ltd. The first 10 pilot clinics will provide medical services to Gold Cardholders in Bangkok. The Company targets to increase the number of clinics to 100 in 2022.

Last year the Company joined with Sisaket Meditech Co., Ltd. to prepare for the commercial operation of Princ Hospital Sisaket in April 2021. To cover the area in the secondary provinces as a target, there are 3 projects in 3 regions, which are in the feasibility study and negotiation process.

In terms of medical co-operation, the Company and Bumrungrad Health Network set up a Spine and Joint Center in Princ Hospital Suvarnabhumi and Holistic Cancer Center in Phitsanuvej Hospital, Phisanulok Province, and Princ Hospital Ubonratchathani. It will be opened for service in 2021. Furthermore, the Company also co-operated with Nihon Keiei (Thailand) Co., Ltd. from Japan to set up elderly care Center, which will be opened for services in 2021.

2020 is the year with an enormous challenge from the shrink of the overall economy and the Covid-19 outbreaks which directly affected hospital business. The crisis provided an opportunity for the hospital in Princ network to develop the potential, review the process to respond to the demand of the patients with their best efforts, determined to be a part of Thai Healthcare society to help people become healthy to be a major force in country development and revive the economy. Doing business in parallel with taking care of society. Hold on to the determination to develop people in the organization to be a giver. The crisis limits the Company to set activities to foster this culture as normal. But the company tried its best to bring the employee advance with the organization without leaving behind those who have the same determinations as to the Company. There are various forms of assistance such as online coach to listen to the problem, meal sharing cabinet, happy meal project by giving a treat to the employee to save their living expense to thank you for their effort to fight with the obstacle and adjust themselves along with the organization.

The organization restructuring was undergone by recruiting the personnel with expertise in Artificial Intelligence (AI), Marketing technology from MEDcury Co., Ltd. as well as recruiting additional staff who have medical expertise in the hospital business. Currently, the number of employees is 2,409, increased from 1,941 last year to support the business expansion to be in line with the company's objective to expand healthcare business to the secondary provinces so the local people can access good quality medical services at affordable price.

The hospital's business operation last year focused on the quality development system. Principal Healthcare was certified ISO9001:2015 and another 3 hospitals including Virajsilp Hospital in Chumphon Province was awarded a certificate from the Healthcare Accreditation Institute (Public Organization) for following the Step 3 Path towards HA, whereas Pitsanuvej Uttaradit Hospital and Princ Hospital Suvarnabhumi received rewarded a certificate from the Healthcare Accreditation Institute (Public Organization) for following the Step 2 Path towards HA. Besides, Princ Hospital Suvarnabhumi was certified to have achieved HIMSS Analytics Stage 6 as designated by HIMSS Analytics and plan to achieve HIMSS Analytics stage 7 which is the highest level after around 1 year of opening. This is the proof of determination to bring in technology to upgrade the quality of the medical services for the highest benefits of the patients which aligns with the investment policy of International Finance Corporation, an international institute of World Bank that invested in the Company in the previous year.

It is clearly showed that technology plays a very important role to life and business in the situation of Covid-19. The enhancement of services does not limit only medical services within the hospital but also leading to Digital Health. The Board of Director plans to support the Company to step into the full scale of HealthTech to support the New Normal lifestyle and the other risk that has potential to occur.

Finally, I would like to thank you shareholders, and all stakeholders for the trust in the Company under the management of the executive team. I hope that the Company will still be trusted and supported by all of you to make this organization, an organization that creates well-being for the employee, create value to the people in the community, and generates a return to the alliance in the ecosystem of the business and all shareholders.



(Dr. Satit Viddayakorn)
Managing Director



Message from Chairman of the Audit Committee |

Dear Shareholders

The Audit Committee has performed its duties independently according to the scope, duties and responsibilities assigned by the Board of Directors, in alignment with the requirements and the best practice guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand. In 2020 the Audit Committee has held 4 meetings with the executives, the external auditor and the internal auditor. In the Audit Committee meeting and evaluate the performance of the Audit Committee annually, Audit Committee Member consider issues/problems, exchange the opinions, listen to a clarification and provide useful suggestions to the Company's management. The main points are as follows;

1. To review the quarterly financial report and the financial report for the year 2020, by making an Inquiry on issue/problems and listening to a clarification from the external auditor regarding completeness, accuracy, reliability of the Company's financial statement as well as adequacy disclosure of sensitive information and changes in key accounting policies/practices and the connected transactions.

The Committee and the external auditor held a meeting in the absence of the Management to discuss independently regarding any material matters. The Committee findings determined that the Company's financial statements present fairly, in all material aspects, in accordance with generally accepted accounting principle and the external auditor expressed an unqualified opinion.

In addition, the Audit Committee has suggested Executives to prepare for the adjustment of the key accounting policies used to prepare the consolidated and separate financial statements which are:

1. New and amended financial reporting standards that are effective for accounting period beginning January 1, 2020

- Financial instruments the new financial standards relate to financial instruments are as follows:
 - TAS 32 Financial Instruments: Presentation
 - TFRS 7 Financial Instruments: Disclosures
 - TFRS 9 Financial Instruments
 - TFRIC 16 Hedges of a net investment in a foreign operation
 - TFRIC 19 Extinguishing financial liabilities with equity instruments

- TFRS 16 Leases
- Amendment to TAS 12 Income tax clarified
- Amendments to TAS 19 Employee benefits (plan amendment, curtailment or settlement)
- Amendments to TAS 23 Borrowing costs
- Amendment to TAS 28 Investment in associates and joint ventures (long-term interests in associates and joint ventures)
- Amendment to TFRS3 Business combinations
- Amendment to TFRS 11 Joint arrangements
- TFRIC 23 Uncertainty over income tax treatments

2. New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 are as follows:

- Revised conceptual framework for financial reporting
- Amendment to TFRS 3 Business combinations
- Amendment to TFRS 9 Financial instruments and TFRS 7 Financial instruments :disclosures
- Amendment to TAS 1 Presentation of financial statement and TAS 8 Accounting policies, changes in accounting estimates and errors.

2. To consider and review the report of internal audit findings and the evaluation results of internal Control system as well as risk evaluation and analysis on various key systems ,connected transactions also held a meeting with internal auditor and the Committee concluded that the Company's internal audit system was adequate, appropriate, and effective. In case the Audit Committee considers that there is a point that can improve or enhance the internal control system to be more efficient or more effective, the recommendations from the Committee were given to the Company's Management which obtain very good cooperation. The Committee also considered that the Company's internal audit operations were in line with internal audit guidelines prescribed by the Stock Exchange of Thailand and Standards for the Professional Practice of Internal Auditing, which aim at independence, fairness and neutrality also approve the internal audit plan for the year by focusing on preparing internal audit plan both for the Company and its subsidiaries to be consistent with the evaluation result of internal control system, the assessment and analysis on various key activities as well as the evaluation on risk management of the organization. In 2020, the Audit Committee assigned an internal auditor to focus on setting the standard procedure for the hospital by management including implement the standard procedure into each hospital to build the internal control system to become the culture of the organization, also set the norm of the internal control system which can operate practically and ensure its security according to international standard with transparent operation. It also suggested the Management the Company that fast-growing should be prepared of planning and succession plan is important in the next year.

3. To consider and review connected transaction the acquisition and disposal transaction and the transaction that may have conflict of interests. The Audit Committee examine or review the connected transaction or transaction that may have conflict of interest to be appropriate and to comply with the law and related regulations. In 2020 the Company has no transaction that may have conflict of interest, the Company has only the ordinary business transaction between the Company and its subsidiaries which the Audit Committee considered the transactions are appropriate and under general commercial conditions with fair price and conditions

4. To consider the report on compliance with the laws; governing securities and exchange market, regulations of the Stock Exchange of Thailand and other laws related to the Company's businesses as well as compliance with the Company's rules and regulations to be operated correctly and in line with the requirement of relevant organizations. Moreover, in 2020 Personal Data Protection Act and National Cyber Security Act were announced which affect the operation as the company has the database of the patients from the service. The Company has prepared the operation to comply with the laws.

5. To consider the operations on risk management The Audit Committee consider and give advice regarding the key risk Management plan and including the risk from anti-corruption. Also provide understanding about risk management to key related party including Board of Directors, Executives and responsible person for each business unit which recently the Company expand more into hospital business and continuingly adjust the risk management plan of the hospital to reduce and limit the risks in many areas

6. To consider the appointment of external auditor and audit fee for the year 2021. The Audit Committee has considered the performance of an external auditor from PricewaterhouseCoopers ABAS Co., Ltd. and concluded that such external auditor is an expert in the profession, independent and has performed his duty well and effectively. Then, the Committee proposed the appointment of Miss Sanicha Akarakittilap CPA No. 8470 or Mr. Paiboon Tunkoon CPA No.4298 or Miss Amornrat Pearmpoonvatanasuk, CPANo.4599 from PricewaterhouseCoopers ABAS Co., Ltd., any of the above auditor as the Company's external auditor and allow any of the auditors in the above list to express the opinion on the financial reports. If the auditors in the above list cannot perform the work, Pricewaterhouse Coopers ABAS Co., Ltd. shall find other auditor to replace the auditors listed above. Such appointed auditors shall not have any relationship or conflict of interest with the Company or executives or shareholders or related party that may have an impact to his/her duty to perform his/her work independently.

In summary, the Audit Committee performed their duty independently and was able to express the opinion for the benefit of the Company with the co-operation from the executives and employees of the Company for the access of information. The Audit Committee concluded that the Company has prepared the financial reports with adequate disclosure according to financial reporting standard as well as has implemented effective risk management and internal control system as well as good corporate governance.



Mr. Yarnsak Manomaiphiboon
Chairman of the Audit Committee

Financial Highlight

Financial Highlight for the year 2018-2020

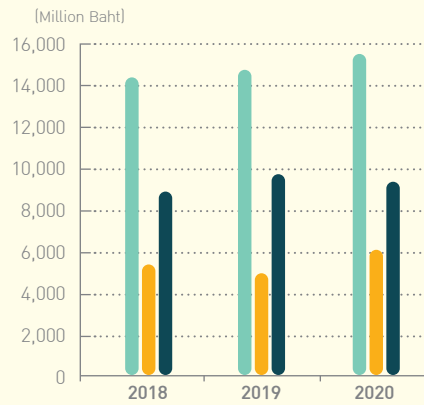
Significant Financial Figures Unit: Baht in million

	2018	2019	2020
Total assets	14,318.08	14,620.04	15,415.11
Total liabilities	5,476.46	4,908.82	6,090.19
Total owner's equity	8,841.62	9,711.22	9,323.92
Revenue from hospital business	2,084.63	2,296.17	2,290.33
Revenue from sale and services	574.24	575.27	360.38
Total revenue	2,658.87	2,871.44	2,650.71
Gross profit	705.48	638.87	318.53
Net Profit (Loss)	(152.64)	(186.94)	(537.49)

Key Financial Ratio

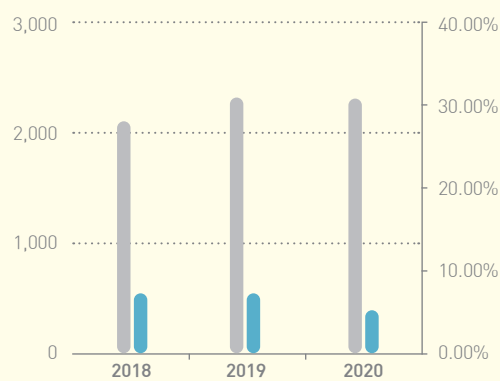
	Unit	2561	2562	2563
Profitability Ratio				
Gross Profit Margin	%	26.53	22.25	12.02
Net Profit Margin	%	(6.21)	(5.75)	(18.55)
Return on Equity	%	(2.12)	(2.15)	(5.98)
Return on Assets	%	(1.11)	(1.29)	(3.58)
Liquidity Ratio				
Current Ratio	Times	0.31	0.68	0.35
Quick Ratio	Times	0.25	0.60	0.30
Efficiency Ratio				
Accounts Receivable Turnover	Times	21.46	17.76	12.44
Accounts Payable Turnover	Times	12.83	16.60	15.45
Financial Policy Ratio				
Debt to Equity Ratio	Times	0.68	0.56	0.73
Interest Coverage Ratio	Times	1.90	2.61	0.42
Earnings (losses) per share	Baht	(0.054)	(0.056)	(0.148)
Book value per share	Baht	2.49	2.54	2.40

Financial Status 2018-2020



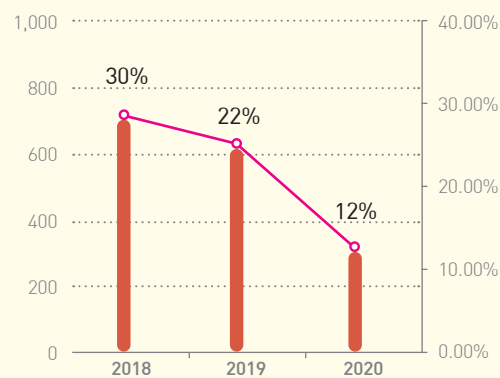
● Total Assets ● Total Liabilities ● Total Shareholders' Equity

Revenue from Core Business (Million Baht)



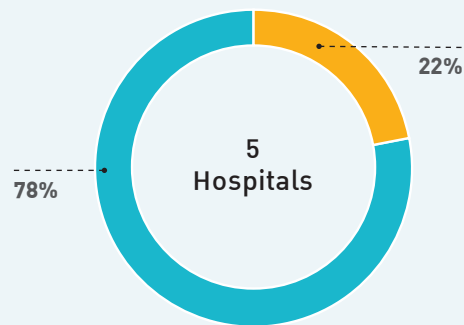
● Revenue from hospital business ● Revenue from sale and services

Gross profit (Million Baht)

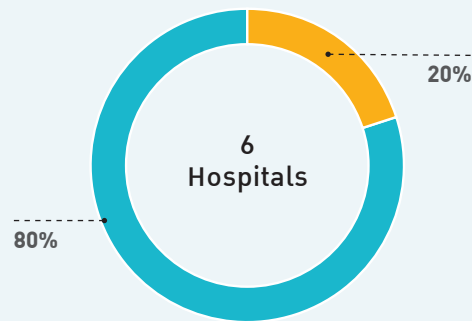


● Gross profit ● Gross Profit Margin

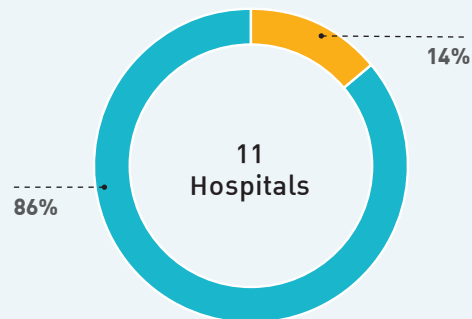
Revenue Contribution 2018



Revenue Contribution 2019

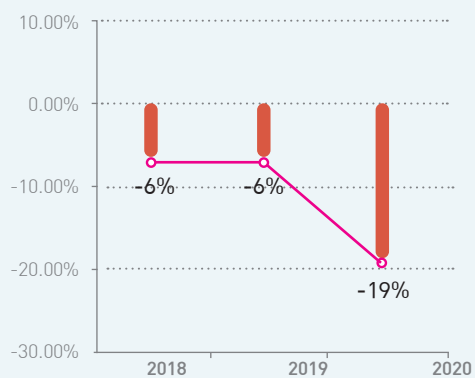


Revenue Contribution 2020

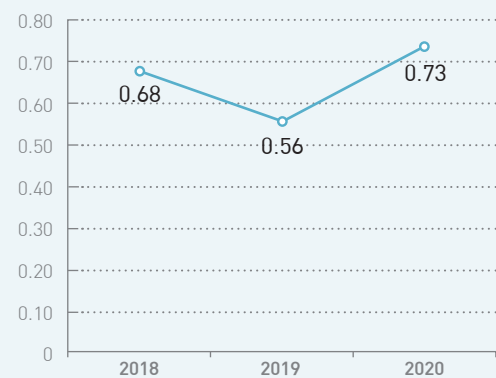


● Revenue from hospital business ● Revenue from property business

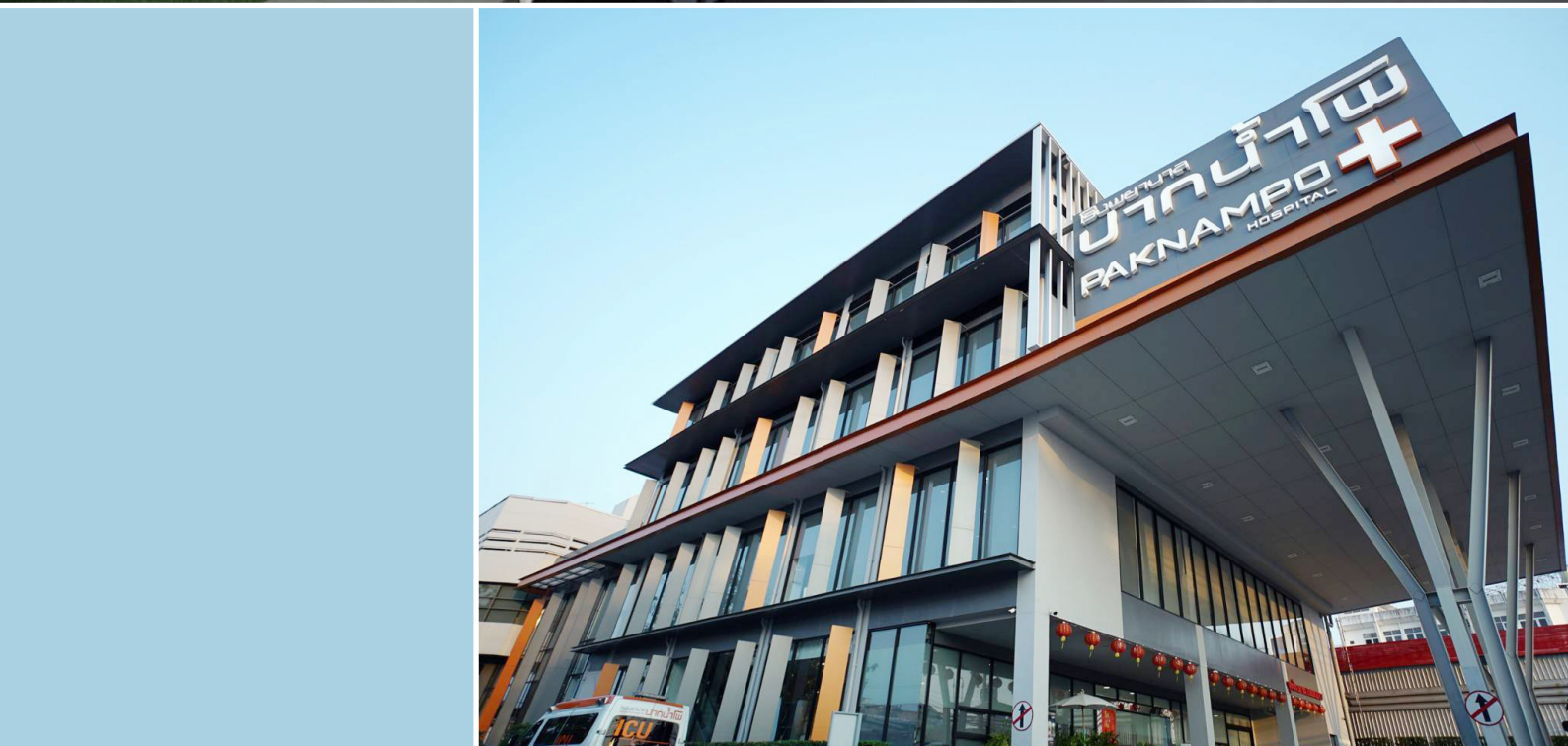
Net Profit



DEbt to Equity Ratio



● Net Profit ● Net Profit Ratime



Business Overview

Presently, the Company's core businesses are private hospitals and private hospital management. The Company sees tremendous opportunities and growth potential in the healthcare business. In 2017, it acquired shares of Principal Healthcare Co., Ltd. (originally Alliance Medical Asia Co., Ltd.), which was operating a private hospital business, having four hospitals in three provinces in the Central of Thailand - Pitsanuvej Phichit Hospital (originally Sahavej Hospital) in Phichit Province, Princ Paknampo Hospital 1 (originally Paknampo Hospital) and Princ Paknampo Hospital 2 (originally Paknampo Hospital 2) in Nakhon Sawan Province and Pitsanuvej Hospital in Phitsanulok Province.

The Company aims to be a leading healthcare service provider to medium-income customers in Thailand by expanding its hospital network and strengthening the revenue-generating potential by constructing its hospitals, acquisition of hospitals, and offering hospital management services. Hospital Information Systems (HIS) are introduced for efficient cost management.

In 2018, the Company acquired another hospital, Princ Hospital Suvarnabhumi (originally Piyamin Hospital), a large hospital in Samut Prakan Province. This helped expand the Group's hospital network to cover Bangkok and peripheral areas. Previously, the hospitals in the group had been in the provinces. Acquisition of this new hospital has created a hub and spoke system for the hospital business, thus enhancing growth and competitiveness. As a result of the acquisition, revenues from healthcare services have become the main revenue of the Company. It, therefore, requested the SET to change the business sector from Property Development to Health Care Services, and approval for the reclassification was granted in February 2019.

Later, in March 2019, the Company acquired and received the transfer of the business of Sirivej Lamphun Hospital in Lamphun Province. In addition, the Company built a new hospital, Pitsanuvej Uttaradit Hospital, in Uttaradit Province which has been in operation in March 2019 and also acquired a hospital in Uthai Thani Province which was classified as non-performing assets (NPA) from a financial institution and renovated it to Princ Uthai Thani Hospital, which has been in operation since November 2019. Seeing business opportunities in the Northeast, the Company founded Principal Healthcare - Sisaket Company Limited, which is a joint venture formed with Sisaket Meditech Company Limited to build a private hospital in Sisaket Province. Furthermore, the Company successfully expanded to the South, having established another subsidiary, Principal Healthcare - Company Limited, for its business operation in Chumphon Province. It acquired and accepted the transfer of hospital business, including all assets, liabilities, and necessary licenses of Virajsilp Hospital Company Limited, which had been operating Virajsilp Hospital in Chumphon Province. The transfer was completed on March 2, 2020. In September 2020, the Company acquired and accepted the business transfer of Sanphasitinter Hospital in Ubonratchathani Province and renamed to Princ Hospital Ubonratchathani marking the increase of the Company's network hospitals to 11 in 10 provinces.

To further strengthen the hospital network, the Company cooperates with a leading ally, Bumrungrad Health Network Co., Ltd., to open a Spine and Joint Center at Princ Hospital Suvarnabhumi in November 2019. The excellence of the Center lies in the standard of the medical team from Bumrungrad Hospital and state-of-the-art technologies in treating patients both in Bangkok and from upcountry areas. The concept has been planned for future replication at other hospitals as well. Toward the end of 2020, the Holistic Cancer Center under Bumrungrad Health Network was set up in the northeastern and northern region at Princ Ubonratchathani Hospital and Pitsanuvej Hospital in Pitsanulok Province to be opened for services within Q1/2021. Both centers will be Cancer Center Hub for other hospitals in PRINC hospital network.

New businesses have been initiated by forming a new JV company namely PRINC NKG Co., Ltd., a joint venture between PRINC Healthcare Co., Ltd and the Japanese-based Nihon Keiei (Thailand) Co., Ltd, from Japan which has over 50 years of experience in the elderly care business, to engage in the elderly care business in Thailand. This is in line with the government's policy, Healthcare 4.0, which aim is to make Thailand a medical hub and a center of health tourism. A subsidiary of the Company will form a joint venture - Principal NKG Co., Ltd. - to set up an elderly care center focusing on rehabilitation and caring for elderly people and make them physically and mentally strong and as self-reliant as possible so that they can resume their living with their families. The first center is expected to be set up at Princ Hospital Suvarnabhumi within 2021.

As for the property development business, the Company still operates the property for rent business in the form of hotel/serviced apartments and full-service office building rental. However, the Company has discontinued expanding the property development for sale business and has no plan to develop the additional property. In 2020 the Company restructured the business to pursue the Company's expansion policy in Healthcare Business, through Partial Business Transfer (PBT), by transferring hotel and serviced apartment business namely the Marriott Executive Apartment Sathorn-Vista ("Marriott Hotel"), as well as all assets in relation to and used for such business, agreements, licenses, and all relevant personnel relating to such business to VMEA Co., Ltd., a newly established subsidiary company of which its 100% of shares shall be held by V Brilliant Group Holding Co., Ltd. and sell shares of subsidiaries which owned the land plots in the provincial area (Chiang Mai, Udon Thani, Ang Thong, and Saraburi) to Ms. Satita Viddayakorn under the rights as set out in the Sale and Purchase Agreement of V Brilliant Group Holdings Co., Ltd.'s shares.

Revenue structure

Type of revenue	Operated by	2020		2019		2018	
		Million Baht	%	Million Baht	%	Million Baht	%
Hospital business	PSV, PPCH, PSUV, PLPN, PUTH, PUTD, PPNP, PCPN	2,290.3	86.4	2,296.2	80.0	2,084.6	78.4
Property development for rent	VMEA, VI, VR	360.4	13.6	575.3	20.0	574.2	21.6
Total revenue		2,650.7	100.00	2,871.5	100.00	2,658.8	100.0

Remarks :	PSV	-	Pitsanuvej Hospital	PSUV	-	Princ Hospital Suvarnabhumi
	PPCH	-	Pitsanuvej Phichit Hospital	PCPN	-	Virajsilp Hospital
	PLPN	-	Sirivej Lamphun Hospital	VI	-	V Intelligence Co., Ltd.
	PUTH	-	Princ Hospital Uthaitani	VR	-	V Residence Co., Ltd.
	PUTD	-	Pitsanuvej Uttaradit Hospital	VMEA	-	VMEA Co., Ltd.
	PPNP	-	Princ Hospital Paknam 1 and Princ Hospital Paknam 2			

Products and services

The products and services of the Company and its subsidiaries are categorized by business type as follows:

a) Private Hospital Business and Private Hospital Management

- **Private Hospital in Bangkok and peripheral areas**

Princ Hospital Suvarnabhumi

Princ Hospital Suvarnabhumi is located in Samut Prakarn Province. It has been opened for 3 years, providing secondary care services, and is operated by Principal Capital PCL. It is open around the clock to both outpatients and inpatients with the certification from the Healthcare Accreditation Institute (Public Organization) for following the Step 2 Path towards HA. There are specialist clinics as follows:

- | | |
|------------------------------------|-----------------------------|
| - Internal Medicine Clinic | - Surgery Clinic |
| - Obstetrics and Gynecology Clinic | - Orthopedic Clinic |
| - Pediatrics Clinic | - Intensive Care Unit |
| - Rehabilitation Medicine Center | - Otolaryngology Clinic |
| - Eye Clinic | - Heart Center |
| - Cancer Center | - Hemodialysis Center |
| - Prima Aesthetica Center | - Chinese Medicine Center |
| - Health Check-up Center | - Psychiatric Clinic |
| - Child Development Clinic | - X-ray and Computer Center |

The Company and Bamrungrad Health Network Co., Ltd. jointly launched the Spine and Joint Center at Princ Hospital Suvarnabhumi, offering excellent services and treatment standards by a specialist team from Bamrungrad Hospital. Modern technologies are applied in the treatment by the Center, depending on the patients' symptoms.

- **Private hospitals in the provinces**

The Company operates private hospitals in the provinces via Principal Healthcare Co., Ltd. (PRINH), a subsidiary of which 99.99% of the shares are held by the Company. PRINH invested in the group of companies operating private hospitals, with details as follows:

1. Pitsanuvej Hospital

This 150-bed hospital is located in Phitsanulok Province, providing higher-level secondary care service, and is operated by Pitsanulok Medical Co., Ltd. The JCI (Joint Commission International) accredited hospital and also obtain Laboratory Accreditation (LA) and ISO 15189 provides 24-hour medical services to both outpatients and inpatients, with specialist clinics as follows:

- | | |
|---|--|
| - Internal Medicine Clinic | - Pediatrics Clinic |
| - Obstetrics and Gynecology Clinic | - Surgery Clinic |
| - Health Check-up Center | - Psychiatric Clinic |
| - Child and Adolescent Development Clinic | - Eye Clinic |
| - Emergency Center | - Otolaryngology Clinic |
| - Hemodialysis Center | - Vaccine Center |
| - Gastrointestinal and Liver Center | - Child Development Clinic |
| - Diagnostic Radiology Center | - Rehabilitation and Physical Therapy Center |
| - Dental Center | - Heart Center |



2. Pitsanuvej Phichit Hospital

This hospital is operated by Union Phichit Doctors Co., Ltd. It is a 90-bed hospital that has been in operation since October 15, 1990, and is located in Phichit Province. It provides 24-hour medical services to both outpatients and inpatients with the certification from the Healthcare Accreditation Institute (Public Organization) for following the Step 2 Path towards HA for the quality development and safety of the patients. The hospital has specialist clinics as follows:

- Orthopedics Clinic
- Obstetrics and Gynecology Clinic
- Plastic Surgery Clinic
- Internal Medicine Clinic
- Neurosurgery Clinic
- Pain Rehabilitation Clinic
- Endocrinology and Metabolism Clinic
- Child Psychiatric Clinic
- Heart Clinic
- Hematology Medicine Clinic
- General Surgery Clinic
- Neurology Clinic
- Pediatrics Center
- Urinary Clinic

3. *Princ Hospital Paknampo 1 and Princ Hospital Paknampo 2*

Both hospitals are located in Muang District, Nakorn Sawan Province and are operated by Paknampo Hospital Co., Ltd. (former name: Ten M.D. Nakornsawan Co., Ltd.). Each is a 100-bed hospital accredited by the Healthcare Accreditation Institute (Public Organization). The two high-level secondary hospitals offer 24 hours services to in-patients and out-patients, having specialists and using modern technologies for medical excellence with a focus in treatment. With a multidisciplinary team, patients can rest assured of professional-specific treatment of their illness. The success award received was the achievement of HIMSS Analytics stage 7 - the first hospital in Thailand to have achieved this stage and was accredited for Step 2 Hospital Accreditation (HA) of Thailand. The hospitals feature the following Centers and Clinics.

- | | |
|-------------------------------------|---|
| - Emergency Center | - Pediatrics Clinic |
| - Dental Clinic | - Diagnostic Radiology Center |
| - Gastrointestinal and Liver Clinic | - Cardiovascular Clinic |
| - Intensive Care Unit | - Infectious Disease Clinic |
| - Internal Medicine Clinic | - Laboratories |
| - Neurology Clinic | - Orthopedic Clinic |
| - Physical Therapy Department | - Surgery Clinic |
| - Urinary Center | - Obstetrics and Gynecology Center |
| - Medical Check-up Center | - Otolaryngology Clinic |
| - Eye Clinic | - Diabetes, Thyroid, and Endocrine Center |
| - Nephrology Clinic | - Chinese Medicine Center |

4. *Pitsanuvej Uttaradit Hospital*

Pitsanuvej Uttaradit Hospital, the only private hospital in Uttaradit Province, is operated by Pitsanuvej Uttaradit Hospital Co., Ltd. is a 57-bed secondary care hospital located on Pitsanulok-Denchai Highway, Muang District, Uttaradit Province. It was officially opened in March 2019. It features 50 patient rooms, seven individual rooms in the ICU with equipment and ventilators, international standard operation rooms, and modern medical equipment, including a high-speed CT scanner, a mammography device, a 4D ultrasound machine, cardiac stress test equipment and echocardiography equipment. Emergency services are also available and are provided by emergency medicine physicians, ready to take care of patients in the locality and nearby provinces such as Sukhothai, Phrae, Nan, as well as neighboring Lao PDR. It can transfer patients to another network hospital and has medical specialists and clinics as follows:

- | | |
|------------------------------------|---------------------------------|
| - Internal Medicine Clinic | - Surgery Clinic |
| - Obstetrics and Gynecology Clinic | - Pediatrics Clinic |
| - Rehabilitation Medicine Center | - Health Check-up Center |
| - Otolaryngology Clinic | - Emergency and accident Center |

5. *Sirivej Lamphun Hospital*

Sirivej Lamphun Hospital is a 59-bed hospital located in Lamphun Province. It has been opened for 23 years, providing secondary care services, and is operated by Principal Healthcare - Lamphun Co., Ltd. It offers 24 hours medical treatment for both in-patients and out-patients with certification of Step 2 Hospital Accreditation from Hospital Accreditation (HA) of Thailand, having specialists and clinics as follows:

- Obstetrics and Gynecology Clinic
- Internal Medicine Department
- Emergency and Accident Center
- Eye Clinic
- Otolaryngology Clinic
- Surgery Center
- Health Check-up Center
- Dental Center
- Pediatrics Clinic

6. *Princ Hospital Uthai Thani*

Princ Hospital Uthai Thani is a 59-bed hospital and has been opened for 1 year, providing secondary care service. It is located on Uthai Thani - Paholyotin Road. Uthai Thani Province and is operated by Principal Healthcare - Uthai Thani Co., Ltd. It offers medical services with the focus on taking care of trauma patients by its Emergency Center, which is staffed with emergency medicine physicians and specialists. It is fully equipped and is accommodates people in Uthai Thani and nearby provinces, such as Chai Nat and Nakhon Sawan Provinces. It also provides consultations and 24-hour transfers to a network hospital, such as Princ Paknampo Hospital in Nakhon Sawan Province. The hospital features the following specialists and clinics:

- Internal Medicine Department
- Orthopedics Department
- Pediatrics Department
- Obstetrics and Gynecology Clinic
- Laboratories
- Health Check-Up Center
- Emergency and Accident Center
- Surgery Department
- ICU Department
- Diagnostic Radiology Department
- Delivery Room and Nursery Department
- Physical Therapy Department

7. *Virajsilp Hospital*

Virajsilp Hospital is a 100-bed hospital located in Muang Chumphon District, Chumphon province. It has been opened for 43 years, providing secondary care services, and is operated by Principal Healthcare - Chumphon Co., Ltd. It is determined to provide excellent healthcare with safe, standard, and modern medical equipment. It offers 24 hours medical treatment for both in-patients and out-patients with the certification of Step 3 Hospital Accreditation and ISO 9001: 2015, having specialists and clinics as follows:

- Internal Medicine Department
- Obstetrics and Gynecology Clinic
- Dental Clinic
- Surgery Clinic
- Emergency Center
- Health Check-Up Center
- Pediatrics Department
- Psychiatric Clinic
- Neurology Center
- Otolaryngology Department
- Orthopedics Department
- Hemodialysis Center

Medical Service Capacity

The capacity to serve the Out-Patient group (OPD) was evaluated from the availability of room while the capacity to serve In-Patient was evaluated from the availability of beds. As of December 31, 2020, the capacity of the hospitals in the Group was as follows:

Hospital	Number of Bed	No. of outpatient/day	
		2020	2019
Princ Hospital Suvarnabhumi	200		
Pitsanuvej Hospital	150		
Pitsanuvej Phichit Hospital	90		
Princ Hospital Paknampo 1	100		
Princ Hospital Paknampo 2	100	1,405	1,297
Sirivej Lamphun Hospital	59	persons/day	persons/day
Pitsanuvej Uttaradit Hospital ^{1/}	57		
Princ Hospital Uthaitthani ^{2/}	59		
Virajsilp Hospital ^{3/}	100		
Princ Hospital Ubonratchathani ^{4/}	59		

Remark : ^{1/} Opened for service in March 2019
^{2/} Opened for service in November 2019
^{3/} Accepted the business transfer in March 2020
^{4/} Accepted business transfer in September 2020

Project of which transfer has just been accepted

The Company set up a subsidiary, Principal Healthcare - Ubonratchathani Co., Ltd., ("PUBN") to invest in and operate a hospital business in Ubon Ratchathani Province. The subsidiary acquired and accepted the transfer of the hospital business of Ruamphaetsanpasit Company Limited (Ruamphaetsanpasit), which had been operating a 59-bed private hospital - Sanpasitinter Hospital - located in Ubon Ratchathani Province. PUBN accepted the transfer of the hospital Ruamphaetsanpasit including its assets, licenses necessary for operating the hospital on the transfer date, and employees wishing to work for PUBN. The acquisition of Ruamphaetsanpasit Hospital effectively expanded the Company's hospital network to cover the Northeastern region of Thailand, thus enhancing growth potential and competitiveness, as well as future revenues. The transfer was completed on September 1, 2020.

Project under construction

Principal Health Care Company Limited, a subsidiary of the Company, entered into a Joint Venture Agreement with Sisaket Meditech Company Limited which 60% shares in a new subsidiary are held by PRINC Group, to form a Principal Healthcare - Sisaket Company Limited., to engage in a private hospital business in Sisaket Province. The hospital, to be named Princ Hospital Sisaket, will be the first 59-bed private hospital in the province. The project is currently under construction and is expected to be available for services in Q2/2021.

In September 2019 the Company acquired a land plot in Lamphun province to build a new hospital under the name Princ Hospital Lamphun, a 59-bed hospital to provide medical services to the patients under Social Security System. Currently, the project is under construction and it is expected to be ready to open for service in Q2/2021.

b) Property Development for Rent

• Hotel/Serviced Apartment

1. Marriott Executive Apartment Sathorn Vista, Bangkok is a five-star hotel and serviced apartments with 187 units under the management of the Marriott Group. Fully equipped with facilities and amenities, it provides accommodation services to foreign customers working and traveling in Thailand for short- and long-terms. The property is located in a Central Business District on Sathorn Road near Silom, with an efficient security system.

Marriott Executive Apartment Sathorn Vista, Bangkok		
Business category	One 4-star hotel and serviced apartment building	
Location	Sathorn Soi 3 (Suan Plu), S Sathon Rd, Thung Maha Mek, Sathon, Bangkok	
Room types	Type	<u>Number of rooms</u>
	1 Bedroom Suite	55
	1 Bedroom Executive Suite	50
	2 Bedroom Suite	58
	3 Bedroom Suite	11
	3 Bedroom Executive Suite	10
Dining	Name/type of food	
	Momo Café (Thai and international cuisines)	
	Pool Bar	
Banquet and meeting room	<u>Room name</u>	
	Board Room	
Other services	-	
Operation commencement date	March 2009	

2. Somerset Ekamai Bangkok is a serviced apartment operated by V Residence Co., Ltd., the subsidiary of the Company. This serviced apartment is managed by the executives from Ascott Group who has a reputation and international hotel management experience. This project provides long-term accommodation service to foreigners who come to work in Thailand and foreign visitors, providing full amenities inside the rooms. The project is located in the Business area of Sukhumvit and Ekamai.

Somerset Ekamai Bangkok Project

Business type	4-star hotel and serviced apartment under the management of Ascott Group totaling 3 buildings (Aim, Balance, Cheer Tower) consisting of a 15-storey hotel building, a 14-storey apartment building, and a 19-storey apartment building.	
Location	Soi Ekamai 2 Sukhumvit 63 road (Ekamai), North Prakhong, Wattana, Bangkok	
Room Type	Room type	Number of rooms
	1. Studio Executive	26
	2. Studio Executive Twin	13
	3. 1-Bedroom Classic	13
	4. 1-Bedroom Executive	13
	5. 1-Bedroom Premier	39
	6. 2-Bedroom Executive	13
	7. 2-Bedroom Premier	13
	8. 1-Bedroom Deluxe	12
	9. 2-Bedroom Deluxe	13
	10. 3-Bedroom Executive	26
	11. 3-Bedroom Deluxe	20
	12. 3-Bedroom Premier	10
	13. Studio Standard	9
	14. Studio Deluxe	42
Banquet/Meeting Room	1 auditorium room and 5 meeting room	
Commercial Operation Date	Quarter 4, 2016	

- **Office space for rent business**

V Intelligence Co., Ltd., a subsidiary, is engaged in the renting of space in Bangkok Business Center Building to medium-sized and large companies, both Thai and foreign. The building is in Ekamai area, which is a CBD with complete public utilities and telecommunications.

Bangkok Business Center Building

Location	Ekamai Road (Soi Sukhumvit 63), Klongton Nua, Wattana, Bangkok
Area	1-3-9 rai (709 square wah)
Building area	37,770.61 Square meters
Project details	30-storey building with one basement floor
Highlights	Grade A Office building in Ekamai area. Modern decoration. Common facilities. A food court. Seven standard meeting rooms. A 50-seat training/seminar room. A plaza and shops.
Number of units for rent	93 units
Target customers	Thai and foreign medium-sized to large companies looking for office space in Sukhumvit-Ekamai area, within a distance of 100-900 meters.

Currently, the Company has one land plot in Rayong Province owned by Banchang Business District Co., Ltd., a subsidiary in V Brilliant Group Holding Co., Ltd. Such land plot has the potential for development into a hospital. Presently, it is under project feasibility study.

Market and competition

Thai Economic Outlook

Thai economy in 2020 was forecasted to shrink by -6.5% improving from the forecast in October at -7.7% with the support from the favorable measures to control the spread of COVID-19 and government measures to stimulate the economic recovery in the second half of 2020. The export value also increased from the faster economic recovery of the trading partners than expected after many countries relief the measures controlling the spreading of COVID-19.

Ministry of Finance forecasted that Thailand's economy in 2021 expects to grow at 2.8% per year due to the COVID-19 outbreaks in many countries including Thailand. This affects economic activities, international traveling, and the number of inbound tourists. The lower number of international visitors in 2021 is foreseeable. However, there is a positive signal from the vaccine injection to the people in various countries. Furthermore, the government continuously uses fiscal policy to support and stimulate the recovery of Thai economy such as the 50-50 Co-Payment Project, We Win Project, and also exploit monetary policy via Specialised Financial Institutions to support and remedy the impact from COVID-19 outbreaks. Moreover, the borrowing of the remaining loan to solve the problem, help revive the economy and society affected by the spread of COVID-19 is expected to be made by the Ministry of Finance. This would help stimulate consumption and increase employment. Private consumption and investment are expected to grow at 2.5% and 3.4% per year. Meanwhile, public consumption and investment are anticipated to expand at 6.1% and 12.1% per year. The export value of Thai products expects to grow at 6.2% per year with the continued recovery trend in line with the economic recovery of the key trading partner countries. The Ministry of Finance forecasted that Thai economy in 2022 will gradually recover in line with the world economic recovery supporting by the progress of vaccine and economic stimulus package in various countries. (Source: Thai Economic Forecast Report in 2020 and 2021 by Fiscal Policy Office in January 2021)

Overview of Healthcare Business in Thailand

The medical service business has been growing by leaps and bounds because medical services are one of the necessities in life.

The Thai healthcare system

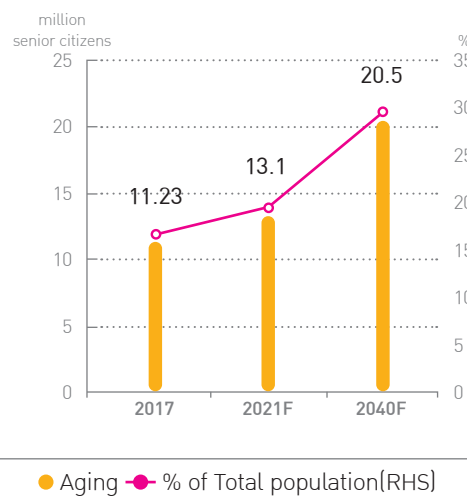
The government provides healthcare schemes to all Thai people through the health security system. The main healthcare schemes are as follows:

- The Universal Coverage Scheme: provision of medical and healthcare service to those who do not have any other healthcare coverage, especially low-income earners. This scheme is known as the "30 Baht Scheme", mainly covering general illnesses, and is under the supervision of the National Health Security Office.
- The Social Security Scheme: provision of medical and healthcare services to private companies' employees. This scheme covers illnesses and disabilities, including child delivery, child care, senility, and unemployment. This scheme is under the supervision of the Social Security Office.

- Medical benefit schemes for government officials and state enterprise employees: provision of medical and healthcare services to government officials and state enterprise employees, their spouse, parents, and children under legal age. These schemes are under the supervision of the Comptroller General Department, Ministry of Finance.

Positive factors for the private hospital business

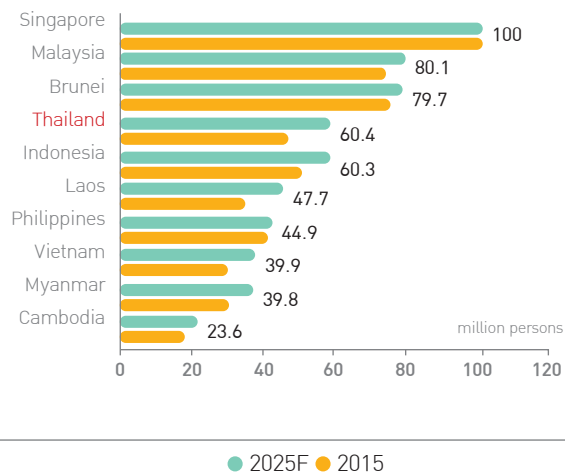
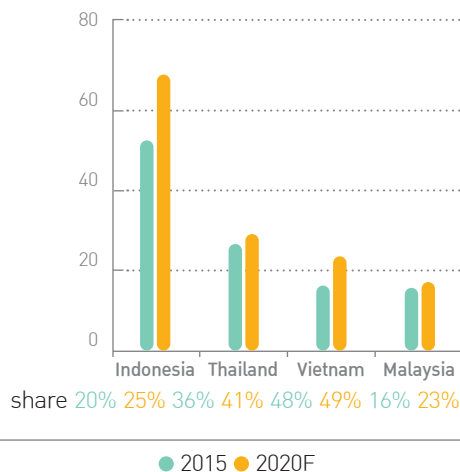
- Becoming an aged society** This will lead to increasing demands for more sophisticated medical services requiring higher technologies. The NESDB forecast that Thailand will become an Aged Society in 2021. The population over 60 years represents 20% of the total population and will increase to 32% in 2040. 60% of elderly people generally have health problems. The Ministry of Public Health forecast the increase of healthcare expenditure for the elderly from Baht 63 billion (2.1% of the GDP) in 1990 to Baht 228 billion (2.8% of the GDP) in 2022 (From the Twelfth National Health Development Plan, 2017-2021).



Source : NESDB

Population over 60 years of age in Thailand

- Urbanization** The United Nations expects Thailand's degree of urbanization to increase from 50.4% in 2015 to 60.4% in 2025. The governments' several initiatives, such as those related to investments in infrastructure, the establishment of Special Economic Zones, and the Eastern Economic Corridor (EEC), offer greater opportunities for businesses to expand healthcare services to the provinces to accommodate patients and expatriates working in Thailand.



Note : In percent = as a share of the total population, data for 2020 are estimates.
Source : BCG's Center for Customer Insight; The Economist Intelligence Unit.

The proportion of middle-income earners in some ASEAN countries

Note : 2025 forecast by United Nations
Source : World cities report 2016, United Nations

Urbanization in Thailand and other ASEAN countries

- **Promoting Thailand as an international healthcare hub:** This strategy is aligned with rising interest worldwide in medical tourism. From now to 2024, The Tourism Authority of Thailand will promote the country as the ‘medical and wellness resort of the world’. They are trying to achieve this through several programs: (i) ‘Telemedicine for overseas Thais’, which aims to help Thais living overseas receive medical and beauty treatment in Thailand. This is expected to generate THB80,000 per person; (ii) ‘global health insurance companies, to increase uptake of Thai healthcare services by civil servants in Myanmar, Lao PDR, Cambodia, and the Middle East; (iii) ‘online health’, which focuses on visitors seeking healthcare and beauty treatments arriving from Myanmar, China and the Middle East; the services are promoted on the online marketplace; (iv) ‘holistic (a portmanteau of hotel and holistic), which promotes health services such as health checks and checking for toxins in patients and removing these in-situ at tourist hotels or wellness centers; and (v) ‘agent/media outreach’, which aims to establish Thailand as a global ‘top of mind destination for medical and wellness tourism. Rising interest in personal health and wellbeing is also prompting hospitals to venture into the wellness industry. These include the BDMS Wellness Clinic (Bangkok Hospital), Vitalife Wellness Center (Bumrungrad Hospital, expected to open this year), and Medical City (Thonburi Hospital). Combined, these measures will support the ongoing growth of the medical tourism industry in Thailand over the long term.

- **Designating Thailand’s medical industry and ‘medical hub’ status as ‘new S-curve’ industries:** The government has offered a range of incentives (including generous tax breaks)^{23/} to attract overseas players to invest in Thailand. That includes setting up facilities for the research and development of medical innovation and pharmaceutical products. This could help private hospitals to cut costs, increase their competitiveness against overseas players, and strengthen related industries in the area of medical tourism. In April this year, the government responded to the anticipated new demand for medical equipment created by the Covid-19 pandemic by introducing more investment support measures.

As a result, in 1H20, there received 52 applications (+174% YoY) for investment support for projects related to the medical industry with a combined value of THB13bn (+123% YoY). Within the EEC, the government has also given the green light to Thammasat University’s new EECmd project in Pattaya, which will be home to medical innovation and an important part of the medical hub strategy. Several parties have expressed interest in investing in the project, including Japan’s Mizuho Bank, which will offer loans to customers who invest in the healthcare industry in the area, Chinese players looking to establish a center for research into traditional Chinese medicine in the ASEAN zone, and a Taiwanese clinic for the elderly. Beyond this, there will also be an international health center that specializes in medical genomics, and there is support for private-sector investment in the construction of a new hospital to meet the rising demand for healthcare services from those working in industrial estates in the area.

Negative factors potentially affecting the growth of the healthcare business

- **Intense competition from domestic and foreign competitors**

Apart from continued investments of the existing hospital business operators, large investors in other industries have adjusted their business model and entered the hospital business; e.g., Pruksa Holding (operator of Vimutti International Hospital - expected to open in 2020), RSU Group (RSU International Hospital, also to open in 2020), other groups such as Charoen Pokphand Group (CP Group) and Thai Charoen Corporation (TCC Group). This causes an increase in the number of hospitals and beds, resulting in more intense competition among Thai hospital business operators in terms of pricing and services, as well as medical personnel poaching. In addition, private hospitals also have to compete with after-hour clinics of public hospitals and its spoke hospitals as well as medical schools (such as Siriraj Piyamaharajkarun Hospital, spoke hospital of Siriraj hospital and Somdech Phra Debaratana Medical Center of Ramathibodi Hospital) which have competitive advantages in terms of reputation, medical technology, and medical specialists.

In the medium to long term, the private hospital business would be faced with competition from advancement to this business of foreign investors exploiting benefits from the opening of the AEC, allowing foreign investors to hold up to 70% shares in Thai hospitals, particularly those from Singapore and Malaysia who have experience in acquiring this business in other countries. Moreover, there are also foreign hospital competitors. Some countries in Asia, such as Singapore, Malaysia, and India, also position themselves as International Medical Hubs and have the same target as Thailand. Middle East countries that are major customers of leading Thai hospitals, such as Qatar, opened a Medical City with 559 beds worth 23,000 million Baht at the end of 2017. Kuwait opened a Hospital Complex with 1,166 beds worth 35,000 million Baht. The United Arab Emirates changed the health insurance policy to focus on undergoing domestic medical treatment instead of going abroad for medical services. These factors put pressure on the financial performance and profitability of private hospitals, and medium-sized and small-sized hospitals with no spoke hospitals would have lower profits.

- **Lack of doctor and medical personnel:** World Health Organization set the number of doctors and nurses to the population at 2.8 per 1000 while such ratio in Thailand is 0.4 per 1000 which is lower than the major competitors like Singapore at 1.92 per 1000 and Malaysia at 1.2 per 1000. The increase in the number of private hospitals will cause a shortage of doctors and medical personnel thus, increase the cost to the business.
- **Government policy to control the prices of medicines, medical supplies, and medical services**

The adding of medicines, medical supplies, and medical services to the price control list according to the Prices of Goods and Services Act, B.E. 2542 (1999). Such inclusion of goods such as medicines and medical supplies and services may affect the service charge adjustment and operating results of private hospitals, particularly medium-sized and small ones without a network. The medium-sized hospital often relies on the revenue from service under the Social Security Fund. The change in the health care policy of the Social Security Fund will affect the performance of the business.

Source : 2020-2022 Business/Industrial forecast "Private Hospital Business", Krungsri Research Center

Marketing Strategy

1. To expand the hospital network by increasing the number of hospitals in secondary provinces through self-investment in provinces with good potential and no private hospitals. For example in Uthai Thani Province that the investment has been made in Princ Uthaithani Hospital which has officially started to offer the services in 2019. Also, the Company also has a policy to partner with the existing medium-sized and small-sized hospitals through joint ventures or acquisition, with priority given to established and reputable hospitals in operation for longer than 10 years. Of late, in 2020, the Company expanded the network to the Northeast and the South by forming a joint venture with a local operator and acquisition of a hospital with good potential. As a result, the Company's network now has 11 hospitals.
2. Penetrating the middle-income group, the majority of the population, employing a focus strategy through pricing at lower levels than leading chain hospitals.
3. Provision of hospital management service to private and public hospitals, especially private hospitals in the provinces which have been in operation for more than 10-25 years. The operators of these hospitals neither want to sell their business nor to find a new partner but have incurred losses from the operation. The Company will manage its business and take care of cost management, guaranteeing revenue and profit growth.
4. Using technology to drive the business, attaching importance to modern medical technologies to provide greater efficiency of services to patients; for example, automatic medicine dispensing machines, dispensing medicine using a system with high accuracy, having modern medical equipment, and reviewing x-ray images via a computer. This is done in parallel with the development of the Hospital Information System to establish network hospital management; promotion of

resource sharing and working collaboration, e.g. procurement, finance, information technology, strategic work, accounting, as well as the new human resources system, Workday, which will provide an overview of human resources of the hospitals in the network and enable efficient management of human resources. Besides that, the Company develops the Mobile Application namely “PRINC Health” to allow the patient to access the medical service via mobile linked to the hospital system of PRINC Hospital network. The patient can see his medical record and make an appointment to see the doctor and to receive news from the hospital.

Princ hospital network has provided New Normal service since the beginning of 2020 as a result of COVID-19 outbreak by launching “Dr. PRINC” Kind doctor fight with COVID-19 via 3 medical services.

1. Dr. PRINC Telehealth - provides health consultation service by doctors of PRINC Hospital network via Line Official Account: @Dr.PRINC. The patient can see the doctors and receive consultation online 24 hours free of charge.
2. Dr.PRINC Drive Thru - provide drive-thru service at the service point outside the building including screening for COVID-19 service, injecting vaccine to those who are older than 15 years of age, and get the medicine without getting off the car.
3. Dr.PRINC@Home - provides medical services at home to the patients including vaccine injection, blood test, dress and clean the wound, medicine delivery.

Such service will reduce the traveling to the hospital of the patient and also reduce the risk for medical personnel.

Competition

The hospitals of the subsidiaries are located in Samut Prakan Province and six provinces in the North and the Center; namely, Phichit Province, Phitsanulok Province, Nakorn Sawan Province, Uthai Thani Province, Uttaradit Province, and Lamphun Province. According to the plan, the network will be extended to the Northeast and the South in Ubonratchathani and Chumphon Provinces in 2020 and Sisaket Province in 2021 respectively. There are enormous opportunities to grow in the hospital business in these provinces because of their large populations. The hospitals in the group are considered leading hospitals in their respective areas in terms of medical teams, the number of beds, and the reputation of the hospitals in the network.

The hospitals in the group have to compete with nearby private hospitals. The competitors in each area are as follows:

Group hospital	Nearby private hospital	Location
Princ Hospital Suvarnbhumi	Chularat Hospital 3	Samut Prakan Province
	Central Park Hospital	Samut Prakan Province
	Bangna Hospital 5	Samut Prakan Province
	Paolo Memorial Hospital	Samut Prakan Province
	Muang Samut Paknam Hospital	Samut Prakan Province
	Samrong General Hospital	Samut Prakan Province
Pitsanuvej Phichit Hospital	Chai Arun Vejchakarn Hospital	Phichit
	Srisukho Hospital	Phichit
Pitsanuvej Hospital	Bangkok Hospital Phitsanulok	Phitsanulok
	Ruamphat Phitsanulok Hospital	Phitsanulok
	Phitsanulok Hospital	Phitsanulok

Group hospital	Nearby private hospital	Location
Princ Hospital Paknampo 1	Srisawan Hospital	Nakhon Sawan
and Princ Hospital Paknampo 2	Romchat Hospital	Nakhon Sawan
	Ruamphat Hospital	Nakhon Sawan
Pitsanuvej Hospital Uttaradit	No private hospitals Uttaradit Province	-
Sirivej Lamphun Hospital	Lamphun Hospital	Lamphun
	Hariphunchai Memorial Hospital	Lamphun
Princ Hospital Uthai Thani	No private hospitals in Uthai Thani Province	-
Virajsilp Hospital	Thonburi-Chumphon Hospital	Chumphon
Princ Hospital Ubonratchathani	Rajavej Ubonratchathani Hospital	Ubon Ratchathani
	Ubonrak Thonburi Hospital	Ubon Ratchathani

The advantages of the private hospitals of the Group over competitors are as follows:

Princ Hospital Suvarnabhumi is in a good location near Suvarnabhumi Airport and Megabangna Shopping Centre, There are capable doctors and specialists in various fields such as Gynecology, Surgery, Internal Medicine, Pediatrics, Orthopedics Surgery together with the investment in modern medical equipment like CT 128 slice MRI 3 tesla. It has efficient management systems leading to effective cost control. Furthermore, the medical fees are charged at reasonable rates suitable for the target customers.

Pitsanuvej Phichit Hospital is the first private hospital in Phichit Province. It has been in operation for 27 years. The establishment has competitive advantages in various aspects, including the certification of Hospital quality from Hospital Accreditation in 2020 with competent specialists, heavy investment in modern medical equipment, modern information technology system, and efficient management systems leading to effective cost control. Furthermore, the medical fees are charged at reasonable rates suitable for the target customers. In addition, the hospitals in the group have high capabilities, which build confidence in case of transfers.

Pitsanuvej Hospital is accredited by the Joint Commission International (JCI). The international standard, the hospital has modern medical equipment and offers advanced medical services. It also features an advanced technology Radiology Center. Moreover, the management team has over 40 years of experience in hospital management. Its medical personnel includes multidisciplinary professionals in all areas, ready to deliver professional services.

Princ Hospital Paknampo 1 and Princ Hospital Paknampo 2 are both model hospitals when it comes to the application of information technology, such as HIS that use Centrix Program to record patients' information, which enable to provide speedy service to the patients. It has been certified for having achieved HIMSS Analytics EMRAM Stage 7 (the first in Thailand to have achieved this level). It has network hospitals staffed with experienced medical personnel and specialists in various areas. Furthermore, it has efficient management systems leading to effective cost control. As such, the medical fees are charged at reasonable rates suitable for the target customers.

Pitsanuvej Uttaradit Hospital is a new hospital situated in Muang District of Uttaradit Province. It is the first and only private hospital in the province, with international standard operation rooms and modern medical equipment, such as a high-speed CT scanner and a mammography device. It is staffed with physicians specializing in many areas.

Sirivej Lamphun Hospital is located in the city center, easy to access. It is well-recognized by people in Lamphun Province because it has been in operation for 23 years. There are medical doctors specializing in the treatment of cataracts and osteoarthritis and modern medical equipment as well as efficient management systems leading to effective cost control. As such, the medical fees are charged at reasonable rates suitable for the target customers.

Princ Hospital Uthai Thani is a new hospital situated in Muang District of Uthai Thani Province. This first private hospital in the Province offers international standard medical services with modern equipment and has experienced medical personnel, ready to deliver professional services. The medical fees are charged at reasonable rates suitable for the target customers.

Virajsilp Hospital is located in Muang District of Chumphon Province. The patients can travel to the Hospital easily. It is a private hospital offering complete medical service and has been in operation for over 40 years. It provides speedy and efficient examination and treatment, using modern medical equipment. Its Operation Center has a computerized analysis system which is efficient and fast. Also, it is the only private hospital in Chumphon that was certified the quality standard Step 3 Hospital Accreditation from Hospital Accreditation Thailand. Virajsilp Hospital is classified as a large hospital with low medical fees.

Princ Hospital Ubonratchathani is a small private hospital located in Muang District, providing medical services, rehabilitation, disease protection, aesthetic surgery clinic by experienced doctors. It has specialized clinics providing service by experienced medical personnel and specialists in various areas with the professional standard.

In addition, the Company has introduced the Hospital Information System (HIS) for use in the hospital network. All the databases have been uploaded to cloud and patients' records are digitally linked, thus increasing efficiency in treatment and significantly reducing server costs, maintenance costs, and personnel costs. The system can accommodate the rapid expansion of the business and network operation as users can access information of each hospital from everywhere and anytime according to the assigned authority. Also, the HIS can support the Electronic Medical Record (EMR) system and can accommodate all steps in the hospital process, from registration to completion of the treatment and the discharge. Principal Healthcare is the first hospital network to have uploaded all the databases to the cloud. Furthermore, as it recognizes the importance of human resources development, it has installed the Workday Human Capital Management (HCM), a Workday cloud technology to increase operational efficiency and upgrade the health service experience in Thailand and ASEAN.

The Company's selection of the HCM signified it is being the first healthcare business to have turned to cloud technology for the management of human capital. This is part of the digital transformation strategy. Through the use of an application, employee time attendance can be managed with greater flexibility. This also applies to making leave requests, shift change requests, and announcements, as well as performance appraisal.

Customer characteristics

Customers of the hospitals of companies in the Principal Healthcare Group can be classified into two categories as follows:

1. Cash customers - These customers pay their hospital bills out of their pocket. The target customers in this category are those living or working near the respective hospitals.
2. Contract customers - These are customers undergoing treatment under the contracts made with their organizations, which will assume responsibility for the expenses incurred, or holders of health insurance policies whose expenses will be reimbursed by the hospital from the organizations or the insurers, or the Social Security Office.

Target customers

Target customers are middle to high-income earners in each locality, including those holding life and health insurance, customers suffering from road accidents, and foreigners.

Pricing policy

The Group's policy is to set prices at levels suitable for the symptoms and treatment methods. The prices are comparable to local competitors of the same level and are competitive, based on market prices of reference hospitals in the same or nearby locations.

Overview of the tourism industry

Year 2020 is a difficult year for Thailand's tourism industry. Based on the statistics of the Tourism Authority of Thailand, 6.7 million international visitors were visiting Thailand during the 11 months of 2020 decreasing by 83% YoY, generating tourism receipt of approximately Baht 332.01 billion, dropped by 82% from last year. The traveling situation of international visitors to Thailand from the end of 2020 to 2021 is still versatile from the unstable internal and external factors especially the outbreak of COVID-19 in many countries still do not reach their peak level. For example, the number of newly infected persons increased continuously while many countries experienced a new wave of outbreaks such as Japan, South Korea, Indonesia, the Philippines, Australia, and Europe. The new wave of outbreaks tends to be more severe than the previous one at the beginning of 2020 forced many countries to impose lockdown measures again. World Health Organization warned every country to prepare to cope with the new wave of outbreaks in winter from the end of 2020 to the beginning of 2021. The Tourism Authority of Thailand forecasts that the economy in many countries would not be recovered to normal within 2021. K-Research predicted that the situation will be back to normal as pre-COVID in 2023. However, the good news about the 90% progress of vaccine development will support the faster recovery of the tourism industry than expected period. In the meantime, the business has to rely on domestic travelers. The domestic traveling situation is favorable but the recovery is limited in some areas and some provinces only.

Based on the uncertainty of internal and external factors in 2021, the Tourism Authority of Thailand forecasts that the number of international visitors to Thailand will be around 6-15.5 million and generate tourism receipts of around Baht 300-740 billion.

Source : Tourism Authority of Thailand

<https://www.buesstoday.co/business/16/11/2020/54240/>

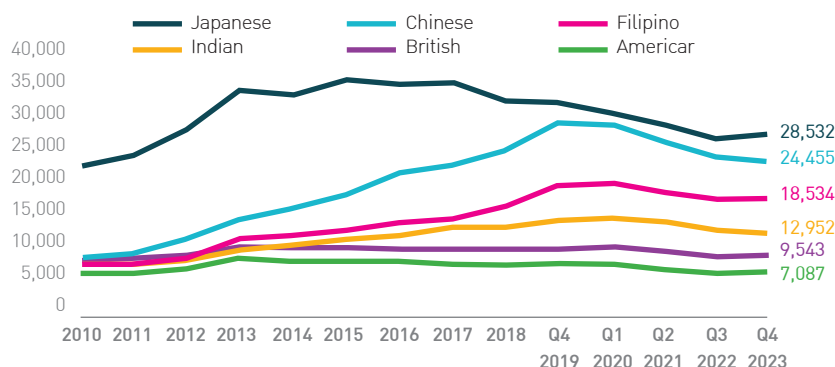
<https://www.thaihotelbusiness.com/hot-issue/>

Overview of the Bangkok serviced apartment market

Thailand's hospitality industry has been hit hard by the COVID-19 pandemic and Bangkok's serviced apartments are no exception. However, a recent study by JLL shows serviced apartments have generally fared better than hotels in current and past times of distress. JLL expects the pandemic to boost the growing trend of mixed-use format offering hotel rooms and serviced apartments in a single development.

JLL's study monitored international grade hotels and serviced apartments across Bangkok between January and April 2020. Findings from the study show that over 80% of the city's serviced apartments remained open at the end of April, with the average occupancy rates declining by 30% year-on-year. During the same period, as of Q3/2020 the occupancy rate was at 53% and the majority of hotels across the city was shut down and those that remained operational saw occupancies drop by nearly 50% year on year, and the occupancy rate of many hotels was lower than 10% of total rooms. Whilst the ongoing tourism market slump has forced the majority of hotels across Thailand to close their doors to lower their fixed costs, most of Bangkok's serviced apartments have remained open to serve long-stay guests. Tourists or short-stay guests represent a smaller demand source in Bangkok's serviced apartment sector. Though we have seen serviced apartments shifting their guest acquisition strategies by increasing the portion of short-stay guests in recent years, long-stay guests, most of whom are expatriates, have remained their top source of demand. This explains why the serviced apartment sector has felt a relatively smaller impact from the COVID-19 pandemic than hotels that rely more on short-stay demand from tourists. However, the competition in serviced apartment business tends to increase. Japanese expatriates, the key market feeder of the long-term rental market to serviced apartments in Bangkok, has continued to decline from cost-cutting policy of many companies and relocation to other emerging market like Vietnam as the management roles are now replaced with Thais which has lower costs. At the same time, the number of new expatriates coming in will be limited in 2021.

While the supply in serviced apartment market continues to increase, as serviced apartments in Bangkok also operate in daily rental and compete directly with hotels, the competition is also coming from the future hotel supply of over 9,000 keys in the next three years.



Source : Serviced apartments weathering the storm by Jones Lang Lasalle Co., Ltd. (JLL) 2021 Thailand Real Estate Market Outlook Report by CBRE

Competition situation

Competition in the serviced apartment business is quite intense. Apart from competing with other serviced apartment operators, there is also competition with hotel operators as most serviced apartments in Bangkok offer short-term rentals. Many operators price their daily room rates close to the rates of hotels at more or less the same level. Moreover, there are a larger number of new three- to four-star hotels emerging. There is also pressure from the Thai Hotels Association for the government to require serviced apartments to obtain a hotel license as well. Another factor is a modification of some luxurious condominiums into serviced apartments, with lower rental rates. Both factors make it more and more difficult to adjust serviced apartment rental rates.

Marketing strategies

The Company employs the following strategies for the serviced apartment business.

1. Ensure that services delivered match the rates charged to impress customers so that they come back again.
2. Have in place a reservation system that is efficient and is of international standard, both on the website and online.
3. Conduct sales promotion together with allies in the tourist industry and give a discount to foreign conglomerates.
4. Maintain the existing customer base and find new customer bases.

Target customer groups

1. Expatriates working in Thailand
2. Tourists

Pricing policy

Pricing of rooms in the hotel and serviced apartment businesses are subject to several factors; seasonality, prices of competitors at the same level, and operation cost. However, as the majority of the Company's customers are Thai and expatriate businessmen/businesswomen staying long-term, seasonality does not have much effect on the Company.

Distribution channels

The Company uses a variety of distribution channels, as follows:

- Direct sales through the Company's salespersons who submit a rate proposal directly to the customer to maintain their relationship.
- Sales through travel agents and booking websites, such as Agoda.com, Booking.com, Hotels.com, and Expedia.com.
- Sales through Internet booking on the website www.marriott.com. This channel has become more and more popular among foreigners.

Overview of the office building for rent business

As of the end of Q4/2020, the total office space in Bangkok continued to rise to 9.063 million sq.m., from the new launches of 3 office buildings. The overall occupancy rate in Q4/2020 stood at 93.6%, decreased by approximately 0.9% q-o-q. The Sukhumvit CBD area remained the location with the highest occupancy rate at 94.7% in Q4/2020, despite a slight decline. Tenants have been affected by the Covid-19 outbreak and economic slowdown and have often considered or actioned downsizing their rental spaces, as well as applying for a temporary reduction in rent, or changing their rental spaces to a Co-Working space instead. New demand generally came from industries such as e-commerce, logistics, and technology companies expanding their businesses as well as from start-up businesses.

Rents declined across the city in Q4/2020, with the overall average rental price of all levels falling by about 0.13% to about Baht 742 per sq.m. It was found that in the CBD area, rents decreased by about 0.18% from Baht 1,110 to Baht 1,108. It was found that many office buildings had slightly reduced their rents to help support their tenants during the COVID-19 outbreak.

The supply of new buildings remains reasonably high. Most developments still follow their schedules. Key examples of buildings that we expect to see continue pre-leasing programs in 2021 include Vanissa Building (22,000 sq.m.), located in the CBD area, and is expected to be completed in Q1-2021. Future 2021 supply in the CBD area also includes The Kronos Tower (22,481 sq.m.), O-NES Tower (46,000 sq.m.), and 140 Wireless (25,784 sq.m.).

Colliers expects the downward pressure on rents to remain in the short term while businesses focus on operational cost savings. The decline in rent rates is expected to stabilize once businesses fully recover from the COVID-19 situation.

Sources : Bangkok Office Market, Q4/2020, Colliers International

Marketing strategy

- The Company's office buildings for rent are located in business districts, allowing convenient commuting
- The company has in place standardized security systems, with experienced and skillful technician teams overseeing the buildings and the systems.
- The Company has professional and experienced teams for the management of office buildings for rent.

Target customers

Target customers are Thai and foreign medium-sized to large firms wanting office space in Sukhumvit - Ekamai area.

Pricing policy

The Company's policy is to set prices at appropriate and competitive levels.

Distribution channels

The Company and its subsidiaries conduct sales through agents as they have their network and customer base. In addition, customers may contact sales officials stationed in the building area for space rental.

Sourcing of products and services

Private hospital and private hospital management businesses

- **Medical Personnel**

As medical personnel - physicians, nurses, and nurse aides - are key to the private hospital operation, the Company's policy is to find physicians specializing in specific areas to render quality services to patients. Physicians and nurses are selected from reputable medical and nurse colleges. In addition, physicians and nurses are further trained to develop and update their knowledge.

- **Sourcing of medicines and medical supplies**

The Company's policy is to procure medicines and medical supplies from several manufacturers and distributors to prevent risks from shortages. It plans to adopt a centralized procurement system for all the network hospitals. Procurement will collect purchasing orders from all the hospitals in the Groups and place orders with distributors from time to time.

- **Medical equipment**

Recognizing the importance of procurement of medical equipment as it is an important factor in treatment, the Company selects and purchases good quality medical equipment from reliable manufacturers and distributors providing good after-sales services.

- **The environment and safety**

In operating the business, the Company recognizes the importance of buildings as well as the workplace and worker safety. It also attaches importance to the conservation of the environment and natural resources, including proper disposal of garbage and waste from the operation without affecting the environment.

Property for rent business

To maintain the standards of services rendered to high-end customers, the Company made a management contract with the Marriott group, which is a world-famous hotel group, for management of the Company's residential building - Marriott Executive Apartments Sathorn Vista - Bangkok. A contract has also been made with the Ascott Group, also an internationally recognized hotel group, for the management of the Somerset Ekamai Project.

Work Pending

-None-

Risk Factors

Business operation risks

Private hospital business

Risks from increasing competition

Despite its favorable growth potential, the hospital business is faced with intense competition both from public hospitals which now offer healthcare services of the same standard as private hospitals, and from international operators under the health care liberalization policy. Foreign competitors have a competitive edge in more advanced technologies, large hospital networks, and a world-class image.

Thai private hospitals will still confront fierce competition triggered by the increasing investment in the hospital business in Thailand over the past period, resulting in growing numbers of hospitals and hospital beds. Hence, there will likely be more intense competition among private hospitals for pricing, promotion packages and special programs, and poaching of medical personnel. The competition also comes from after-hours clinic services offered by state hospitals and from medical colleges (such as Siriraj Piyamaharajkarun Hospital of Siriraj Hospital and Somdech Phra Debaratana Medical Center of Ramathibodi Hospital), which have competitive advantages in terms of reputation, medical technology, and specialized physicians. Such a competitive environment may crucially affect private hospitals' performance.

However, the Company focuses on providing services to middle-income customers who need international standard medical services in a private hospital. Charges of the Princ Healthcare's hospitals are lower than top tier hospitals. Also, the Hospital Information System has helped to manage costs down and increased competitiveness.

Risk from COVID-19 outbreak

The outbreak of COVID-19 from 2020 to the beginning of 2021 affected private hospital business especially the loss of medical tourists so the hospitals with large revenue contribution from foreign patients were hit badly whereas the hospitals with domestic patients especially under Social Security System would have a lower effect.

The target customers of Princ Hospital network are medium-income earners. During the COVID-19 outbreaks, the number of patients dropped resulting in lower revenue from hospital business in 2020. To reduce such risk, each hospital in PRINH network has adjusted the business strategy and find the business alliance and delay a large amount of investment and bring in the digital platform to enhance business efficiency, cut cost and improve service for the patients and exploit the technology to connect the doctors and patients, for example, Telemedicine via Mobile Application and Dr.PRINC (Line Official Account) in Line Application to provide online medical advice to the patients. The hospitals also provide medicine and medical products delivery services and also provide other services like blood draws, wound cleaning, and vaccine injection at the patients' home. Furthermore, the Company also diversified risk with the plan to open medical clinics in 2021 to provide medical services to the patients who are under the Universal Coverage Scheme and Social Security System and also join with Nihon Keiei Group from Japan to operate elderly care business to be a new source of income in addition to existing income from hospital business.

Risks associated with hospital business expansion

Principal Healthcare Co., Ltd., which is a subsidiary, formed a joint venture with Sisaket Meditech Company Limited to set up a 59-bed hospital in Sisaket Province as a move to expand into the Northeast. The Company may be exposed to risks of construction behind schedule, costs becoming higher than the estimates, or any other developments which interrupt the construction, causing damage, and the operating result of the hospital may not be as planned. However, as far as construction is concerned, the Company has hired experienced contractors and consultants to ensure that construction proceeds as planned. In addition, the contract signed with the main contractor has a condition clause, allowing a delayed penalty enabling the subsidiary to claim from the main contractor in the event the construction is not completed on the agreed schedule.

The Company's policy is to expand the private hospital business by building new hospitals and acquiring hospitals in operation, of which potential can be improved for future better performance. Investment in these two forms helps reducing risks as newly built hospitals need time to generate revenues and profits whereas acquired hospitals can deliver a stream of revenues and minimize impacts on the Company's overall operating result.

Risk from shortages of medical personnel

Medical personnel, consisting of physicians, nurses, and specialists in various fields, are crucial to hospital business operation. Currently, the production of human resources for healthcare is still limited in quantity and famous physicians mostly work with public hospitals. Thus, it is costly to recruit these physicians, whether part-time or full-time. Consequently, there is a possibility for competition for medical personnel. In addition, expansion of the private hospitals in preparation for an aging society and for future business expansion has led to increasing demand for experienced and quality medical staff. Since the development of skills, knowledge, and capability of these medical personnel takes an extended period, the business may be affected by shortages of medical staff in various fields in the future.

Nonetheless, the hospitals in PRINH Group are located close to state universities that offer the relevant fields of studies, such as Medicine, Nursing, Pharmaceutical Science, and Medical Science (Naresuan University, Phitsanulok Province). At the same time, PSV has collaborated with several nursing colleges in nurse production and personnel development. Apart from medical staff preparation, PSV has continuously developed its existing resources.

Risks from changing technology for medical equipment

The greater complexity and severity of diseases result in the need for state-of-the-art medical equipment. Giving top priority to the quality of diagnosis and treatment of patients, PRINH Group has consistently invested in modern medical tools and equipment. However, the current fast-changing medical technology may lead to frequent changes in technology for some medical equipment which may involve a high maintenance cost, thus likely affecting investment worthiness. PRINH Group, however, has the policy to analyze the qualification, benefit, and worthiness of medical equipment in the long run before making an investment decision to ensure cost-effectiveness and maximum benefits for the hospital.

Risks of facing lawsuits for damage claims arising from medical services

The hospital business is faced with a threat of legal actions taken by patients or their related persons due to dissatisfaction with the treatment or the results of treatment by physicians or specialists who fail to meet their expectations.

PRINH Group has developed service quality and applied modern treatment technologies. Moreover, it has Medical Malpractice Liability Insurance coverage against claims by patients who find the treatment results not meeting their expectations. The insurance covers not only the liability for unintentional treatment errors but also the litigation expenses. With the long experience of its physicians, the assessment of service quality, treatment results and customer satisfaction, and the acquaintance with local people it serves, the Company is confident that it can bring about customer satisfaction.

Risks from regulatory changes

The Company's business operation is regulated by the Ministry of Public Health and other relevant government agencies. Regulatory changes may affect its operation. As an example, the cabinet approved the addition of medicines and medical supplies, as well as medical treatment and services, to the list of goods and services subject to control under the Price of Goods and Services Act, B.E. 2542. Acknowledging the policy, the Company is ready to comply with the measures to be taken for the price control; e.g., notification of purchase and sale prices of medicines and medical supplies as well as services, including medical services and other services of the hospitals, and notifying the Central Committee on the Price of Goods and Services before price adjustment. Nevertheless, the Company's policy is to render medical services at appropriate prices. The government policy does not have any significant impact on the Company's performance.

Property Development Business

Risks from intense competition

At present, competition in the serviced apartment business is relatively intense. As it also offers short-term stay services, it has to compete also with hotel operators. Moreover, several high-end condominium owners have converted some of their units to serviced apartments with lower rental rates. These make it more difficult for serviced apartment rental rates to be increased.

Risk from the change of policies towards land and building taxes

The Ministry of Finance has introduced a Land and Building Tax Act which has been endorsed by the cabinet and will come into force in 2020. The changes in the land and building policies may affect the Company and the subsidiaries in terms of increasing land tax expenses as a result of owning several parcels of land and buildings with values exceeding 50 million baht. The Act has a provisional clause alleviating the tax burden in the first two years (2020-2021). Owners of the property are required to pay taxes based on the value as appraised by the Treasury Department at the starting rate of 0.3 % for property worth less than 50 million Baht and the highest rate of 0.7% for property worth more than 5,000 million Baht. The rates are to go up by 0.3% every three years but the full rate shall not exceed 3% of the appraised value of the land and the buildings. The Company's land and buildings are located in a business district and used to be subject to Building and Land Tax at the rate of 12.5% of rental revenues. The policy change will result in the Company having to pay taxes based on the values of land and buildings instead, which may be higher.

Risks related to credit extension

The Company is exposed to risks from extending credit related to account receivables and manages the risks by setting policies and procedures for appropriate credit control. Therefore, the Company does not expect to suffer significant damage from extending credit. Besides, the trade credit granted by the Company is not concentrated because of the diversity and a large number of customers. The maximum loss from credit extension is the book value of the account receivables shown in the financial statements.

Financial Risks**Risk of capital structure and liquidity**

In 2020, the Company had an additional borrowing of 454 million Baht from financial institutions for the construction of Princ Hospital Sisaket and acquired Virajsilp Hospital from Virajsilp Hospital Co., Ltd. As of December 31, 2020, the Company had loans from financial institutions totaling Baht 3,679.94 million for the healthcare business. There was no loan from directors. At the end of 2019, the debt to equity ratio was low, 0.73 times, hence the financial risk is still low. Due to the COVID-19 outbreak situation, the Company managed cash cautiously and participated in the bank's policy to help relieve the debt burden to maintain the highest liquidity.

Managerial risks**Risks arising from the major shareholders has influence over determination of managerial policy**

As of February 25, 2020, the major shareholder, Vidayakorn Group, held 2,811,552,743 shares, representing 81.20% of the total outstanding shares. As a result, the Group can control and has influence over every matter requiring approval by the Shareholder's Meeting, be it appointment of Directors, or any other matters requiring a majority vote from the Shareholder's Meeting, except for matters required by law or the Company's Articles of Association to be passed by three-fourths of the votes of the Shareholder's Meeting. Therefore, the small shareholders are at risk from not being able to obtain the necessary votes for checks and balances in matters which the major shareholder proposes for consideration by the Shareholder's Meeting.

However, the Company has appointed three outsiders to be Independent Directors and the Audit Committee Members, out of the nine Directors for management checks and balances the management to a certain degree. Moreover, in case of a transaction related to the directors, the major shareholder and the controlling party including those with conflict of interest do not have the right to vote for approval in that matter.

Major Assets in Business Operation

As of December 31, 2020, the Company's main assets including land and building were as follows:

Hospital Business

a) Main Assets of Hospital Business

No.	Property Type/Location	Net Book Value As of Dec. 31, 2020 (Million Baht)	Ownership	Obligation
1.	Pitsanuloke Medical Co., Ltd. (Pitsanuvej Hospital)			
	- Land 1-1- 45.5 rai Muang Pitsanulok District, Pitsanulok Province	263.69	Owned	None
	- Land 8-0-57.5 rai Muang Pitsanulok District, Pitsanulok Province		Owned	Thai Military Bank PCL.
	- Land 28-1-78.1 Rai Muang Uttaradit District, Uttaradit Province		Owned	Thai Military Bank PCL.
	- Land 2-0-9 Rai Muang Pitsanulok, Pitsanulok Province		Owned	None
	Building	237.89	Owned	Thai Military Bank PCL.
	Medical Tool and Equipment	94.21	Owned	Bank of Ayudhaya PCL. (partial)
2.	Union Phichit Doctors Co., Ltd. (Pitsanuvej Pitchit Hospital)			
	- Land 6-1- 72 rai Muang Phichit District, Phichit Province	15.39	Owned	Thai Military Bank PCL.
	- Land 1-0-97 rai Muang Phichit District, Phichit Province	33.21	Owned	None
	Building	86.39	Owned	Thai Military Bank PCL.
	Medical Tool and Equipment	32.55	Owned	Bank of Ayudhaya PCL. (partial)
3.	Paknampo Hospital Co., Ltd. (Princ Hospital Paknampo 1, Princ Hospital Paknampo 2)			
	- Land 13-0- 98.4 rai Muang Nakornsawan District, Nakornsawan Province	348.80	Owned	Thanachart Bank PCL.
	Building	992.93	Owned	Thanachart Bank PCL.
	Work in Progress	8.22	Owned	Thanachart Bank PCL.
	Medical Tool and Equipment	128.67	Owned	None
	Land and 3 Shop Houses	41.00	Owned	Thanachart Bank PCL.
	2-Storey Town House	0.38	Owned	None
	Land 1-1-93.2 rai Muang Nakornsawan District, Nakornsawan Province	72.00	Owned	None
	O2 Condominium Unit No. Jor76/108	4.37	Owned	Bangkok Bank PCL.

No.	Property Type/Location	Net Book Value As of Dec. 31, 2020 (Million Baht)	Ownership	Obligation
4.	Pitsanuvej Uttaradit Hospital Co., Ltd. (Pitsanuvej Uttaradit Hospital)			
	Building	491.00	Owned	Thai Military Bank PCL.
	Medical Tool and Equipment	45.14	Owned	None
5.	Principal Healthcare - Uthai Co., Ltd. (Princ Hospital Uthaitani)			
	Nakorn Luang District, Uthaitani Province.	31.20	Owned	Thanachart Bank PCL.
	Building	338.14	Owned	Thanachart Bank PCL.
	Medical Tool and Equipment	21.72	Owned	None
6.	Principal Healthcare - Lamphun Co., Ltd. (Sirivej Lamphun Hospital)			
	Land 10-3-98.5 rai Muang Lamphun District, Lamphun Province	35.25	Owned	Thanachart Bank PCL.
	Land 1-1-37.2 rai Muang Lamphun District, Lamphun Province	4.05	Owned	Thanachart Bank PCL.
	Land 0-0-56 rai Muang Lamphun District, Lamphun Province	0.49	Owned	Thanachart Bank PCL.
	Land 0-0-59.3 rai Muang Lamphun District, Lamphun Province	0.48	Owned	Thanachart Bank PCL.
	Land 1-1-73.2 rai Muang Lamphun District, Lamphun Province	4.38	Owned	Thanachart Bank PCL.
	Land 2-2-25.7 rai Muang Lamphun District, Lamphun Province	6.26	Owned	Thanachart Bank PCL.
	Land 2-2-24.5 rai Muang Lamphun District, Lamphun Province	6.48	Owned	Thanachart Bank PCL.
	Building and Improvement	58.85	Owned	Thanachart Bank PCL.
	Medical Tool and Equipment	26.19	Owned	None
7.	Principal Capital Co., Ltd. (PCL) Princ Hospital Suvarnabhumi			
	Land 0-1-31 rai Bang Phli District, Samut Prakan Province		Owned	Bank of Ayudhaya PCL.
	Land 2-2-41.7 rai Bang Phli District, Samut Prakan Province	368.47	Owned	Bank of Ayudhaya PCL.
	Land 3-2-53.3 rai Bang Phli District, Samut Prakan Province		Owned	Bank of Ayudhaya PCL.
	Building and Improvement	1,370.73	Owned	Bank of Ayudhaya PCL..
	Medical Tool and Equipment	107.25	Owned	Bank of Ayudhaya PCL. Kasikornbank PCL. (partial)

No.	Property Type/Location	Net Book Value As of Dec. 31, 2020 (Million Baht)	Ownership	Obligation
8.	Principal Healthcare - Sisaket Co., Ltd. (Princ Hospital Sisaket)			
	Land 12-1-40.5 rai Muang Sisaket District, Sisaket Province	74.21	Owned	Bangkok Bank PCL.
	Work in progress	281.03	Owned	Bangkok Bank PCL.
9.	Principal Healthcare - Ubonratchathani Co., Ltd. (Princ Hospital Ubonratchathani)			
	Land 1-3-27.1 rai Muang Ubonratchathani, Ubonratchathani Province			
	Land 94.7 sq.wah Muang Ubonratchathani, Ubonratchathani Province			
	Land 98.9 sq.wah Muang Ubonratchathani, Ubonratchathani Province			
	Land 83.1 sq.wah Muang Ubonratchathani, Ubonratchathani Province			
	Land 97.6 sq.wah Muang Ubonratchathani, Ubonratchathani Province			
	Land 99.6 sq.wah Muang Ubonratchathani, Ubonratchathani Province			
	Land 2-0-85 rai Muang Ubonratchathani, Ubonratchathani Province	152.66	Owned	None
	Land 1-0-68.3 rai Muang Ubonratchathani, Ubonratchathani Province			
	Land 49.5 sq.wah Muang Ubonratchathani, Ubonratchathani Province			
	Land 40.2 sq.wah Muang Ubonratchathani, Ubonratchathani Province			
	Land 88 sq.wah Muang Ubonratchathani, Ubonratchathani Province			
	Land 86.4 sq.wah Muang Ubonratchathani, Ubonratchathani Province			
	Land 26 sq.wah Muang Ubonratchathani, Ubonratchathani Province			
	Buildings	336.92	Owned	None
	Medical tools and equipment	35.44	Owned	None
10.	Principal Healthcare - Chumphon Co., Ltd. (Virajsilp Hospital)			
	Building	174.64	Owned	None
	Medical tools and equipment	36.82	Owned	None

Hotel/Serviced Apartment Business

Project name and location	Project Type	Area (Rai-Ngan-Sq.wa)	Book Value As of Dec. 31, 2020 (Million Baht)	Owner	Obligation
Marriott Executive Serviced Apartments Sathorn Vista-Bangkok Tungmahamek, Sathorn Bangkok	Serviced Apartments	2-0-34.3	1,956.56	VMEA Co., Ltd.	None
Somerset Serviced Apartment Soi Ekamai 2, Ekamai Road, Bangkok	Serviced Apartment	5-1-94	2,132.40	V Residence Co., Ltd.	Mortgage as collateral for bank

Office area for lease Business

Project name and location	Project Type	Area (Rai- Ngan- Sq.wa)	Book Value As of Dec. 31, 2020 (Million Baht)	Owner	Obligation
Bangkok Business Center Sukhumvit 63 Road (Ekamai Road) Bangkok	Office area for lease	1-3-9	466.57	V Intelligence Co., Ltd.	Mortgage as collateral for bank

Vacant land for project development

No.	Asset/ Location	Book Value As of Dec. 31, 2020 (Million Baht)	Owner	Obligation
1	Vacant land with a total area of 40-0-58.90 rais, located in Ban Chang District, Rayong Province	120.50	Banchang Business District Co., Ltd.	None

Major Development

2020

- In December 2020, the Company and Bamrungrad Hospital established the Holistic Cancer Center under Bumrungrad Healthcare Network in Princ Hospital Ubonratchathani and Pitsanuvej Hospital in Pitsanulok Province. It is expected to open to offer service within Q1/2021. Both Centers will be Cancer Center Hub for other hospitals in PRINC Hospital network.
- In December 2020 Princ Investment Company Limited. was renamed Klai Baan Klai Jai Company Limited. to operate primary care clinic to provide medical services to the patients under Universal Health Coverage system (Gold Cardholders) and currently the registered capital is increased to Baht 20 million.
- In September 2020, the Company disposed of assets of V Brilliant Group Holding Company Limited. (VB), a subsidiary of the Company to Ms. Satita Viddayakorn, concert party according to the shareholders' resolution in 2020 with total consideration of not exceeding Baht 433.69 million. The details of asset disposition are as follows:
 - a) 28,124,998 ordinary shares of V 33 Company Limited. ("V33") representing 99.99% of the total issued and paid-up shares at par value of Baht 7.50 per share with Baht 6 paid-up per share which is held by VB, a subsidiary of the Company with total consideration of not exceeding Baht 176.95 million or approximately not exceeds Baht 6.29176 per share. The objective to sell V33's ordinary shares is to sell a land plot and buildings owned by V33 located in Mae Rim District, Chiang Mai Province.
 - b) Land plots with a total area of 49-3-93 rai owned by VB located in Muang Ang Thong District, Ang Thong Province at the price does not exceed Baht 87.27 million.
 - c) Land plots with a total area of 10-0-00 rai and buildings owned by VB located in Muak Lek District, Saraburi Province at the price does not exceed Baht 32.08 million.
 - d) 12,899,998 ordinary shares of Udon Business District Company Limited ("UBD") or approximately 99.99% of the total issued and paid-up shares of UBD at par value of Baht 10 each which were held by VB, a subsidiary of the Company at the price not exceeding Baht 137.37 million or approximately Baht 10.64929 per share. The objective of share disposal is to sell the land owned by UBD with a total area of 5-3-35.2 rai located in Muang Udon Thani District, Udon Thani Province.

In this connection, the disposal of the foregoing plots of land is considered the exercise of the Company's rights as set out in the Sale and Purchase Agreement of VB's shares entered into between Ms. Satita (as a seller) and the Company (as a purchaser) dated 8 September 2016 (the "SPA"). According to the Extraordinary Meeting of Shareholder (EGM) No.1/2016 held on 28 September 2016, Under the Right to Sell Back, if the Company and/or its subsidiaries does not wish to develop any project on the foregoing land plots within 3 years from October 10, 2016, VB Share Sale and Purchase Agreement date, the Company and/or its subsidiaries have the right to sell either one or all land plots back to Ms. Satita at cost plus carrying cost (1.75% per annum) from share purchase date until completion of registration of ownership transfer on such land. Ms. Satita agreed to be solely responsible for the transfer fees, related fees, special business tax, other expenses related to the transfer of land, and taxes incurred in respect of the Company and/or its subsidiaries in connection with the resale of the Assets.

- The Company restructured business to pursue the Company's expansion policy in Healthcare Business, via Partial Business Transfer (PBT), by transferring hotel and serviced apartment business namely the Marriott Executive Apartment Sathorn-Vista ("Marriott Hotel"), as well as all assets used for such business, agreements, licenses, and all relevant personnel relating to such business to VMEA Company Limited., a newly established subsidiary company of which its 100% of shares shall be held by V Brilliant Group Holding Company Limited.
 - In July 2020 The Company set up a new subsidiary, which 99.99% shares held by Principal Healthcare Company Limited (PRINH), namely Principal Healthcare Ubonratchathani Company Limited. (PUBN) with registered capital of Baht 300 million divided into 30 million ordinary shares at par value of Baht 10 per share. This company was set up to operate a private hospital business in Ubonratchathani Province by the acquisition of Ruamphaetsapphasit Company Limited., which operates "Sunpasitinter Hospital" and accepting the Entire Business Transfer (EBT) including assets, medical equipment, all licenses related to hospital business operations as well as land and buildings hospital and the employees wishing to work with PUBN by using its internal cash flow of the group and loan from the financial institution to pay the total amount of not exceeding Baht 500 million. The Company signed the business transfer agreement on July 9, 2020. The transfer of business was completed on September 1, 2020.
 - In June 2020 Principal Healthcare — Lamphun Company Limited increased its issued and paid-up capital by Baht 100 million to Baht 300 million.
 - On March 2, 2020, the Entire Business of Virajsilp Hospital was completely transferred to Principal Healthcare - Chumphon Company Limited ("PCPN").
-

2019

- On December 18, 2019, the Company entered into a joint venture agreement with the Nihon Keiei Group (NKG) to engage in the elderly care business. A new subsidiary Principal NKG Company Limited (PNKG) in the Year 2020 was set up with a registered capital of Baht 10 million, divided into 100,000 shares, each with a par value of 100 Baht. Principal Capital Public Company Limited holds 51 % of the shares and NKG holds 49%.
- In December 2019, the company set up a new subsidiary Principal Healthcare - Chumphon Company Limited with a registered and paid-up capital of Baht 270 million 99.99% of the shares were held by the Company through a subsidiary (PRINH). The objective of the new company was to engage in a private hospital business in Chumphon Province, through the acquisition and acceptance of the Entire Business Transfer of a hospital of Virajsilp Hospital Company Limited. The transfer included assets, liabilities, licenses required for operating a hospital, as well as contractual rights and obligations of Virajsilp Hospital Company Limited as of the transfer date, including all of its employees wishing to work for PCPN. The consideration for the transfer and long-term lease of land totaling Baht 570 million was paid to the old shareholder group of the hospital, using the Group's internal cash flows and borrowings from financial institutions. The transfer agreement was made on December 18, 2019, and the transfer of the hospital was completed on March 2, 2020.
- In December 2019, the Company signed an agreement with Bumrungrad Health Network Company Limited., which is under the management of Bumrungrad Hospital Public Company Limited, to launch a new business model - "Bumrungrad Health Network — Growing Together", whereby medical excellence centers are to be set up to offer access to standard quality medical treatment. As part of the first phase, a Spine and Joint Center is to be opened at Princ Hospital Suvarnabhumi, to offer spine and joint medical treatment as a prototype of the model.
- On December 2, 2019, Princ Hospital Suvarnabhumi was officially opened.
- In November 2019, a new subsidiary Principal Healthcare - Sisaket Company Limited - with a registered capital of Baht 250 million, was incorporated to engage in a 60-bed private hospital business in Sisaket Province. 60% of the shares are held by Principal Health Care Company Limited (a subsidiary of the Company). This joint venture has been formed with Sisaket Meditech Company Limited. The Agreement was made on November 14, 2019.
- In November 2019, Princ Hospital Paknam (PPNP), was certified for having achieved Stage 7 - the highest level - on the HIMSS Analytics Electronic Medical Records Adoption Model (EMRAM). It is the first hospital in Thailand and the second in Southeast Asia to have achieved this level.
- In November 2019, the Company sold Convergence Systems Company Limited to a third party as the business was no longer necessary. Resources related to the development of hospital systems, including personnel, were transferred to PRINH.

- In November 2019, the Company issued and allocated new shares in a maximum amount of Baht 222,249,300, with a par value of Baht 100 per share, at an offer price of Baht 4.09 per share, with a 1.20% discount of the market price, the market price refers to the weighted-average price of the Company's shares traded on the SET during the period of 15 consecutive business days before the date of determination of the offering price by the Board of Directors which from 4 November 2019 to 22 November 2019, which was equivalent to Baht 4.14 per share (information from SETSMART at www.setsmart.com) in a private placement to one buyer, the International Finance Corporation ("IFC"), an institutional investor in the World Bank Group. The IFC is in a strong financial position and has genuine investment capability, having knowledge and experience in the healthcare business. It can share information useful for the Company's business and can connect the Company with international corporations for business networking. This presents an opportunity to generate revenues and profits for the Company's sustainable growth. Proceeds of about 909 million Baht will be used in implementing the Company's plan for expansion of the Company's hospital and other linkage businesses, including increasing the number of hospitals in the network and finding business alliances for joint investment in more network hospitals. The registered capital has been increased from Baht 3,240,087,520 to 3,462,336,820, with a par value of Baht 100 per share since November 28, 2019.
 - On November 15, 2019, Princ Hospital Uthai Thani was officially opened.
 - In September 2019, the Extraordinary Meeting of Shareholders, Session 1/2019, approved the disposition of 9,985,998 ordinary shares of Bangkok Management Company Limited ("BG"), representing 99.99 % of its issued and outstanding shares, each with a par value of 100 Baht, held by V Brilliant Group Holding Company Limited. ("VB"), a subsidiary of the Company, to VMS Development Company Limited. ("VMSD"), a connected person of the Company, at 133.08632 Baht per share. The selling amount totaled approximately 1,328.99 million Baht. Proceeds from the disposition will be used as working capital and in expanding the hospital and health care businesses following the Company's business policy.
 - On March 29, 2019, Pitsanuvej Uttaradit Hospital was officially opened.
 - On March 1, 2019, Principal Healthcare — Lamphun Company Limited completed the acceptance of the Entire Business Transfer (EBT) of Sirivej Lamphun Hospital.
 - In February 2019, the Stock Exchange of Thailand approved the reclassification of the Company's Industry Group from "Property Development and Construction" under the "Property Development" Sector to "Services" under the "Healthcare Service Services" Sector.
-

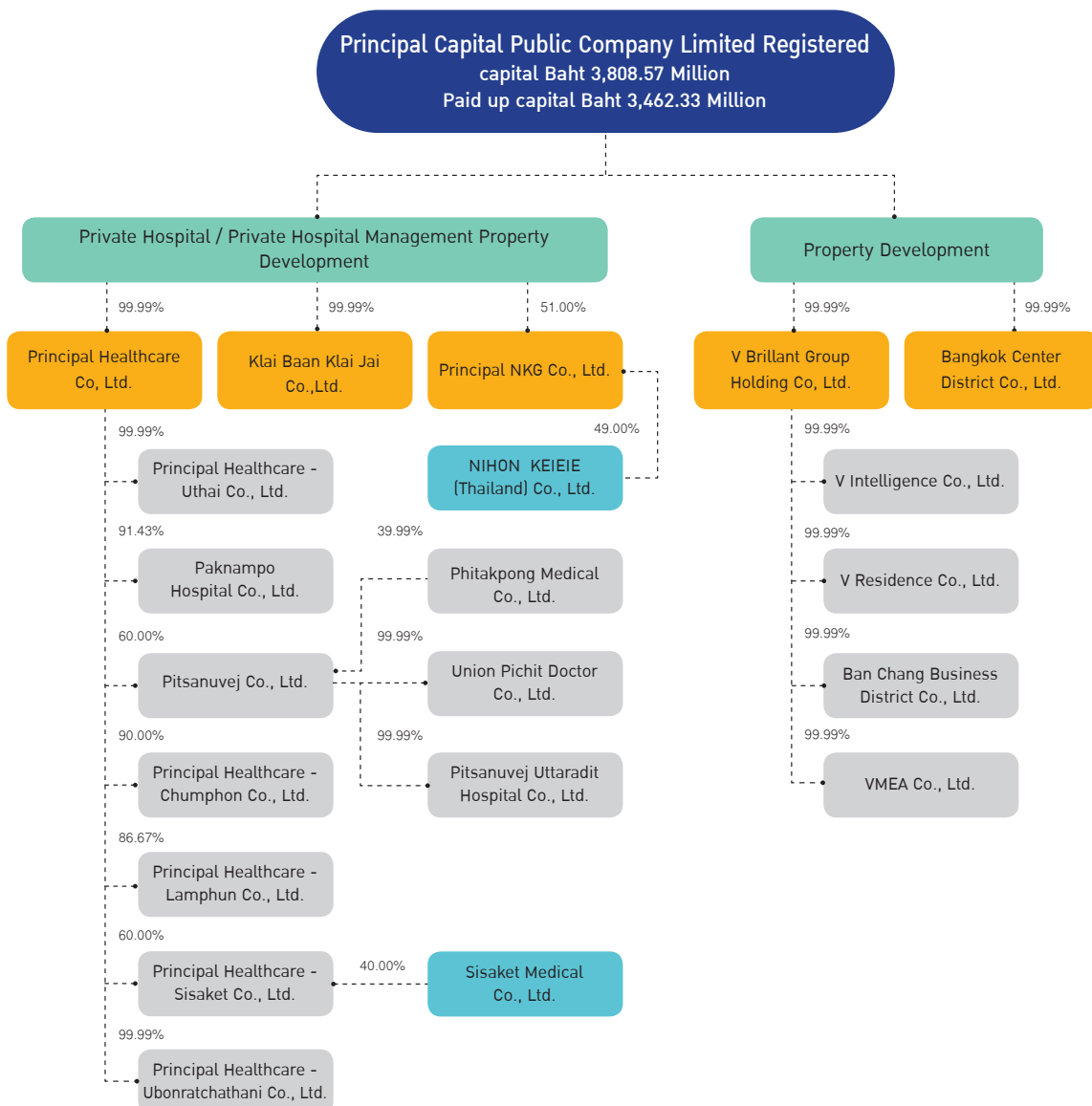
2018

- In November 2018, the Company was certified to the ISO 9001:2015 standard.
- In October 2018, Principal Healthcare Company Limited, a subsidiary of the Company, set up Principal Healthcare - Lamphun Company Limited. (PLPN) with a registered capital of Baht 200 million to operate a private hospital business. The Company's Board of Directors passed a resolution approving Principal Healthcare - Lamphun Company Limited.'s acceptance of the Entire Business Transfer (EBT) of Sirivej Lamphun Hospital in Lamphun Province, consisting of land and buildings, medical equipment, and the licenses to operate the 59-bed hospital.
- On June 7, 2018, the Company was certified as a member of "Thailand's Private Sector Collective Action Coalition against Corruption" (CAC) for its anti-corruption position.
- In May 2018, Principal Healthcare Company Limited., a subsidiary of the Company, set up Principal Healthcare - Uthai Company Limited. to operate a private hospital business with a registered capital of Baht 50 million. Principal Healthcare - Uthai Company Limited. (PUTH) acquired a suspended hospital, a non-performing asset from a financial institution. The transaction included the acquisition of land with an area of 12-1-79.5 rai and 10 buildings (under renovation) in Tambon Bangprakru, Nakhon Luang District, Uthai Thani Province. The buildings were renovated into a 59-bed hospital.
- In March 2018, V Brilliant Group Holding Company Limited. (VB), a PRINC's subsidiary set up two new companies: Ban Chang Business District Company Limited. (BBD) and Udon Business District Company Limited., (UBD) with a registered capital of Baht 121 and 129 million, respectively, to engage in property development.
- On February 27, 2018, the Company purchased and accepted the business transfer of Thai Health Management Organization Company Limited. ("THM"), a company operating a private hospital business under the name "Piyamin Hospital" (subsequently renamed to "Princ Hospital Suvarnabhumi"), located in Samut Prakan Province, and three medical clinics in Bangkok. Under the terms of the Agreement, the Company would accept the transfer of the hospital business of THM, including its assets, liabilities, licenses necessary for its hospital business operation, all of the employees wishing to continue working for the Company, as well as the contractual rights and obligations existing as of the transfer date, according to the terms and conditions of the Business Transfer Agreement between the Company and THM. The Company was obliged to pay a consideration not exceeding Baht 900 million to THM upon fulfillment of the conditions precedent of the Agreement. The acquisition of THM's hospital business was expected to result in the expansion of the Group's hospital network, particularly in Bangkok and its perimeter, given the hospitals currently operated by the Group were located only in the provinces. It would create a hub-and-spoke system for the Group's hospital business, which would enhance growth and competitiveness. Acceptance of the transfer was completed.
- On 25, 2018, Alliance Medical Asia Company Limited. was renamed Principal Healthcare Co., Ltd.

Capital structure and general information

The Company has the policy to invest in a business that has the potential to generate revenue, feasible with a good return and acceptable risk. Such business must support the main business of the Company. To set subsidiary company's business direction in line with the Company's business plan, the Company has the policy to send those who have suitable experience approved by the Company's directors to be a director in the subsidiaries. There would be a meeting to follow up on the operating performance every quarter. In addition, there is a third-party responsible for the internal audit and submits the audit report to the Board of Directors of the Company. Moreover, the Company informs the subsidiaries an important policy including good corporate governance policy, risk management policy and anti-corruption, related transaction policy, and whistleblowing for acknowledgment and putting those policies into practice.

Group Structure (as of December 31, 2020)



The shareholding proportion in subsidiaries can be summarized as follows:

Company Name	Business Type	Shareholding (%)	
		2019	2020
Private Hospital and Private Hospital Management			
Principal Healthcare Co., Ltd. ^{1/} (PRINH)	Holding Company and shared service to other hospital in the group	99.99	99.99
Phitsanulok Medical Co., Ltd. ^{2/} (PSV)	Private hospital	60.00	60.00
Union Pichit Doctor Co., Ltd. ^{2/} (PPCH)	Private hospital	60.00	60.00
Pitsanuvej Uttaradit Co., Ltd. ^{2/} (PUTD)	Private hospital	60.00	60.00
Paknampo Hospital Co., Ltd. ^{3/} (PPNP)	Private hospital	91.43	91.43
Principal Healthcare - Lamphun Co., Ltd. ^{4/} (PLPN)	Private hospital	80.00	86.67
Principal Healthcare - Uthai Co., Ltd. ^{5/} (PUTH)	Private hospital	99.99	99.99
Principal Healthcare - Sisaket Co., Ltd. ^{5/} (PSSK)	Private hospital	60.00	60.00
Principal Healthcare - Chumphon Co., Ltd. ^{5/} (PCPN)	Private hospital	99.99	90.00
Principal Healthcare - Ubonratchathani Co., Ltd. ^{5/} (PUBN)	Private hospital	-	99.99
Klai Baan Klai Jai Co., Ltd.	Primary care clinic	99.99	99.99
Property Business			
Bangkok Center District Co., Ltd. (BCD)	Property development	99.99	99.99
V Brilliant Group Holding Co., Ltd. (VB)	Property development and Investment in subsidiaries	99.99	99.99
V Intelligence Co., Ltd. ^{6/} (VI)	Office area for lease	99.99	99.99
V 33 Co., Ltd. ^{6/} (V33)	Property development	99.99	99.99
V Residence Co., Ltd. ^{6/} (VR)	Hotel and serviced apartment	99.99	99.99
Ban Chang Business District Co., Ltd. ^{6/} (BBD)	Property development	99.99	99.99
VMEA Co., Ltd. (VMEA)	Hotel and serviced apartment	-	99.99

Remark : ^{1/} Previous name is Alliance Medical Asia Co., Ltd.

^{2/} The Company has indirect shareholding via Principal Healthcare Co., Ltd. who owns 60% stake in Phitsanulok Medical Co., Ltd.

^{3/} The Company has indirect shareholding via Principal Healthcare Co., Ltd. who owns 91.43% stake in Paknampo Hospital Co., Ltd.

^{4/} The Company has indirect shareholding via Principal Healthcare Co., Ltd. and on March 1, 2019 the shareholding specifically Principal Healthcare - Lamphun Co., Ltd. portion was reduced to 80%.

^{5/} The Company has indirect shareholding via Principal Healthcare Co., Ltd.

^{6/} Principal Investment Co., Ltd. was renamed to Klai Baan Klai Jai Co., Ltd. in November 2020

^{7/} The Company has indirect shareholding via V Brilliant Group Holding Co., Ltd.

Number of registered capital and paid-up capital

As of December 31, 2020, the Company had registered capital of Baht 3,808,570,502.00 and paid-up capital of Baht 3,462,336,820 consisting of 3,462,336,820 common shares at par value of Baht 1 each.

- Shareholders**

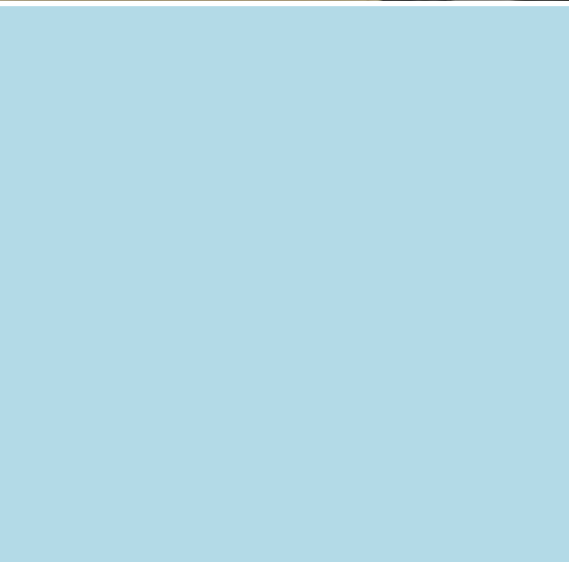
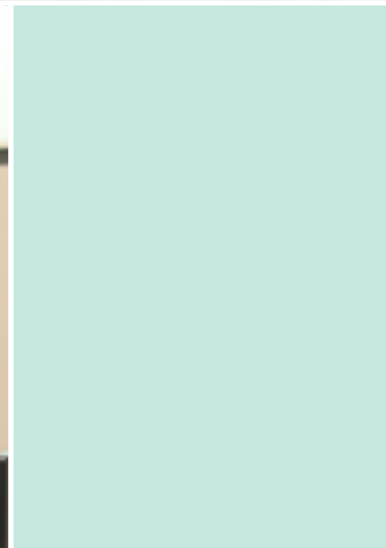
The list of shareholders and percentage of shareholding on the book closing date as of February 25, 2021, were as follows:

Shareholder Name	No. of Shares	% Shareholding
1. Viddayakorn Group	2,811,552,743	81.20
1.1 Ms. Satita Viddayakorn	1,760,115,114	50.84
1.2 Dr. Satit Viddayakorn	821,728,800	23.73
1.3 Peak Development Holdings Ltd. ^{1/}	157,737,029	4.56
1.4 Ms. Pallapa Viddayakorn	48,986,700	1.41
1.5 Ms. Tanatorn Viddayakorn	22,985,100	0.66
2. International Finance Corporation	222,249,300	6.42
3. Ms. Sirinya Apimonbutra	100,000,000	2.89
4. Mrs. Payao Chalacheep	14,000,600	0.40
5. Mr. Sueksit Phetchampai	13,743,100	0.40
6. Ms. Peechaya Krimwongrat	12,085,300	0.35
7. STATE STREET EUROPE LIMITED	10,206,000	0.29
8. Mrs. Achara Ratanaphunsri	9,920,000	0.29
9. Mr. Peerapol Prasertchaikul	7,102,500	0.21
10. Miss. Vanvimol Savetsomphob	7,057,200	0.20
Other shareholders	650,784,077	18.80
Total	3,462,336,820	100.00

Remark : ^{1/} Peak Development Holdings Ltd. is a company registered in the British Virgin. The final beneficiary is Ms. Satita Viddayakorn

Dividend payment policy

The Company has the policy to pay dividend to the shareholders at a rate of no less than 40% of the Company's annual net profit after deducting corporate income tax, legal reserve, and other reserves. For the past years, the Company has never paid the dividend and presently in the period of business expansion. Therefore, the dividend payment policy may be adjusted based on the Company's business operations performance, business expansion plan, liquidity condition, as well as other necessary and appropriate factors in the future, with the authority to approve by the Board of Directors. All decisions will be to maximize benefits for the shareholders.



General Information of Listed Company

1) Principal Capital Public Company Limited

Listed company	Principal Capital Public Company Limited Formerly named Metrostar Property Public Company Limited
SET symbol	PRINC
Business type	Hospital Business and Private Hospital Management Business and Property development.
Head office location	23 rd Floor Bangkok Business Center Building 29 Sukhumvit 63, Klongtan Nua, Wattana, Bangkok 10110
Branch locator	1) 1 Soi Suan Plu, Sathorn Road, Thungmahamek, Sathorn Bangkok 10120 2) 35/2 Moo 12 Bangna-Trad Road, Bangkaew, Bangplee, SamutPrakan 10540
Business Registration Number	0107547000869 (formerly 0107574700864)
Registered capital	Baht 3,808,570,502.00 consisting of 3,808,570,502 common shares at par value of Baht 1 per share
Paid-up capital	Baht 3,462,336,820.00 consisting of 3,462,336,820 common shares at par value of Baht 1 each
Website	http://www.principalcapital.co.th
Telephone	02-714-2171-3
Fax	02-714-2185

General Information of the subsidiaries with more than 50% shareholding

Company name	Business type	Registration number	Address	Registered capital (Million Baht)	Paid-up capital (Million Baht)	Contact number
Principal Healthcare Co., Ltd.	Holding company and shared service to the hospital in the group	0125557004113	23 rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	2,683.75	2,683.75	Tel : 02-714-2173 Fax : 02-714-2185
Phitsanulok Medical Co., Ltd.	Private hospital and invest in other	0655524000033	211 Khun Phirenthorathap Road, Nai Muang Sub-district, Muang Phitsanulok District, Phitsanulok Province 65000	500.00	500.00	Tel : 055-909-000 Fax : 055-909-005
Union Pichit Doctors Co., Ltd.	Private hospital	0665532000039	2/158 Srimala Road, Nai Muang Sub-district, Muang Pichit District, Pichit Province 66000	220.00	200.00	Tel : 056-612-791-2 Fax : 056-612-794-5
Pitsanuvej Uttaradit Co., Ltd.	Private hospital	0655560001044	888 Moo 5 Pasao Sub-district, Muang Uttaradit District, Uttaradit Province 53000	300.00	300.00	Tel : 055-409-000 Fax : -
Paknampo Hospital Co., Ltd.	Private hospital	0605530000155	96/12 Moo 9 Asian Highway, Nakornsawan Tok, Muang Nakornsawan District, Nakornsawan Province 60000	354.166	354.166	Tel : 056-000-111 Fax : 056-225-505
Principal Healthcare - Lamphun Co., Ltd.	Private hospital	0515561001324	7 Moo 5 Wiengyong Sub-district, Muang Lamphun District, Lamphun Province 51000	300.00	300.00	Tel : 053-096-440 Fax : 053-537-776
Principal Healthcare - Uthai Co., Ltd.	Private hospital	0105561066977	256 Moo 2 Sakae Krang District, Muang Uthai Thani, Uthai Thani 61000	200.00	200.00	Tel : 056-049-899 Fax : 056-049-898
Principal Healthcare - Chumphon Co., Ltd.	Private hospital	0105562206951	18/22 Paraminmanka Road, Tha Taphao District, Muang Chumphon, Chumphon 86000	270.00	270.00	Tel : 077-542-555 Fax : 077-542-570
Principal Healthcare - Sisaket Co., Ltd.	Private hospital	0335562001362	0885/15 Palat Monthon Road, Muang Tai District, Muang Sisaket, Si Sa Ket 33000	250.00	250.00	Tel : 02-714-2173 Fax : 02-714-2185

Company name	Business type	Registration number	Address	Registered capital (Million Baht)	Paid-up capital (Million Baht)	Contact number
Principal Healthcare - Ubon Ratchathani Co., Ltd.	Private hospital	0105563098191	139 Polpan Road, Nai Muang Sub District, Muang District, Ubonratchathani Province	300.00	300.00	Tel : 045-244-999
Klai Baan Klai Jai Co., Ltd.	Primary care clinic	0105556119227	23 rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	18.50	18.50	Tel : 02-714-2184 Fax : 02-714-2185
Bangkok Center District Co., Ltd.	Property Development	0105558144911	23 rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	300.00	75.00	Tel : 02-714-2173 Fax : 02-714-2185
V Brilliant Group Holding Co., Ltd.	Property Development	0105556006937	23 rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	6,330.90	6,330.90	Tel : 02-714-8239 Fax : 02-714-2185
V Intelligence Co., Ltd.	Office building for rent	0105556007003	23 rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	200.00	200.00	Tel : 02-714-8239 Fax : 02-714-2185
V Residence Co., Ltd.	Hotel and Serviced Apartment	0105556015847	23 rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	1,000.00	1000.00	Tel : 02-714-2171 Fax : 02-714-2185
Ban Chang Business District Co., Ltd.	Property Development	0105561042806	23 rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	121.00	121.00	Tel : 02-714-2173 Fax : 02-714-2185
VMEA Co., Ltd.	Hotel and Serviced Apartment	0105563122467	1 Soi Suanplu Tung Mahamek Sub-district Sathorn District Bangkok 10120	2,000.00	2,000.00	Tel : 02-343-6789 Fax : 02-343-6790

Other References

1) Registrar

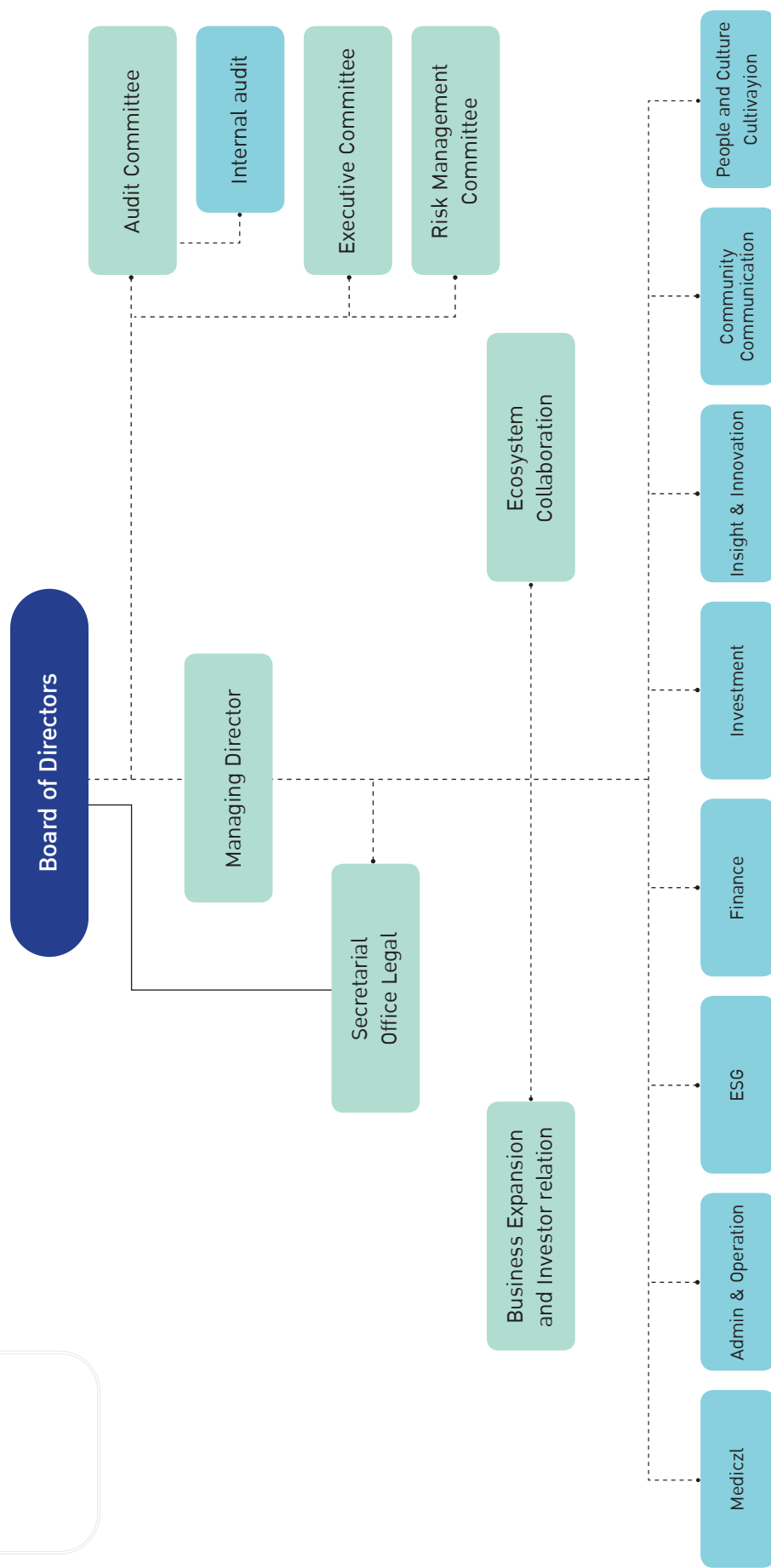
Thailand Securities Depository Company Limited
93 Ratchadapisek Road, Dindaeng, Bangkok 10400
Telephone : 66 2 009 9000
Fax : 66 2 009 9991

2) Auditor

Mr. Chanchai Chaiprasit CPA No. 3760
PricewaterhouseCoopers ABAS Company Limited
179/74-80 South Sathorn Road, Sathorn, Bangkok 10120
Tel. 66 2 344 1000 66 2 824 5000
Fax 66 2 286 5050

Management Structure and Director and Executive's Remuneration

Organization chart as of December 31, 2020.



Director and Executive Remuneration

1) Cash Remuneration

In 2020, there were 9 meetings of the Board of Directors in which the Company paid the meeting allowance to all board members totaling Baht 890,000. There was Executive Committee's meeting and Risk Management Committee meeting. However, all members of the Executive Committee and Risk Management Committee disclaimed for 2020 cash remuneration. The Company paid an annual bonus to all directors totaling Baht 3,000,000. In addition, the Company also paid a medical allowance amounting to Baht 46,114. The total remuneration for the year was Baht 3,936,114.

Name of directors	Meeting allowance for members of Board of Directors, Executive Committee, and Audit Committee	Annual bonus for directors	Medical Allowance	Total
	(Baht)	(Baht)	(Baht)	(Baht)
1. Dr. Pongsak Viddayakorn, M.D.	105,000	450,000	-	555,000
2. Mr. Yarnsak Manomaiphiboon	155,000	450,000	4,675	609,675
3. Dr. Satit Viddayakorn, Ph.D.	90,000	300,000	3,153	393,153
4. Miss Aranya Chalernpornvarodom	110,000	300,000	-	410,000
5. Dr. Jutamas Ingpochai, Ph.D.	110,000	300,000	-	410,000
6. Mr. Veera Srichanachaichok	90,000	300,000	22,601	412,601
7. Dr. Soontorn Sritha, M.D.	30,000	300,000	15,685	345,685
8. Mr. John Lee Kohshun *	120,000	300,000	-	420,000
9. Miss Tanatorn Viddayakorn *	70,000	300,000	-	370,000
10. Dr. Achara Ratanaphunsri Ph.D. **	10,000	-	-	10,000
Total remuneration	890,000	3,000,000	46,114	3,936,114

Remark : * Dr. Soontorn Sritha resigned from the director position on May 14, 2020.

* Miss Tanatorn Viddayakorn resigned from the director position on November 11, 2020.

** Dr. Achara Ratanaphunsri was appointed to be a director on November 11, 2020, to replace Miss Tanatorn Viddayakorn who resigned.

In 2020, the Company paid the remuneration consisting of salary and bonus to executives of the Company and its subsidiaries total amounting to Baht 58 million.

Medical allowance and Annual Health Check-up

The Company's director and the directors of PRINC's wholly-owned subsidiaries obtain a medical allowance of Baht 100,000 at Princ Hospital Suvarnabhumi.

2) Other Remunerations

Other Remunerations for Directors

The insured amount for the responsibility of the director and executive and the compensation to the Company (Director and Officers Liability and Company Reimbursement Policy: D&O) was Baht 500 million.

Non-cash Remuneration

- The Company's directors and the directors of PRINC's wholly-owned subsidiaries receive a 50% discount for medical expenses exceeding Baht 1,000,000 at Princ Hospital Suvarnabhumi.
- Spouse, son/daughter, and parents of the Company's directors and the directors of PRINC's wholly-owned subsidiaries receive a 30% discount for medical expenses at Princ Hospital Suvarnabhumi during the period that they are in the director position.

Other Remunerations for Executives

- Provident Fund

The Company has set up Provident Fund for its employees and executives since January 2014, in which the Company's contribution rate is 3% of the salary.

Human Resources

As of December 31, 2020, the Company and its subsidiaries had a staff headcount (including executives) of 2,465. The Company paid total remunerations which included salary, overtime, bonus, social security contribution, and other welfare of totaling Baht 906.20 million.

Company name	Operational level	Executive level	Total staff
	(Person)	(Person)	(Person)
Principal Capital PCL.			
- Headquarter	21	14	35
- Branch	172	6	178
V Residence Co., Ltd.			
- Headquarter	-	1	1
- Branch	55	-	55
Principal Healthcare Co., Ltd.	181	62	243
Pitsanuloke Medical Co., Ltd.	627	15	642
Union Pichit Doctors Co., Ltd.	322	2	324
Pitsanuvej Uttaradit Co., Ltd.	107	2	109
Paknampo Hospital Co., Ltd.	380	12	392
Principal Healthcare - Uthai Co., Ltd.	63	3	66
Principal Healthcare - Lamphun Co., Ltd.	116	7	123
Principal Healthcare - Chumphon Co., Ltd.	232	3	235
Principal Healthcare - Ubonratchathani Co., Ltd.	58	2	60
Principal Healthcare - Sisaket Co., Ltd.	2	-	2
Total	2,336	129	2,465

Remark : Information as of December 31, 2020

However, 4 subsidiaries include Bangkok Center District Co., Ltd., V Brilliant Group Holding Co., Ltd., , V Intelligence Co., Ltd., Banchang Business District Co., Ltd., , had no staff so no remuneration has been paid in 2020.

1. Bonus Criteria

The bonus shall be determined for each period with several factors to be taken into consideration, which is the operating results of the Company and the evaluation on the performance of each staff.

2. Labor Dispute

-None-

3. Staff Development Policy

The Company has the policy to develop its staff potential to be ready for business competition and the consideration for all stakeholders. According to the “Sustainable Business Development with Social Responsibility Policy in term of Human Rights and Employee Treatment”, the employee is an important resource for the organization. The Company encourages its staffs to attend various training courses relevant to their work in all aspects. Also, the Company has a policy to support staffs who want to further their education to a higher level.

Last year the Company arranged 3 in-house training courses for the staff and 10 training courses for the Executive.

Board of Directors of Principal Capital Public Company Limited



Dr. Pongsak Viddayakorn (M.D.)

Honorary Chairman



(Mr. John Lee Kohshun)

Chairman of the Board of Directors



Dr. Satit Viddayakorn (Ph.D.)

Director, Managing Director,
Chairman of the Executive Committee and
Chairman of the Risk Management Committee



Mr. Veera Srichanachaichok

Director, Executive Director,
Risk Management Committee
and Acting Chief Financial Officer



Mr. Yarnsak Manomaiphiboon

Deputy Chairman, Independent Director
and Chairman of the Audit Committee



Ms. Aranya Chalernpornvarodom

Independent Director and
the Audit Committee Member



Dr. Jutamas Lngpochai

Independent Director and
the Audit Committee Member



Mrs. Achara Ratanaphunsri

Director

Board of Directors of Principal Capital Public Company Limited

As of December 31, 2020, the Board of Directors of Principal Capital Company Limited comprised 8 qualified, competent and experienced directors, as follows:

Name	Position	Join the meeting/Number of meeting		
		Board of Director Meeting	Shareholders' Meeting	Reason for Absent
1. Dr. Pongsak Vidayakorn, M.D. ^{1/}	Honorary Chairman Director	7/9	1/1	Leave
2. Mr. John Lee Kohshun ^{2/}	Chairman of the Board of Directors	8/9	1/1	Leave
3. Mr. Yarnsak Manomaiphiboon	Independent Director Chairman of the Audit Committee	9/9	1/1	-
4. Dr. Satit Vidayakorn, Ph.D.	Director Managing Director Chairman of Executive Committee Chairman of Risk Management Committee	9/9	1/1	-
5. Miss Aranya Chalernpornvarodom	Independent Director Audit Committee	9/9	1/1	-
6. Dr. Jutamas Ingpochai Ph. D	Independent Director Audit Committee	9/9	1/1	-
7. Mr. Veera Srichanachaichok	Director Executive Director Risk Management Committee Acting Chief Financial Officer	9/9	1/1	-
8. Dr. Soontorn Sritha, M.D.	Director Executive Director Acting Chief Investor Relation, Performance Coach	3/9	1/1	Please see remark 1/
9. Miss Tanatorn Vidayakorn ^{3/}	Director	7/9	1/1	Please see remark 2/
10. Dr. Achara Rattanaphansri, Ph.D. ^{3/}	Director Executive Director	1/9	-	Please see remark 3/
11. Miss Ritima Jirasuradate	Corporate Secretary	9/9	1/1	-

Remark : ^{1/} Dr. Soontorn Sritha resigned from the director position effective from May 14, 2020, onwards.

^{2/} Ms. Tanatorn Vidayakorn resigned from the director position effective from November 11, 2020, onwards.

^{3/} Dr. Achara Ratanaphunsri, Ph.D. was appointed to be a director to replace Miss Tanatorn Vidayakorn who resigned from the company effective from November 11, 2020.

Authorities and responsibilities of the Board of Directors

According to the Company's Article of Association, the Board of Directors is empowered to carry out the Company's business operations in accordance with the law, the Company's objectives, the Articles of Association, and the resolutions of the shareholders' meetings. The Board of Directors shall adhere to the "Principles of Good Corporate Governance for Listed Companies" stipulated by the Stock Exchange of Thailand. The Board of Directors shall perform their duties with honesty and with due care for the best interests of the Company and shareholders. Therefore, the Company has established the duties and responsibilities of the Board of Directors for all levels of employees to be observed in performing their duties and for building trust among shareholders and investors as follows:

1. To carry out the Company's business operations and perform their duties in accordance with the law, the Company's objectives, the Articles of Association, and the resolutions of the shareholders' meetings with honesty and integrity (Duty of Loyalty), anti-corruption, circumspection and caution (Duty of Care), responsibility (Duty of Accountability), and ethics for the best interests of the Company, conforming to good corporate governance principles and treating all shareholders equally.
2. To evaluate the performance of Chief Executive Officer on an annual basis and to determine the remuneration of the Chief Executive Officer.
3. To set the Company's vision, important policies and strategies, financial objectives, business plans, annual budget, risk and to monitor and supervise the management to ensure implementation of those policies and plans effectively and efficiently, and be responsible for the operating performance and executives' performance with best effort and carefulness.
4. To ensure that the accounting system, financial reports, and accounting audit are accountable and ensure that the Company has procedures for assessing and monitoring the appropriateness, effectiveness, and efficiency of internal control financial reports, and internal audit.
5. To monitor and resolve the conflict of interests among stakeholders of the Company and set the guidelines on conducting transactions with conflict of interest so that the transactions are conducted for the best interests of the Company and all shareholders. Persons who have vested interests in a given transaction should not participate in the decision-making process. The guidelines shall describe procedures and disclose information of transactions that may create a conflict of interest to ensure accuracy and completeness.
6. To establish a risk management policy to cover all activities of the Company and assign management to implement the policy. The management shall report the result to the Board of Directors through the Audit Committee regularly every quarter. The Company shall review the effectiveness of risk management once a year and stay alert on early warning signs and unusual transactions.
7. To consider the appointment of a person who possesses qualifications and does not possess any prohibited characteristics under the Public Company Act B.E. 2535 and the laws governing securities and exchange and any relevant rules, regulations, and/or notifications to be a director in case there is a vacancy due to a cause other than retirement by rotation.

8. To consider the appointment of independent directors by taking into consideration qualifications and prohibited characteristics under the laws governing securities and exchange, notifications of the Capital Market Supervisory Board, including relevant rules, regulations and/or notifications of Securities Exchange of Thailand or propose to a shareholders' meeting for the appointment.

9. To consider the appointment of Audit Committee members who have qualifications under the laws governing securities and exchange notifications of the Capital Market Supervisory Board, including rules, regulations, and/or notifications of the Securities Exchange of Thailand.

10. To consider the appointment of the executive committee and assign authorities and responsibilities. The executive directors are entitled to receive rewards and pension prescribed by the Board of Directors. However, it does not affect the rights of the appointed executive directors to receive remuneration and other benefits as the Company's officers or employees as prescribed in the Company's Article of Association.

11. To ensure that a written code of business conduct is in place so that all directors, executives, and employees understand the business ethical standards of the Company. Compliance with the code of business conduct should be closely monitored by the Board of Directors.

12. To appoint the corporate secretary in accordance with the Securities and Exchange Act who is responsible for preparing and assembling documents and other tasks as prescribed by the Capital Market Supervisory Board. The corporate secretary shall be in charge of supervising activities of the Board of Directors and the Company, which are arranging the Board of Directors' meetings and shareholders' meeting, advising the directors and the Company on conducts and relevant laws and regulations that they must comply in business operation on regular basis, and disclosing the Company's information accurately, completely, and transparently.

13. To establish an anti-corruption policy to cover all activities of the Company.

14. The corporate secretary shall report a summary of securities holding in the Company and affiliated companies by directors, their spouses, and minor child to the Board of Directors' meeting. A director shall notify the Company without delay, through the corporate secretary, in the following cases;

- Have a direct or indirect interest in any contract which is made by the Company during an accounting year.
- There is a change in shareholding proportion in the Company and affiliated companies.

15. To attend the training course relevant to the director's work organized by the Thai Institute of Directors Association (IOD) for at least 1 course to enhance skills necessary to perform their duties. Directors can choose to attend the following courses: Director Accreditation Program (DAP), or Director Certification Program (DCP), or other equivalent training courses.

16. Other duties of the directors prescribed in the notifications, regulations, or any other laws of the governing agencies.

17. To evaluate the implementation of the corporate governance policy of the Company and review the policy regularly.

18. The Board of Directors can appoint and change the names of the authorized signatory director.

19. The Board of Directors is responsible for checking and certifying the Company's financial reports to ensure that it complies with the law, accounting standards with transparency.

• Executive Committee

Executive Committee is appointed by the Company's Board of Directors as of December 31, 2020. The Executive Committee composes of

Name	Position	Join the meeting/ Number of meetings	
		Executive Committee's Meeting	Reason for absence
1. Dr. Satit Vidayakorn, Ph.D.	Chairman of the Executive Committee	10/10	-
2. Mr. Veera Srichanachaichok	Executive Director	10/10	-
3. Dr. Soontorn Sritha, M.D.	Executive Director	3/10	Please see remark 1/
4. Miss Preeyaporn Apiwathwittaya	Executive Director	10/10	-
5. Dr. Achara Ratanaphunsri, Ph.D. ^{1/}	Executive Director	10/10	-
6. Miss Tanatorn Vidayakorn ^{1/}	Executive Director	7/10	Please see remark 1/
7. Miss Ritima Jirasuradate	Executive Director	10/10	-
	Secretary to Executive Committee		

Remark : ^{1/} Dr. Soontorn Sritha resigned from the director position effective on May 14, 2020
Ms. Tanatorn Vidayakorn resigned from the director position effective on November 11, 2020

Authorities and Responsibilities of the Executive Committee

1. Be accountable for the administration regarding the Company's common business operation and management as well as set the financial plans, budgets, human resource management, technological investment, and public relations of the Company proposing to the Board of Directors for consideration and approval as well as supervise and monitor the Company's operating performance according to the Company's policy.

2. Undertake the operation and the management of the Company consistent with every aspect of the Company's objectives, rules, regulations, policies, orders, and the resolutions of the Board of Directors and/or the resolutions of the shareholders' meetings.

3. Empower to appoint and supervise the operations of the appointed working group of committees to meet policies and objectives as required.

4. Empower to consider and approve the capital expenditure not exceeding Baht 10 million Baht (for each transaction). In this regard, such issue must be proposed to the Board of Directors for further approval/ ratification.

5. Approve key investment spending as specified in the annual budget expenditure as assigned by the Board of Directors or as agreed and approved in principle by the Board of Directors.

6. Empower to consider and approve the Company's short-term investment (less than 1 year) and financial investment (Portfolio Investment) for 2-5 years with the amount for each transaction not exceeding Baht 300 million. In this regard, such issue must be proposed to the Board of Directors for further approval/ ratification.

7. Consider the proposal for dividend payout during the year or annual dividend payment to the Board of Directors for consideration and approval.

8. Set the corporate structure, management authority as well as the appointment, employment, transfer, compensation, remuneration, bonus for executives who are non-members of the Executive Committee, and employment termination.

The authority of the Executive Committee shall not include the approval of any transactions that may have a conflict of interests or any transactions that Executive Committee or persons may have a conflict of interests or other forms of interests that may be in conflict with the Company or its subsidiaries in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The approval of such transactions must be proposed to the Board of Director's meeting and/or the shareholders' meeting for consideration and approval in accordance with the Company's regulations and relevant laws.

- Audit Committee**

The Audit Committee shall comprise at least 3 independent directors, with at least 1 member of the Audit Committee who has knowledge and experience to review the reliability of financial statements. The Audit Committee members must bear independent qualifications in accordance with the Securities and Exchange Commission notification regarding the qualifications and scope of work of the Audit Committee. The Audit Committee is in charge of supervising the business operation of the Company, oversight of financial reporting and internal control system, selecting the Company's external auditors, considering the conflict of interest issues, and risk management. The audit committee must have the following qualifications

1. He/she must be an independent director and is appointed by the Board of Directors
2. He/she must be a director who is not an employee, or advisor who receives salary from the Company the subsidiary company, and affiliated company.
3. He/she must be trustworthy and able to devote his/her time to perform Audit Committee's task.

Remark : Other qualifications shall be per the qualifications of the independent director as set by SET and SEC (manual and Audit Committee Charter which can be downloaded from the Company's website.

For the year 2020, the Company has 3 members of the Audit Committee who have sufficient knowledge, ability, and experiences to review the reliability of financial statement consisting of

Name	Position	Join the meeting/ Number of meetings	
		Audit Committee's Meeting	Reason for absence
1. Mr. Yarnsak Manomaiphiboon	- Chairman of Audit Committee	4/4	-
2. Miss Aranya Chalernpornvarodom	- Member of Audit Committee	4/4	-
3. Dr. Jutamas Ingpochai, Ph.D.	- Member of Audit Committee	4/4	-
4. Miss Ritima Jirasuradate	- Secretary to Audit Committee	4/4	-

Authorities and Responsibilities of the Audit Committee

1. To review the financial reports to ensure that it is accurate and reliable and information is sufficiently disclosed by co-operating with the Company's external auditors and the executive who is responsible for preparing quarterly and annual financial reports.
2. To review the Company's and subsidiary companies' internal control system, internal audit system, and risk management system to ensure their appropriateness and effectiveness. The Audit Committee may review or examine the transactions that deem necessary and important, provide recommendations on the improvement of the internal control system or risk management system and report the result of examination to the Company's Board of Directors.
3. To review the Company's practice in compliance with the laws governing securities and exchange or regulations of Securities Exchange of Thailand, policies, rules, regulations, requirements, and other laws related to the Company.
4. To review the evidence in case there are any doubts about the Company's operation that may seriously affect the Company's financial position and operating performance or conflicts of interest or violation of laws and regulations that may affect the Company's operation.
5. To consider the disclosure of information in case there are connected transactions or transactions with potential conflicts of interest and ensure the transaction complies with Securities Exchange of Thailand's laws and regulations to ensure that such transactions are reasonable and maximize benefits to the Company.
6. To select and nominate independent persons to be the external auditors of the Company and propose their remuneration by considering credibility, adequacy of resources, and amount of audit works of such auditing firm including the experience of the person designated for auditing. The audit committee shall have a meeting with an external auditor without management's presence at least once a year.
7. To ensure the accuracy and effectiveness of Information Technology related to the financial reports and internal controls.
8. To promote the development of a financial reporting system to be in line with international accounting standards.
9. To review the internal audit plan of the Company in accordance with internationally accepted approaches and standards.
10. To consider the independence of the internal audit department of the Company or recruit an external service provider to perform internal audit functions. The Audit Committee may give recommendations on the budget and human resources of the internal audit department. The Audit Committee shall give consent to the appointment, transfer, and dismissal of the head of the internal audit department and assess the performance of the head of the internal audit department.
11. To prepare a report of the Audit Committee signed by the Chairman of the Audit Committee for the disclosure in the Company's annual report in accordance with the Securities Exchange of Thailand's regulations.
12. If necessary, the Audit Committee may seek an independent opinion from the external advisors, at the Company's expense. The selection of an external advisor shall be in accordance with the Company's regulations.
13. The Chairman of the Audit Committee shall attend the shareholders' meeting to explain or answer inquiries on Audit Committee or the appointment of the certified auditor.
14. To review and improve the Audit Committee's Charter.
15. To perform other tasks assigned by the Board of Directors with the approval from the Audit Committee.

16. Review the “self-evaluation form related to anti-corruption measure” in terms of the suitability to perform according to the self-evaluation form related to anti-corruption measure and evaluate the accuracy and the adequacy of information in such form to submit to Collective Action Coalition against Corruption Committee for the certification process.

- **Risk Management Committee**

The risk management committee comprises at least 3 members appointed by the Board of Directors, and at least 1 member being a director of the Company. Each member can be the Risk Management Committee member of not exceed 5 listed companies. As of December 31, 2020, there were 6 members of the Risk Management Committee consisting of

Name	Position	Join the meeting/ Number of meetings	
		Risk Management Committee's Meeting	Reason for absence
1. Dr. Satit Viddayakorn, Ph.D.	Chairman of Risk Management Committee	4/4	-
2. Mr. Veera Srichanachaichok	Member of Risk Management Committee	4/4	-
3. Mr. Sirichai Towiriyawate	Member of Risk Management Committee	4/4	-
4. Miss. Preeyaporn Apiwathwittaya	Member of Risk Management Committee	4/4	-
5. Dr. Achara Ratanaphunsri, Ph.D.	Member of Risk Management Committee	4/4	-
6. Dr. Soontorn Sritha, M.D.	Member of Risk Management Committee	1/4	Please see remark 1/
7. Mrs. Tuanchai Keawwanna	Member of Risk Management Committee	2/4	Please see remark 1/
8. Miss. Ritima Jirasuradate	Member of Risk Management Committee and Secretary to Risk Management Committee	4/4	-

Remark : ^{1/} Dr. Soontorn Sritha has resigned from Member of Risk Management Committee since May 14, 2020
Mrs. Tuanchai Kaewwanna has resigned from Member of Risk Management Committee since June 1, 2020

Authorities and Responsibilities of the Risk Management Committee

1. To consider and propose the risk management policy related to the Company's business operations, acceptable risk appetite, and other related operational frameworks to the Board of Directors.
2. To develop an efficient enterprise risk management system and promote collaboration to ensure risk management is continuously implemented at all levels in the organization.
3. To review the risk report of each department and provide recommendations and resolutions.
4. To coordinate with the Audit Committee about significant risk factors and propose appropriate mitigation policies or measures.
5. To oversee the effectiveness of risk management processes.
6. To report significant risks and risk management solutions to the Board of Directors' meeting periodically.
7. To perform other tasks related to risk management as assigned by the Board of Directors.

Selection and Appointment of Directors and Removal of Directors

- The appointment of Independent Director

The Company has the selection and appointment criteria of Independent Director by recruiting those who have knowledge, ability, and qualifications in compliance with minimum requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand as follows:

1. Hold shares not exceeding 1% of all shares with voting rights of the Company, its subsidiaries, related companies, major shareholder or entity with controlling power, including shares held by related persons of such independent director.
2. Shall not be nor have ever been a director with management authority, employee, staff member, an advisor who receives a salary or is an entity with controlling authority of the Company, its subsidiary companies, related companies, major shareholder or entities with controlling power.
3. Shall not be a person having blood relationship or legal registration as father, mother, spouse, sibling, or child of the director, major shareholder, an entity with controlling power, or a person to be nominated as a director, executive, or entity with controlling power of the Company, its subsidiary, or related company.
4. Shall neither have nor have ever had a business relationship with the Company, subsidiary, a related company, major shareholder, or entity with controlling power, in such a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or entity with controlling power of any person having a business relationship with the Company, its subsidiary, a related company, major shareholder or entity with controlling power.
5. Shall not be nor have ever been an auditor of the Company, subsidiary, a related company, major shareholder or entity with controlling power, and not be a significant shareholder, the entity with controlling power, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, a related company, major shareholder or entity with controlling power.
6. Shall not be nor have ever been a provider of any professional services including the legal advisor or financial advisor who receives service fees exceeding Baht 2 million per year from the Company, its subsidiary, a related company, major shareholder, or entity with controlling power, and not be a significant shareholder, the entity with controlling power or partner of the provider of professional services.
7. Shall not be a director appointed as a representative of the directors, major shareholder, or shareholder who is related to major shareholders of the Company.
8. Shall not engage in any business with the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member, or advisor who receives a salary or holds shares exceeding 1% of all shares with voting rights of another company which engages in the business of the same nature and competition with the business of the Company or its subsidiaries.
9. Shall not have any other characteristic which prevents him/her from expressing opinion freely on the operation of the Company.

After the appointment as independent directors with the qualifications corresponding to No.1 to 9 specified above, they may be assigned by the Board of Directors to make collective decisions involving the business of the Company, the parent company, subsidiary, associated company, major shareholder, or an entity with controlling power.

If the appointed Independent Directors used to have a business relationship or provide professional services exceeding value as specified in the first paragraph, rule no. 4 or 6 shall be waived when there is the opinion from the Board of Director that the Board has considered that the appointment of such director would not affect his/her duties to provide independent opinion under Section 89/7 and also discloses the following information in the agenda related to independent director selection in the invitation to Board of Director's meeting.

- a) Business relationship or professional services which make that person's qualifications don't comply with the specified rule.
- b) Reasons and the necessity to keep or appoint such person to be an independent director.
- c) Board of directors' opinion to appoint such person as an independent director.

To allow Independent Directors to discuss or set the guideline for the development of corporate governance quality, the Company shall arrange the independent director's meeting at least twice a year.

- Appointment of the Board members

The Board of Directors shall consist of at least 5 members, more than half of board members must have a residence in Thailand and directors must have the qualifications as specified by laws. The selection and the qualifications of directors must comply with the following criteria.

1. The appointment of a director shall be in accordance with the Articles of Association of the Company and the provisions of relevant laws. Incidentally, the appointment of a director must be transparent and clear. The consideration must include the educational record and professional experience and track record of such person with sufficient information to support the decision of the Board of Directors and the shareholders of the Company.
2. A director of the Company must be a knowledgeable, capable, transparent, honest person, has business ethics, and has sufficient time to devote his/her knowledge, ability to perform the duty for the Company.
3. A director is not allowed to be a partner or a director of any other juristic person that operates the same business or being a competitor with the Company unless the shareholders are notified before the release of the meeting resolution. Also, a director shall immediately inform the Company if he/she has a conflict of interest in the agreement entered into by the Company, or holding shares or debenture up or down in the Company or the subsidiary companies or the affiliated companies.
4. A director must possess qualifications with no prohibited characteristics according to the law governing the public limited company and the law governing securities and the stock market.

The Company's shareholders shall elect directors at the shareholders' meeting using the following rules and procedures.

1. Each shareholder shall have 1 vote per 1 share
2. Each shareholder shall use all his or her votes under no. 1 to elect one or several candidates as a Director. However, he or she may not divide his or her votes among the candidates.
3. Those who receive the highest number of votes shall be elected as directors of the Company on descending basis until the required number of directors is appointed. In the event of a tie, the chairman of the meeting shall have the decisive vote.

- Selection and Appointment of Senior Executives

Chairman of Executive Committee will be the one who selects Chief Executive Officer by considering those who has suitable qualifications in term of knowledge, skill, capability, and experience that would be able to manage the business operation of the Company and also have a good understanding in nature of the business which enables him/her to achieve Company's target set by the Board of Directors. After the appointment, the Chairman of the Executive Committee will report to the Board of Directors for acknowledgment.

- Removal and Discharge of Directors

1. At the annual general meeting of shareholders, the directors shall be removed by one-third (1/3) of a total number of directors at that time. If the number of directors is not divisible by three, it has to be the nearest one-third (1/3) and the discharged directors may be re-elected to be a director. In the first and second year after the registration of the Company, directors shall be removed by drawing lots. In subsequent years, the directors who have stayed in the position for the longest period shall be removed from the office.

2. Other than the retirement by rotation, a director shall be discharged upon death, resignation, lack of qualifications or having prohibited characteristics under the law governing public limited companies and/or the laws governing securities and exchange, removal by a resolution of the shareholders' meeting, or removal by court order.

3. Any director who wishes to resign from the directorship shall submit a resignation letter to the Company, and the resignation shall be effective from the date of receipt of the resignation letter by the Company. A director who has resigned may also notify the registrar of such resignation.

4. The shareholders' meeting may pass a resolution to remove any directors from office before retirement by rotation, by a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having the right to vote and the shares held by them shall in aggregate amounted to not less than one-half of the number of shares held by the shareholders attending the meeting and having the right to vote.

5. If the director position becomes vacant for any reason other than by rotation, the Board of Directors shall elect any person who is qualified and who does not have any of the prohibited characteristics under the law governing public limited companies and under the law governing securities and exchange as a substituted director in the subsequent Board of Directors meeting, unless the remaining term of office of the vacant directorship is less than two (2) months. The substituted director shall retain office only for the remaining term of office of the director whom he/she replaces.

The resolution of the Board of Directors shall be passed by an affirmative vote of not less than three-fourths (3/4) of the remaining directors.

Executives of Principal Capital Public Company Limited

Lists of PRINC Group's executives as of December 31, 2020, are as follows:

Name	Position
Principal Capital PCL.	
1. Dr. Pongsak Viddayakorn, M.D.	Honorary Chairman
2. Mr. John LEE Kohshun	Chairman of the Board of Directors
3. Dr. Satit Viddayakorn, Ph.D.	Managing Director
4. Mr. Veera Srichanachaichok	Acting Chief Financial Officer
5. Dr. Soontorn Sritha, M.D. ^{1/}	Acting Chief Investor Relations and Performance Coach and Chief Business Expansion
6. Ms. Tanatorn Viddayakorn ^{2/}	Chief Investment Officer
7. Dr. Achara Ratanaphunsri, Ph.D. ^{3/}	Chief Administrative Officer
8. Dr. Suebpong Intralawan, M.D. ^{2/}	Chief Medical Officer
9. Ms. Preeyaporn Aphiwathwithaya	Director of Accounting Services
10. Ms. Ritima Jirasuradate ^{4/}	Corporate Secretary and MD Office Director
11. Ms. Thiranan Sangphungtham	Assistant Director of Legal & Government Relations
12. Ms. Atiya Awachanakarn ^{4/}	People & Culture Cultivation Director
13. Mr. Tanee Maneenut ^{5/}	Assistant Managing Director Business Development

Remark : ^{1/} Dr. Soontorn Sritha M.D., resigned from director and executive of the Company effective as of May 14, 2020.

^{2/} Miss Tanatorn Viddayakorn was appointed as Chief Investment Officer effective as of January 1, 2020 onwards, and resigned from the aforementioned positions effective as of November 11, 2020.

Dr. Suebpong Intralawan M.D. was appointed as Chief Medical Officer effective as of January 1, 2020 onwards and resigned from the aforementioned positions effective as of October 1, 2020.

^{3/} Dr. Achara Ratanaphunsri was appointed as Chief Administrative Officer effective as of January 1, 2020 and was appointed as a director to replace Miss Tanatorn Viddayakorn effective as of November 11, 2020

^{4/} Ms. Ritima Jirasuradate was appointed, as MD Office Director effective as of January 1, 2020.

Ms. Atiya Awachanakarn, as People & Culture Cultivation Director effective as of January 1, 2020.

^{5/} Mr. Tanee Maneenut was appointed as an Assistant Managing Director of Business Development effective as of September 1, 2020

Name	Position
Principal Healthcare Co., Ltd.	
1. Dr. Achara Ratanaphunsri, Ph.D.	Chief Administrative Officer
2. Mr. Naruepol Phansupamongkol	Assistant Chief Administrative Officer
3. Mr. Phuvameth Akranithianont	Assistant Chief Administrative Officer
4. Dr. Athiwat Noiprasit, M.D.	Hospital Director
5. Dr. Varan Tiensong, M.D.	Hospital Director
6. Dr. Bunchana Petchployngam, M.D.	Hospital Director
7. Dr. Pawish Virajsilp M.D.	Hospital Director
8. Ms. Napatporn Rodcha	Division Director, Finance & Accounting
9. Mrs. Pimyada Ruananukoon	Division Director, Medicine & Med-Supply Sourcing
10. Mrs. Sukanit Mahanukul	Division Director, Corporate HR and Payroll
11. Mr. Supawas Pongsiriphanich	Division Director, Construction Management
12. Ms. Atiya Awachanakarn	Division Director, Human Resource

Name	Position
Principal Healthcare Co., Ltd.	
13. Ms. Kanokwan Udomkitkosol	Division Director, Information Technology
14. Ms. Janpen Jongjirangsap	Senior Division Director, Information Technology
15. Mrs. Pimyada Boontem	Division Director, Business Development
16. Ms. Thitichaya Somsulyawad	Division Director, Core Applications
17. Ms. Sudamas Boonwan	Division Director, Facility Management
18. Ms. Budsakorn Kaewboonthum	Division Director, Payroll Solutions
19. Mrs. Kannita Tangsriwong	Division Director, Medical Process Improvement
20. Mr. Lualit Chenphithakjat	Division Director, Procurement Management

Roles, Duties, and Responsibilities of Chairman of Executive Committee

1. Supervise the business operation and/or administration of Chief Executive Officer
2. Outline the policies as well as supervise the overall operations, to achieve the benefits in the business operation.
3. Monitor and evaluate the operations of the Company on the regular basis to prevent the various internal and external risk factors.
4. Empower to make a decision for employment, appointments, transfers, and removal for cross-functional or termination of employment of the executive officers.
5. Perform other duties as assigned by the Board of Directors.
6. The financial approval limit of the Chairman of the Executive Committee is based on the management manual as declared by the Company.

• Corporate Secretary

The Board of Directors has appointed Ms. Ritima Jirasuradate to be a Corporate Secretary

Roles, Duties, and Responsibilities of Corporate Secretary

1. Prepare and keep the important documents of the Company.
2. Keep the reports on the connected transactions, and perform the activities as assigned by the Securities Exchange Commission (SEC) and Stock Exchange of Thailand (SET).
3. Arrange the Board of Directors meetings, Audit Committee meetings, and specific committee meetings.
4. Prepare the minutes of the meetings and important documents, as well as find the venue for the Board of Directors meetings and shareholders' meetings, set the agenda for the meetings, prepare meeting documents, and record the minutes of the meetings.
5. Prepare Company's annual report to propose to shareholders' meeting.
6. Hold shareholders' meetings and take care of shareholders as well as investors.
7. Oversee the Company and the Board of Directors to comply with the laws and regulations of the Office of the Stock Exchange Commission (SEC), and the Stock Exchange of Thailand (SET).
8. Encourage the Company to have good corporate governance practice.
9. Act as a coordinator or the Company's registrar and coordinate for matters relating to dividend payment activity.
10. Proceed to execute the resolutions of the Board of Directors' meeting and the resolution of shareholders' meetings

Details of Directors, Executives, Controlling Persons, and Corporate Secretary

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Mr. Pongsak Vidayakorn, M.D. Honorary President, Director	88	- Doctor of Medicine Faculty of Medicine, Siriraj Hospital Mahidol University - DTM&H Faculty of Tropical Medicine Mahidol University - Post graduated study, University of Pennsylvania, Philadelphia, USA - The National Defense College	None	Father of Dr. Satit Vidayakorn	Aug. 2019 - Present	Honorary President	Principal Capital PCL.
					April 2013 - Aug. 2019	Chairman of the Board of Directors	
					Aug. 2019 - Present		<u>Listed Companies</u>
					1977 - 2007	President/ Board of Directors	Bangkok Dusit Medical Services PCL.
					1991 - 2001	Board of Advisors/Deputy Chairman	Samitivej PCL.
							<u>Non-listed Companies</u>
					2017 - Present	Chairman	P'Isanuvej Uttaradit Hospital Co., Ltd.
					2016 - Present	Chairman	(P'itsanuloke Medical Co., Ltd.'s subsidiary) Union Pichit Doctors Co., Ltd.
					2015 - Present	Chairman	(P'itsanuloke Medical Co., Ltd.'s subsidiary) P'itsanuloke Medical Co., Ltd.
		Training <u>Thai Institute of Directors Association</u> - Director Accreditation Program (DAP45/2005)					
					2014 - Present	Chairman	(Principal Healthcare Co., Ltd.'s subsidiary) Paknampo Hospital Co., Ltd.
					2013 - Present	Chairman	(Principal Healthcare Co., Ltd.'s subsidiary) Hospital Management Training and Development Institute
						Shareholder 99.998%	(HMTD)

Details of Directors, Executives, Controlling Persons, and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Mr. John Lee Kohshun Chairman of the Board of Director, Director	77	- Master of Public Health (MPH) - Loma Linda University - MA Philosophy, Adventist University of the Philippines - Bachelor of Philosophy, Adventist University of the Philippines	None	None	Aug 2019- Present	Chairman of the Board of Principal Capital PCL.	
					Feb 2019 - Present	Director	
					2000 - 2007	Director	<u>Listed Companies</u>
					2000 - 2007	Director	Samitivej PCL.
					2008 - 2010	Chief Executive Officer	Bangkok Duist Medical Service PCL.
					2008 - 2010	Vice President	
							<u>Non-listed Companies</u>
					Jul. 20 - Present	Executive Director	Principal Healthcare - Ubonratchathani Co., Ltd.
							(Principal Healthcare Co., Ltd's subsidiary)
					2020 - Present	Director	Principal Healthcare - Chumphon Co., Ltd.
							(Principal Healthcare Co., Ltd's subsidiary)
					2020 - Present	Director	Principal Healthcare - Sisaket Co., Ltd.
							(Principal Healthcare Co., Ltd's subsidiary)
					2020 - Present	Director	Principal Healthcare - Lamphun Co., Ltd.
							(Principal Healthcare Co., Ltd's subsidiary)
					2020 - Present	Director	Principal Healthcare - Uthai Co., Ltd.
							(Principal Healthcare Co., Ltd's subsidiary)
					2020 - Present	Director	Pitsanuvej Uttaradit Hospital Co., Ltd.
							(Pitsanuloke Medical Co., Ltd's subsidiary)
					2020 - Present	Director	Pitsanuloke Medical Co., Ltd.
							(Principal Healthcare Co., Ltd.'s subsidiary)
					2020 - Present	Director	Paknam Hospital Co., Ltd.
							(Principal Healthcare Co., Ltd.'s subsidiary)
					2020 - Present	Director	Union Pichit Doctors Co., Ltd.
							(Principal Healthcare Co., Ltd.'s subsidiary)
					2020 - Present	Director	Principal Healthcare Co., Ltd.
							(Principal Capital PCL.'s subsidiary)
					2017 - 2019	Director	Premiere Home Healthcare Co., Ltd.
					2009 - 2010	Chairman	Bangkok Hospital Rayong Co., Ltd.
					2009 - 2010	Chairman	Bangkok Hospital Chantaburi Co., Ltd.

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Details of Directors, Executives, Controlling Persons, and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Dr. Satit Viddayakorn, Ph.D. Managing Director, Chairman of the Executive Committee, Chairman of the Risk Management Committee, Director	58	- Bachelor of Engineering Mechanical Engineering Chulalongkorn University - MBA, Golden Gate University San Francisco, USA. - Ph. D, Business Administration Joint Program of Bangkok University and University of Nebraska-Lincoln, USA. - Senior Executive Program (Sasin, Graduate Institute of Business Administration of Chulalongkorn University) - Executive Education, Harvard Business School	23.73	Son of Dr. Pongsak Viddayakorn, MD and Father of Ms. Tanatorn Viddayakorn	Dec. 2019 - Present	Managing Director	Principal Capital PCL..
					Apr. 2013 - Present	Chairman of the Executive Committee	
						Chairman of the Risk Management Committee	
						Assistant to President	<u>Listed Companies</u> Bangkok Dusit Medical Services PCL.
					2004		
						Director	<u>Non-Listed Companies</u> VMEA Co., Ltd.
					Aug. 2020 - Present	(Shareholder 0.001%)	(Principal Capital PCL.'s subsidiary)
					July 2020 - Present	Director	Principal Healthcare - Ubonratchathani Co., Ltd.
						(Shareholder 0.001%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					Dec. 2019 - Present	Director	Principal Healthcare - Chumporn Co., Ltd.
						(Shareholder 0.001%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					Nov. 2019 - Present	Director	Principal Healthcare - Sisaket Co., Ltd.
						(Shareholder 0.0000004%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					May 2019 - Present	Director	VMS Development Co., Ltd.
		- Thai Institute of Directors Association - Director Certification Program 2015 (DCP 199/2015)			2018 - Present	Director	Principal Healthcare - Lamphun Co., Ltd.
						(Shareholder 0.001%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					2018 - Present	Director	Principal Healthcare - Uthai Co., Ltd.
						(Shareholder 0.001%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					2018 - Present	Director	Banchang Business District Co., Ltd.
						(Shareholder 0.001%)	(Principal Capital PCL.'s subsidiary)
					2018 - Present	Director	Paknam Hospital Co., Ltd.
						(Shareholder 0.001%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					2017 - Present	Director	Principal Healthcare Co., Ltd.
						(Shareholder 0.001%)	(Principal Capital PCL.'s subsidiary)
					2017 - Present	Director	Pitsanuvej Uttaradit Hospital Co., Ltd.
						(Shareholder 0.001%)	(Pitsanuloke Medical Co., Ltd.'s subsidiary)

Dr. Satit Viddyakorn, Ph.D.

Details of Directors, Executives, Controlling Persons, and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Mr. Veera Srichanachai chok Acting Chief Financial Officer Executive Director, Risk Management Committee Member, Director	61	- Bachelor of Accounting Thammasat University MBA Accounting, Thammasat University Training Thai Institute of Directors Association - Director Certification Program 2006 (DCP71/2006) - Advance Management Program (EDP) - Risk Management Allianz Management Institute	0.21	None	Dec. 2019 - Present	Acting Chief Financial Officer	Principal Capital PCL.
					2015 - December 2019	Chief Executive Officer - Corporate	
					2015 - Present	Director, the Executive Director	<u>Listed Companies</u>
						Risk Management Committee	None
							<u>Non-Listed Companies</u>
					Aug. 2020 - Present	Director	VMEA Co., Ltd.
						(Shareholder 0.001%)	(Principal Capital PCL.'s subsidiary)
					July 2020 - Present	Director	Principal Healthcare - Ubolratthani Co., Ltd.
						(Shareholder 0.001%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					Dec. 2019 - Present	Director	Principal Healthcare - Chumphon Co., Ltd.
						(Shareholder 0.000004%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					Nov. 2019 - Present	Director	Principal Healthcare - Sisaket Co., Ltd.
						(Shareholder 0.001%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					2019 - Present	Director	Principal Healthcare - Lamphun Co., Ltd.
						(Shareholder 0.000003%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					2018 - Present	Director	Principal Healthcare - Uthai Co., Ltd.
						(Shareholder 0.001%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					2018 - Present	Director	Pitsanulok Medical Co., Ltd.
						(Shareholder 0.001%)	(Pitsanulok Medical Co., Ltd.'s subsidiary)
					2018 - Present	Director	Pitsanulok Medical Co., Ltd.
						(Shareholder 0.001%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					2018 - Present	Director	Paknam Hospital Co., Ltd.
						(Shareholder 0.001%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					2018 - Present	Director	Union Pichit Doctors Co., Ltd.
						(Shareholder 0.001%)	(Principal Healthcare Co., Ltd.'s subsidiary)
					2018 - Present	Director	Banchang Business District Co., Ltd.
						(Shareholder 0.001%)	(V Brilliant Group Holding Co., Ltd.'s subsidiary)

Details of Directors, Executives, Controlling Persons, and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years	
					Period	Position
Mr. Veera Srichanachaichok					2017 - Present	Director
					Oct. 2016 - Present	Director
					Oct. 2016 - Present	Director
					Oct. 2016 - Present	Director
					May 2016 - Present	Director
Dr. Soontorn Sritha, M.D. Acting Chief Investor Relation, Performance Coach, Director, Executive Director	67	- BSc. Medical Science Mahidol University - Bachelor of Medicine M.D. Faculty of Medicine, Rama Hospital Mahidol University - Master of Public Health (Urban Health) Mahidol University - Preventive Medicine Certificate The Medical Council of Thailand - Bachelor of Economics Sukhothai Thammathirat University - Bachelor of Political Science (Comparative Politics) Sukhothai Thammathirat University - Mini MBA Thai Chamber of Commerce University - Advanced Management Program Harvard University	0.004	None	Dec. 2019 - May 2020	Acting Chief Investor Relations
		2017 - Dec.2019			Performance Coach	
		2017 - May 2020			Chief Executive Officer - Healthcare	
					Executive Director,	
					Risk Committee Member, Director	
		2009 - 2014			CEO BDMS group 4	
		2015 - 2017			Deputy Executive Director	

Details of Directors, Executives, Controlling Persons, and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Dr. Soontorn Sritha, M.D.		Training <u>Thai Institute of Directors Association</u> - Director Certification Program 2017 (DCP 250/2017)			2018 - May 2020	Director	<u>Non-Listed Companies (continued)</u> Principal Healthcare - Uthai Co., Ltd. (Principal Healthcare Co., Ltd.'s subsidiary)
					2018 - May 2020	Director	Pitsanuvej Pattana Co., Ltd. (Pitsanuloke Medical Co., Ltd.'s subsidiary)
					2018 - May 2020	Director	Pitsanuloke Medical Co., Ltd. (Pitsanuvej Uttaradit Hospital Co., Ltd.)
					2018 - May 2020	Director	(Pitsanuloke Medical Co., Ltd.'s subsidiary)
					2018 - May 2020	Director	Union Pichit Doctor Co., Ltd. (Pitsanuloke Medical Co., Ltd.'s subsidiary)
					2018 - May 2020	Director	P.N.P. Hospital Co., Ltd. (Paknampo Hospital Co., Ltd.'s subsidiary)
					2017 - Present	Director	Paknampo Hospital Co., Ltd. (Principal Healthcare PCL's subsidiary)
					2017 - Present	Director	Principal Healthcare Co., Ltd. (Principal Capital PCL's subsidiary)
Ms. Aranya Chalermponvarodom Independent Director the Audit Committee Member	73	- BA Accounting, 1 st Honor Chulalongkorn University - MA Accounting, Chulalongkorn University Training <u>Federation of Accounting Professional</u> - Chief Financial Officer <u>Thai Institute of Directors Association</u> - Directors Certification Program 2018 (DCP 252/2018) - Directors Accreditation Program April 2016 (DAP126/2016) - Advanced Audit Committee Program 2016 (AAP 24/2016)	None	None	Apr. 2013 - Present	Independent Director and the Audit Committee Member	Principal Capital PCL..
							<u>Listed Companies</u> none
					2008 - Present	Advisor to Executive Director	<u>Non-Listed Companies</u> Regent Group

Details of Directors, Executives, Controlling Persons, and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Dr. Jutamas Ingpochai, Ph.D. Independent Director the Audit Committee Member	45	- BBA, Pine Manor College, USA - MBA, Boston University, USA - Ph. D, Business, Bangkok University	None	None	Apr. 2014 - Present	Independent Director the Audit Committee Member	Principal Capital PCL.
		Training			Jan. 2011 -Present	Vice President	<u>Listed Companies</u> GFPT PCL.
		<u>Thai Institute of Directors Association</u>				Investor Relation,	
		- Family Business Governance 2018 (FBG12/2018)				Shareholder 0.40% (Shareholder 0.40%)	
		- Directors Certification Program 2017 (DCP 248/2017)			Oct. 2008 -Present	Corporate Secretary, (Shareholder 0.40%)	GFPT PCL.
		- IT Governance and Cyber Resilience Program 2017 (ITG 4/2017)					
		- Advance Audit Committee Program 2016 (AACP 22/2016)					
		- Risk Corporate Leader 2016 (RCL 5/2016)					
		- Directors Accreditation Program 2012 (DAP 99/2012)			Dec. 2015 -Present	Director (Shareholder 10.00%)	<u>Non-listed companies</u> Minimax Venture Co., Ltd.
		- Company Secretary Program 2009 (CSP 29/2009)					

Details of Directors, Executives, Controlling Persons, and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Ms. Tanathorn Viddayakorn Chief Investment Officer Executive Director, Director	29	- Bachelor of Hospitality Management with Real Estate Finance and Revenue Management - Gilon Institute of Higher Education Switzerland. - Training Thai Institute of Directors Association - Director Certification Program 2019 (DCP 273/2019) - Executive Development Program (EDP 2020)	0.66	Dr. Satit Viddayakorn's daughter and Dr. Pongsak Viddayakorn's Grand daughter	Jan. 2020 - Nov. 2020	Chief Investment Officer	Principal Capital PCL.
					Nov. 2019 - Present	Executive Director	
					Feb. 2019 - Present	Director	<u>Listed Companies</u>
							None
							<u>Non-Listed Companies</u>
					Jun. 2019 - Present	Director	Wiwatta Clinic Co., Ltd.
					2019 - Present	Director	V Management Services Co., Ltd.
					2018 - Present	Director	Ratchada Business District Co., Ltd.
					2018 - Nov. 2020	Deputy Chief Operation Officer	Principal Healthcare Co., Ltd.
					2017 - 2018	Manager in Training	Four Seasons Thailand
Dr. Achara Ratanaphunsi, Ph.D. Director	47	- Ph. D. Organization Development Assumption University - Master of Information Management Asian Institute of Technology - Bachelor of Computer Science Assumption University - Training <u>Thai Institute of Directors Association</u> - Director Certification Program 2019 (DCP 279/2019)	0.29%	None	2020 - Present	Director	Principal Capital PCL.
					2004 - 2009	Financial Information System Manager	<u>Listed Companies</u> Bangkok Dusit Medical Services PCL.
					2020 - Present	Director	<u>Non-listed Companies</u> Principal Healthcare - Ubolratchathani Co., Ltd.
					2019 - Present	(Shareholder 0.001%) Director	(Principal Healthcare Co., Ltd.'s subsidiary) Principal Healthcare - Chumphon Co., Ltd.
					2019 - Present	(Shareholder 0.001%) Director	(Principal Healthcare Co., Ltd.'s subsidiary) Principal Healthcare - Lamphun Co., Ltd.
					2019 - Present	(Shareholder 0.001%) Director	(Principal Healthcare Co., Ltd.'s subsidiary) Principal Healthcare - Uthai Co., Ltd.
					2018 - Present	(Shareholder 0.001%) Director	(Principal Healthcare Co., Ltd.'s subsidiary) Principal Healthcare Co., Ltd.
							(Principal Capital PCL.'s subsidiary)

Details of Directors, Executives, Controlling Persons, and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Ms. Ritima Jirasuradate Corporate Secretary The Risk Management Committee Member, Executive Director	44	- Bachelor of Law, Thammasat University	None	None	Jan. 2020 - Present	Vice President, Office of Management	Principal Capital PCL.
		- Barrister-At-Law (Thai Bar) The Thai Bar Association			May 2018 - Present	Corporate Secretary	
		Training			Oct. 2016 - Apr. 2018	Executive Director	GLand REIT Management Co., Ltd.
		<u>Thai Institute of Directors Association</u>				Vice President	
		- Corporate Secretary Program, TLCA			Oct. 2011 - Sep. 2016	Compliance & Risk Management	Grand Canal Land PCL.
		Secretary Supporting Program from IOD			Jan. 2007 - Oct. 2011	Assistant Vice President	Prinsiri PCL.
		- Effective Minute Taking				CEO Office	
		- Board Reporting Program				Assistant Manager	
		- Company Reporting Program				Corporate Secretary and Legal Office	
							<u>Listed Companies</u>
					None		
					<u>Non-Listed Companies</u>		
					Jul 2019 - Present	Director	Go Green Cleaning Co., Ltd.

Details about Chief Accountant are as follows:

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Ms. Preeyaporn Aphiwathithaya Chief Accountant	45	- Bachelor of Accounting (2nd degree) Thammasat University - Master Degree of Real Estate Business Program, Thammasat University - Certified Public Accountant Training - The Executive Program for Professionals of Fiscal Policy Class 3, Research Institute Foundation - Training Orientation Course - CFO focus of financial reporting, Class 6 - Chief Transformation : CTO Course, Class 1	None	None	2013 - Present	Associate Accounting	Principal Capital PCL.
					2016 - Present	Director	
						Executive Director	
						Risk Management	
						Committee	
						Member	
					2020 - Present	Director	Non-listed Companies VMEA Co., Ltd. (Principal Capital PCL.'s subsidiary)
					2018 - Present	Director	Ban Chang Business District Co., Ltd. (V Brilliant Group Holding's subsidiary)
					Apr. 2018 - Present	Director (shareholder 0.001%)	Wiwatta Clinic Co., Ltd.
					2017 - Present	Director	V Brilliant Group Holding Co., Ltd. (Principal Capital PCL.'s subsidiary)
					2017 - Present	Director	V Intelligence Co., Ltd. (V Brilliant Group Holding's subsidiary)
					2017 - Present	Director	V Residence Co., Ltd. (V Brilliant Group Holding's subsidiary)
					2017 - Present	Director	Bangkok Center District Co., Ltd. (V Brilliant Group Holding's subsidiary)
					2017 - Present	Director (Shareholder 0.0003%)	(V Brilliant Group Holding's subsidiary)
					2017 - Present	Director	Principal Healthcare Co., Ltd. (Principal Capital PCL.'s subsidiary)

Notes : All directors as mentioned above have never dishonestly committed an offense against property and never enter into any transactions which may cause a conflict of interest against the Company during the year.

1. Dr. Satit Viddayakorn, Ph.D., Mr. Veera Srichanachaiyok, and Mrs. Achara Ratanaphunsi are delegated authorized signatory as stipulated in the affidavit of the Department of Business Development
2. Shareholding proportion as of February 25, 2020.
3. Role and responsibility of Corporate Secretary are defined in Part 2, Section 9.11.4 roles and responsibility of senior executives and corporate secretary

Details about the information of Directors and Executives of the Company and subsidiary companies

Name	Position	Subsidiary (The Company has morethan 50% sharehoding)																
		Principal Healthcare Co., Ltd.	Paknampo Hospital Co., Ltd.	Pitsanuloke Medical Co., Ltd.	Union Pichit Doctors Co., Ltd.	Pitsanuvej Uttaradit Co., Ltd.	Principal Healthcare - Uthai Co., Ltd.	Principal Healthcare - Lamphun Co., Ltd.	Principal Healthcare - Chumphon Co., Ltd.	Principal Healthcare - Sisaket Co., Ltd.	Principal Healthcare - Ubonratthathani Co., Ltd.	Klai Baan Klai Jai Co., Ltd.	Bangkok Center District Co., Ltd.	V Brilliant Group Holding Co., Ltd.	V Intelligence Co., Ltd.	V Residence Co., Ltd.	Ban Chang Business District Co., Ltd.	VMEA Co., Ltd.
Dr. Pongsak Viddayakorn, M.D.	HC, D	-	D	D	D	D	-	-	-	-	-	-	-	-	-	-	-	-
Mr. John LEE Kohshun	C	D	D	D	D	D	D	D	D	D	-	-	-	-	-	-	-	-
Mr. Yarnsak Manomaiphiboon	Id, Ca	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Satit Viddayakorn,Ph.D.	D, Ce, Cr	D	D	D	D	D	D	D	D	D	-	D	D	D	D	D	D	D
Mr. Veera Srichanachaichok	D, Ed, Rd, E	D	D	D	D	D	D	D	D	D	-	D	D	D	D	D	D	D
Ms. Aranya Chalernpornvarodom	Id, Ad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Jutamas Ingpochai	Id, Ad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Ritima Jirasuradate	Cs, Rd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Achara Ratanaphunsri, Ph.D.	Rd, Ed	D, E	-	-	-	-	D	D	D	D	-	-	-	-	-	-	-	-
Ms. Preeyaporn Aphiwathwitthaya	Ed, Rd	D	-	-	-	-	-	-	-	-	-	D	D	D	D	D	D	D
Mr. Sirichai Towiriyawate		Rd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Suebpong Intralawan M.D.	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Varan Tiensong M.D.	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Details about the information of Directors and Executives of the Company and subsidiary companies (continue)

Name	Position	Subsidiary (The Company has morethan 50% sharehoding)																	
		Principal Healthcare Co., Ltd.	Paknampo Hospital Co., Ltd.	Pitsanuloke Medical Co., Ltd.	Union Pichit Doctors Co., Ltd.	Pitsanuvej Uttaradit Co., Ltd.	Principal Healthcare - Uthai Co., Ltd.	Principal Healthcare - Lamphun Co., Ltd.	Principal Healthcare - Chumphon Co., Ltd.	Principal Healthcare - Sisaket Co., Ltd.	Principal Healthcare - Ubonratchathani Co., Ltd.	Klai Baan Klai Jai Co., Ltd.	Bangkok Center District Co., Ltd.	V Brilliant Group Holding Co., Ltd.	V Intelligence Co., Ltd.	V Residence Co., Ltd.	Ban Chang Business District Co., Ltd.	VMEA Co., Ltd.	
Ms. Sudamas Boonwan	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mr. Supawat Pongsiripanich	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mrs. Samerkae Sattapong	-	E	-	-	-	-	-	-	-	-	D	-	-	-	-	-	-	-	
Mrs. Sukanit Mahanukul	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mr. Phuvameth Akranithianont	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ms. Napatporn Rodsa	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ms. Janpen Jongjirangsap	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mrs. Tuanchai Kaewwanna	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dr. Pawish Virajsil M.D.	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dr. Atiwat Noiprasit M.D.	-	E	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mrs. Pimyada Ruananukoon	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mr. Naruepol Phansupamongkol	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Details about the information of Directors and Executives of the Company and subsidiary companies (continue)

Name	Position	Subsidiary (The Company has morethan 50% sharehoding)																	
		Principal Healthcare Co., Ltd.	Paknampo Hospital Co., Ltd.	Pitsanuloke Medical Co., Ltd.	Union Pichit Doctors Co., Ltd.	Pitsanuvej Uttaradit Co., Ltd.	Principal Healthcare - Uthai Co., Ltd.	Principal Healthcare - Lamphun Co., Ltd.	Principal Healthcare - Chumphon Co., Ltd.	Principal Healthcare - Sisaket Co., Ltd.	Principal Healthcare - Ubonratchathani Co., Ltd.	Klai Baan Klai Jai Co., Ltd.	Bangkok Center District Co., Ltd.	V Brilliant Group Holding Co., Ltd.	V Intelligence Co., Ltd.	V Residence Co., Ltd.	Ban Chang Business District Co., Ltd.	VMEA Co., Ltd.	
Ms. Kanokwan Udomkitkosol	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ms. Thitichaya Somdulyawad	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mrs. Kannita Tangsriwong	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ms. Atiya Awachanakarn	E	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ms. Budsakorn Kaewboonthum	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dr. Bunchana Petchployngam M.D.	-	E	D	-	-	-	D	-	-	-	-	-	-	-	-	-	-	-	
Ms. Satita Viddayakorn	-	-	-	-	-	-	-	-	-	-	-	-	D	D	D	D	-	D	
Ms. Nipaporn Nimpitakpong	-	-	-	D	D	D	-	-	-	-	-	-	-	-	-	-	-	-	
Ms. Wannasiri Nimpitakpong	-	-	-	D	D	D	-	-	-	-	-	-	-	-	-	-	-	-	
Ms. Kongchanok Teeravarakan	-	-	-	D	D	D	-	-	-	-	-	-	-	-	-	-	-	-	
Mr. Voratus Palakawong Na Ayudhya	-	-	D	-	-	-	D	-	-	-	-	-	-	-	-	-	-	-	
Mr. Lualit Chenphithakjat	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Details about the information of Directors and Executives of the Company and subsidiary companies (continue)

Name	Position	Subsidiary (The Company has morethan 50% shareholding)													
		Principal Healthcare Co., Ltd.	Paknampo Hospital Co., Ltd.	Pitsanuloke Medical Co., Ltd.	Union Pichit Doctors Co., Ltd.	Pitsanuvej Uttaradit Co., Ltd.	Principal Healthcare - Uthai Co., Ltd.	Principal Healthcare - Lamphun Co., Ltd.	Principal Healthcare - Chumphon Co., Ltd.	Principal Healthcare - Sisaket Co., Ltd.	Principal Healthcare - Ubonratchathani Co., Ltd.	Klai Baan Klai Jai Co., Ltd.	Bangkok Center District Co., Ltd.	V Brilliant Group Holding Co., Ltd.	V Intelligence Co., Ltd.
Mrs. Pimyada Boontem	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Chote Nisoong	-	E	-	-	-	-	-	D	-	-	-	-	-	-	-
Ms. Thiranan Sangphungtham	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Kittichai Uruwankul	-	-	-	-	-	-	D	-	-	-	-	-	-	-	-
Mr. Thisarin Takkametha	-	-	-	-	-	-	-	-	-	D	-	-	-	-	-
Mr. Siripong Angkasakulkiat	-	-	-	-	-	-	-	-	-	D	-	-	-	-	-
Mr. Tanee Maneenut	E	-	-	-	-	-	-	-	-	-	-	D	-	-	-
Ms. Datchaneeporn Pantaprom	-	-	-	-	-	-	-	-	-	-	-	D	-	-	-
Position :	HC - Honorary Chairman MD - Directors Cs - Corporate Secretary E - Executive	C - Chairman D - Director Id - Independence Director	Ca - Chairman of Audit Committee Ad - Audit Committee member Cr - Chairman of Risk Management Committee	Ce - Chairman of Executive Board Ed - Executive Director Rd - Risk Management Committee member											

Shareholding details of Directors and Executive on latest book closing date

	Name	Shareholding % As of July 10, 2020		Shareholding % As of February 25, 2021	
		Number of common share	%	Number of common share	%
1	Dr. Pongsak Viddayakorn, M.D. Spouse and child	- -	- -	- -	- -
2	Mr. John LEE Kohshun Spouse and child	- -	- -	- -	- -
3	Mr. Yarnsak Manomaiphiboon Spouse and child	- -	- -	- -	- -
4	Dr. Satit Viddayakorn, Ph.D. Spouse and child	806,728,800 -	23.30 -	821,728,800 -	23.73 -
5	Mr. Veera Srichanachaichok Spouse and child	10,000,000 -	0.29 -	7,000,000 -	0.20 -
6	Ms. Aranya Chalernpornvarodom Spouse and child	- -	- -	- -	- -
7	Dr. Jutamas Ingpochai, Ph.D. Spouse and child	- -	- -	- -	- -
8	Ms. Tanatorn Viddayakorn Spouse and child	22,985,100 -	0.66 -	22,985,100 -	0.66 -
9	Ms. Preeyaporn Aphiwathwittaya Spouse and child	- -	- -	- -	- -
10	Ms. Ritima Jirasuradate Spouse and child	- -	- -	- -	- -
11	Ms. Satita Viddayakorn Spouse and child	1,917,852,143 -	55.39 -	1,917,852,143 -	55.39 -
12	Dr. Achara Ratanaphunsrii, Ph.D. Spouse and child	10,120,000 2,136,100	0.29 0.06	9,920,000 1,051,100	0.296 0.03
13	Mr. Kittichai Uruwankul Spouse and child	- -	- -	- -	- -
14	Mr. Supawat Pongsiripanich Spouse and child	- -	- -	- -	- -
15	Mrs. Samerkae Sattapong Spouse and child	100,000 -	0.003 -	100,000 -	0.003 -
16	Ms. Thiranan Sangphungtham Spouse and child	474,200 100,000	0.01 0.002	474,200 50,000	0.01 0.001
17	Mrs. Sukanit Mahanukul Spouse and child	- -	- -	- -	- -

	Name	Shareholding % As of July 10, 2020		Shareholding % As of February 25, 2021	
		Number of common share	%	Number of common share	%
18	Mr. Tanee Maneenut	-	-	-	-
	Spouse and child	-	-	-	-
19	Ms. Napatporn Rodsa	-	-	-	-
	Spouse and child	-	-	-	-
20	Ms. Janpen Jongjirangsap	98,000	0.003	98,000	0.003
	Spouse and child	-	-	-	-
21	Mr. Naruepol Phansupamongkol	21,000	0.001	21,000	0.001
	Spouse and child	-	-	-	-
22	Mr. Chote Nisoong	-	-	-	-
	Spouse and child	-	-	-	-
23	Dr. Atiwat Noiprasit, M.D.	2,548,000	0.07	2,575,000	0.07
	Spouse and child	-	-	-	-
24	Dr. Pawish Virajsil, M.D.	-	-	-	-
	Spouse and child	-	-	-	-
25	Mrs. Pimyada Boontem	-	-	-	-
	Spouse and child	-	-	-	-
26	Mrs. Pimyada Ruananukoon	-	-	-	-
	Spouse and child	-	-	-	-
27	Ms. Kanokwan Udomkitkosol	29,600	0.0009	9,600	0.0003
	Spouse and child	-	-	-	-
28	Mr. Phuwameth Akranithianont	-	-	-	-
	Spouse and child	-	-	-	-
29	Mr. Lualit Chenphithakjat	-	-	1,600	0.00
	Spouse and child	-	-	-	-
30	Dr. Varan Tiensong, M.D.	-	-	-	-
	Spouse and child	-	-	-	-
31	Ms. Atiya Awachanakarn	151,700	0.004	158,200	0.005
	Spouse and child	220,000	0.006	220,000	0.006
32	Ms. Budsakorn Kaewboonthum	28,300	0.0008	36,300	0.001
	Spouse and child	-	-	-	-
33	Dr. Bunchana Petchployngam, M.D.	-	-	-	-
	Spouse and child	-	-	-	-
34	Ms. Thitichaya Somdulyawad	-	-	6,100	0.00
	Spouse and child	-	-	-	-
35	Ms. Sudamas Boonwan	-	-	-	-
	Spouse and child	-	-	-	-

	Name	Shareholding % As of July 10, 2020		Shareholding % As of February 25, 2021	
		Number of common share	%	Number of common share	%
36	Ms. Nipaporn Nimpitakpong Spouse and child	- -	- -	- -	- -
37	Ms. Wannasiri Nimpitakpong Spouse and child	3,009,800 -	0.09 -	3,012,800 -	0.09 -
38	Ms. Kongchanok Teeravarakan Spouse and child	- -	- -	- -	- -
39	Mr. Voratus Palakawong Na Ayudhya Spouse and child	150,000 -	0.004 -	- -	- -
40	Mr. Thisarin Takkametha Spouse and child	- -	- -	- -	- -
41	Mrs. Kannita Tangsriwong Spouse and child	- -	- -	- -	- -

Remark : The number of shares held by Ms. Satita Viddayakorn included shares held by Peak Development Holding Co., Ltd because Ms. Satita is a major shareholder who held 55.39% shares in Peak Development Holding Co., Ltd.

Corporate Governance Policy

The Company has recognized the importance of good corporate governance that it would enhance the Company's operational efficiency. Corporate governance policy of the Company was put in place by the Board of Directors covering the important substance from the structure, roles and responsibilities of the directors, transparent, clear and auditable management of the executives in order to be a guideline for the organization management to ensure that any action performed by the Company is fair and take the highest benefits of shareholders and stakeholders into consideration. The Company's corporate governance policy has been announced since November 26, 2015 and the amendment issue was effective on July 24, 2018. It was posted publicly for the shareholders and outsiders in the Company's website. The Board of Directors has communicated such policy inside the organization via intranet, leaflet and corporate campaign etc. in order to enhance the understanding in Company's policy and set the channel for the insiders and outsiders to inform any action that violates the corporate governance policy to the Board of Directors.

The Board of Directors has put in place the corporate governance policy that is in corresponding to the good corporate governance principles as follows:

Section 1 Rights of Shareholders

The Company recognizes the importance of the rights of shareholders. Therefore, the Company has set out the guidelines to protect the rights of shareholders as follows:

1. The Company shall send invitation to the annual general meeting of shareholders and the extraordinary meeting of shareholders with the date, time, venue, details of agenda items, other information which is important and necessary for decision making, opinions of the Board of Directors, the minutes of the previous shareholders' meeting, annual report, 3 types of proxy forms that shareholders can choose a proxy Form A or Form B or Form C with clear instructions for convenience and encourage all shareholders to attend the meeting. The Company shall send the meeting documents to the shareholders at least 21 days in advance prior to the meeting day and disclose such information on the Company's website in Thai and English at least 30 days in advance prior to the meeting date in order to ensure that the shareholders receive adequate, correct, complete, and transparent information for decision making, and those who is unable to attend the meeting can appoint a representative to act as proxy at the meeting.

2. The Company has policy to encourage and facilitate the shareholders, including institutional investors to attend the shareholders' meeting by setting suitable date, time and venue of the shareholders' meeting. The venue capacity must be sufficient to accommodate the shareholders who attend the meeting, with the easy access by public transportation. The meeting venue's map must be enclosed. In addition, adequate staff and technology are put in place to examine documents and voting count.

3. The Company shall advertise the details of general meeting of shareholders in newspapers in both Thai and English for 3 consecutive days at least 3 days in advance prior to the meeting day and post such information on the Company's website <http://www.principalcapital.co.th> in Thai and English to inform shareholders of the venue in advance.

4. The Company shall not perform any action that may restrict the rights of shareholders to attend the meeting. All shareholders have the right to attend shareholders' meeting from the commencement until the end. During the shareholders' meeting, shareholders have the rights to ask questions and express their opinions related to meeting agenda and to vote on each agenda item. The Chairman of the meeting should allocate sufficient time and opens the floor to the shareholders to give opinions and ask questions in the meeting.

5. In compliance with the good corporate governance principle, the Company set out the guideline for the agenda of annual general meeting of shareholders as follows,

5.1 To approve the minutes of the previous shareholders' meeting

5.2 To acknowledge the Company's operating performance of the previous year

5.3 To consider and approve the Company's statements of financial position and statements of comprehensive income for the year ended on 31 December of the previous year

5.4 To consider and approve appropriation of profit from the previous year operation

5.5 To consider the election of directors to replace those whose position period expired by rotation

5.6 To consider and approve the remuneration of the directors

5.7 To approve the appointment of accounting auditor and determination of the auditing fee

5.8 Other agenda

The Company allows the shareholders to raise their concerns and/or the Board of Directors to answer questions and/or give explanations without any vote.

6. The Company allows shareholders to propose the shareholders' meeting agenda and nominate the qualified person to be a director for 3 consecutive months in advance prior to the meeting day by mailing to the corporate secretary as per the details notified in the Company's website.

7. The Company allows the shareholders to send inquiries related to the shareholders' meeting agenda to the Board of Directors at least 10 days in advance via the Company's website or facsimile or email to the corporate secretary.

8. The Company will prepare meeting minutes and submit them to the Securities Exchange of Thailand within 14 days from the date of the meeting in accordance with the requirements of the Securities Exchange of Thailand. The information submitted includes meeting minute, votes, and details of important questions of shareholders on each agenda item.

9. All directors including specific committees/sub-committees /working group, Chief Financial Officer, and corporate secretary shall attend every shareholders' meeting, if not on important mission, to answer shareholders' questions and acknowledge their opinions. All executives should also attend the shareholders' meeting to answer the questions.

Section 2 Equitable Treatment of Shareholders

The Company has set the equitable and fair treatment policy for major and minor shareholders to protect shareholder's right in order to create confidence among investors. The Company has business ethics in relation to confidentiality and the use of inside information in the guideline to protect rights of shareholders fairly and to increase investors' confidence to invest in the Company as follows:

1. The Company allows shareholders to propose the meeting agenda item and nominate candidates for directorship in accordance with the criteria prescribed by the Company and published on the Company's website. Shareholders shall send the information to the Company 3 consecutive months in advance prior to the shareholders' meeting by sending the original letter by mail to the corporate secretary according to the details shown in the Company's website. The Board of Directors shall disclose the result of such consideration on the Company's website and the website of the Securities Exchange of Thailand.

2. The Company will not add any meeting agenda item or change of important information without notifying shareholders in advance.

3. Shareholders are entitled to appoint a proxy to attend the shareholders' meeting. Shareholders have the rights to receive a proxy form and instructions to complete the form. Any legitimate proxy who submits a completed proxy form to the committee at the shareholders' meeting shall be allowed to attend the meeting and vote on behalf of the shareholders. Alternatively, a shareholder may appoint an independent director as his proxy to attend the meeting and vote on behalf of him/her. Shareholders also have rights to receive the background and personal information of each independent director for their consideration.

4. In election of directors, the Board of Directors allows shareholders to vote for individual nominee. The voting procedures and equipment used for vote counting shall be transparent, convenient, efficient, and effective; therefore, the vote results can be announced quickly and shareholders shall be informed the voting results in a timely manner.

5. The Board of Directors and executives shall disclose their interests and related persons to the Board of Directors to consider the transactions of the Company which may have conflicts of interest or connected transaction; then make decision for the best interests of the Company. Directors and executives who have any related interests with the transactions of the Company shall not attend the meeting to make a decision on such matter. All processes shall be in line with the policy and procedure on approval of connected transactions of the Company.

Section 3 Roles of Stakeholders

The Company responds and takes into account of all groups of stakeholders by considering the rights of stakeholders that are established by law or through agreements with the Company. The Company has set the clear guideline on roles of each group of stakeholders as follows:

1. The Company's stakeholders include customers, employees, trade partners, shareholders or investors, creditors, competitors, or public sector and relevant agencies. The communication channels shall be adequately provided for each group of stakeholders to communicate and respond to their needs.

2. The Company has a commitment to customers to continuously develop products and services, and to set fair prices in each circumstance. The company shall not take advantage of customers and shall operate neutrally and fairly without taking advantage of trade partners.

3. The Company shall consider the welfare of its personnel. Their employment contracts shall be fair. The remuneration shall be reasonable and appropriate to the employee's capability in order to build motivation. Training and opportunity to pursue their education shall be provided to enhance the performance of employees. The Company shall also create a pleasant working environment by setting high safety standard and working discipline to ensure all employees are well taken care. An appropriate compensation plan shall be drawn up if, under any circumstances an employee must stop working.

4. The Company consistently and continuously addresses the Company's consideration and concern for the stakeholders.

Whistle Blowing Policy and Channels for Whistle Blowing

In order to be fair and provide equal treatment to all stakeholders according to corporate governance policy. The Company has provided several channels to report doubts, or send the complaints, or give opinion, and recommendations for the action that may affect the stakeholders from business operation or any unlawful action or discrimination or careless action of directors, executives and employee. The outsiders are able to send the complaints and recommendations to the following channels:

Corporate Secretary

Principal Capital Public Company Limited
28th floor Bangkok Business Center Building,
29 Sukhumvit 63, Klongton Nua, Wattana, Bangkok 10110
Email: Secretarywhistle@principalcapital.co.th
Telephone : +66 (2) 714-2173

If the employees have any doubts, or complaints, or opinion, or recommendations, please contact Director of Human Resources or corporate secretary at Hrwhistle@principalcapital.co.th or Secretarywhistle@principalcapital.co.th

Section 4 Disclosure and Transparency

The Company recognizes the importance of disclosing significant information correctly, completely to the stakeholders to support their decision making. The information disclosure indicates operational transparency, which is the key factor for building trust in the Company's honesty and integrity among shareholders, investors, and stakeholders and an inspection mechanism. The Company has set the guidelines for disclosure and transparency as follows:

1. The Board of Directors or the person assigned by the Board of Directors has a duty to disclose both financial and non-financial information. Such disclosures should be adequate, reliable and up-to-date. Shareholders and stakeholders shall obtain information equally as stipulated by the law and the Company's regulation. The information published on the Company's website shall be regularly updated to ensure its completeness and timeliness and shareholders are able to conveniently and efficiently access all relevant information and contact the business unit responsible for its disclosure.
2. The Company's information system must be prepared with care, accuracy and transparency. Important information should be conveyed in simple and concise language. The Company shall disclose information on a regular basis regardless of positive or negative impact it may cause to the Company.
3. Corporate communications department shall be established to regularly and efficiently publish useful information for shareholders, investors, employees, related parties and the general public and to clarify misunderstanding. In addition, investor relations department shall represent the Company in collaboration with institutional investors, creditors, securities analysts and shareholders and provide information about the Company's operations and investment through convenient, quick, and accessible communication channels.
4. The Board of Directors must ensure that the Company's statements of financial position and statements of comprehensive income and the Company's audit report, as well as the report of the Board of Directors, are prepared and presented to the shareholders at the annual general meeting of shareholders for their approval.

5. The Board of Directors shall prepare a report on Company's status and outlook in concise and simple form and a statement of the board's responsibilities in the financial reports along with the auditor's report, and the meeting attendance records of the directors and/or members of Audit Committees in the annual report.

6. The Board of Directors shall prepare a report any changes in securities holdings by directors and executives of the Company in accordance with the regulations stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Section 5 Responsibilities of the Board

The Company has set the corporate structure in compliance with the business operations which is under supervision of the executives in each business unit comprising of three sets of Sub-Committee which are Executive Committee, Audit Committee and Risk Management Committee. These Committees have decision making authority and primarily supervise the operations of the Company and the transaction approved by the shareholders' meeting. The scope of responsibility of the Committees will be determined to achieve the highest work efficiency.

Check and Balance of Non-Executive Directors

The Company has 8 directors. The details are as follows:

- Executive director 3 persons
- Non-executive director 2 persons
- Independent director 3 persons

The Board of Directors' Meeting

The schedule for the Board of Directors' meeting shall be set in advance each year so that each member of the Board can arrange time to attend meeting. The Chairman of the Board shall set the meeting agenda by consulting with the Chief Executive Officer and consider the important issues proposed by other directors to be included in the meeting agenda. The Company shall send meeting documents to each director in advance of the meeting so that director shall have time to review, consider, and make decision on each agenda item. Meeting procedures are as follows:

1. The Company's articles of association prescribed that the Board of Directors' meeting shall be arranged at least every 3 months and at least one-half of the total number of directors' presence at the meeting shall constitute a quorum.

2. The Company shall send invitation letter and agendas to the directors at least 7 days prior to the meeting day so that the directors shall have time to review, consider and make decision on each agenda and arrange time to attend the meeting.

3. The Chairman of the Board shall approve the meeting agenda by consulting with the Chief Executive Officer and consider the important issues proposed by other directors to be included in the next meeting agenda.

4. The Chairman of the Board should appropriately allocate the meeting time for the presentation and enquiries consideration as well as important issues discussion by directors.

5. The Board of Directors should fully devote their time and effort to the Company and shall regularly attend the meetings.

6. The Board of Directors should be able to access necessary information and request for supplementary documents, advice and other services relating to Company's operation from senior executives. If necessary, the Board may seek for independent opinions from the external advisor to support the information in each meeting.

7. The Board of Directors may invite senior executives of the Company to attend Board meetings to provide additional information on the relevant issues.
8. Any director who may either have interest or involvement in any agenda must not vote or express views on that agenda.
9. The number of Board of Directors' meetings should be appropriate with the responsibilities of the Board of Directors and nature of business of the Company.
10. The minutes of the Board of Directors' meetings that contain the resolutions of the meeting and the comments of the Board of Directors must be clear for reference.
11. Each director should attend the Board of Director's meeting at least 80% of total number of meetings in a year.
12. Every director should have 75% attendance of total number of Board of Director's meeting within a year.
13. Board of Directors set the policy regarding the minimum quorum when there is a vote in the Board of Directors' meeting that there must be at least two-third of total number of directors. In case there is a vote for only non-conflict of interest directors, there must be non-conflict of interest directors at least two-third of total number of non-conflict of interest.
14. Arrange the meeting for non-executive directors without the attendance of management team at least once a year.

Performance evaluation of the Board of Directors

Performance evaluation of Board members

1. The Company has a policy to evaluate Board of Directors on the annual basis. The evaluation is based on the performance of the Committee collectively. The director shall evaluate the Board of Director's performance as a whole. The evaluation result will be analyzed and summarize to improve the working efficiency of the Board of Directors in the future.
2. The Company submits the evaluation report and comment to the Board of Directors' meeting to support and improve the performance of the Board of Directors.
3. Chief Executive Officer should participate in explaining his expectation to obtain support from the Board of Directors.

Remuneration of Directors and Chief Executive Officer

1. The Company has remuneration policy for determining the remuneration of its directors and Chief Executive Officer, which have to be attractive and comparable to the remuneration of the companies in the same industry. The remuneration shall be linked with the performance and responsibilities of the directors as well as the performance of the Company. The Board of Directors shall determine such remuneration and propose to the general shareholders' meeting for approval.
2. The directors who are assigned more tasks and responsibilities shall receive additional remuneration in corresponding to their assigned responsibilities. The Chairman of the Board may receive higher remuneration than other directors.
3. The Board of Directors shall prepare report on directors' remuneration policy, its rationale, and the objectives of the policy and disclose in annual report and financial statements of the Company.

4. The Board of Directors shall evaluate the Chief Executive Officer's performance annually to determine his/her remuneration. The basis of the performance evaluation should be agreed upon by Chief Executive Officer ahead of the evaluation. The evaluation criteria include objective, financial performance, long-term strategic performance, career development plan etc. The evaluation results would be proposed for Board of Directors' approval, and the Chairman of the Board shall communicate the evaluation results to Chief Executive Officer.

5. The Board of Director set the compensation scheme to non-executive directors including meeting allowance, annual bonus and other remuneration which is Directors and Officers Liability and Company Reimbursement Policy.

Directors and Executives Training

1. The Company encourages and facilitates training related to corporate governance for directors, specific committee, executives, corporate secretary to enable them to continuously improve their performance.

2. The Company prepares and dispatches orientation documents to new directors containing useful information to perform their duties. The Company also holds an orientation for new directors by introducing the nature of the Company's businesses and business operations. The Company's directors attended the training courses organized by the Thai Institute of Directors Association (IOD).

3. The Company has executive development plan to build the required competencies for internal job rotation. The Company also conducts a competency assessment for senior executives as a part of succession plan for the senior executives.

4. The Company encourages member of the Board and senior executives to attend the seminar that is useful to their duty and also meet with Board of Directors and senior executives of various organizations to exchange idea and apply their knowledge and experience for further development of the Company.

Compliance and Review

Board of Directors will control directors, executives and staff to perform according to "Good Corporate Governance Policy" to upgrade and develop the quality of corporate governance continuously in order to enhance the stability and sustainability to the organization, shareholders and all stakeholders. Board of Directors and Audit Committee has a guideline to review the "Corporate Governance Policy" manual annually.

Subsidiary companies' and associated companies' operational control

In order to effectively control the operations of the subsidiary companies and in compliance with the Company's policy and direction, the Board of Directors shall perform as follows:

1. Assign those who have appropriate knowledge and experiences as recognized by the Board of Directors/Executive Committee to be directors in the subsidiary companies.

2. Arrange the meeting to monitor the operating results every quarter.

3. Arrange an external entity to be responsible for internal audit and report the results for the Board of Directors' acknowledgement.

4. Clarify the Company's important policies such as good corporate governance policy, risk management policy and anti-corruption policy to subsidiary companies for acknowledgement and implementation.

Safeguarding confidentiality and use of inside information

The Company set the guidelines in the Code of Ethics to control its personnel not to disclose inside information to others including using it for their own benefits. The main guidelines include not exploiting the Company's inside information for personal or others' interests such as trading share of the Company when the Company will announce performance outcomes, purchasing land or investing in the business in vicinity of the area that the Company plans to expand the business. Also, the Company has the policies and procedures to oversee executives as follows:

1. Educate the directors and executives to acknowledge their duties to report the securities holding by themselves, by their spouses and by their underage children as well as penalty under Securities and Exchange Act B.E 2535 and the requirements of the Stock Exchange of Thailand.
2. Designate the executives to report the movement of their securities holding to the Securities and Exchange Commission and submit a copy of such report to the Company on the same day of submitting the report to Securities and Exchange Commission.

When any related persons violate the relevant provisions with regard to the use of such inside information, it shall be deemed guilty of violating the Company's regulations and strict disciplinary action shall be taken against such persons. Also, when any actions are done in belief that they are illegal by laws, regulations and governmental instructions, the Company shall submit the case to state authorities for further action.

Compliance with other good corporate governance policy

Anti-corruption

The Company complies with the law and transparency and good code of business ethics. The Company participated in "Thailand's Private Sector Collective Action Coalition against Corruption" to show its intention and determination to against all forms of corruption with the following policy.

1.1 The Board members, executives and all employees of the Company or third parties in their relationship with the Company shall not perform or accept or support any form of fraud and corruption practices, whether direct or indirect to any related persons or entities, whether in a form of offering, promising, soliciting, demanding, giving or accepting bribes or having behaviors implied in fraud and corruption. The Company shall support all relevant entities, customers, suppliers, contractors, sub-contractors and government officers to follow the Company's policies as well as to review all guidelines to be in line with policies, regulations, notification, laws and the business change.

1.2 The Company adopts a political neutrality policy and shall not participate in any activities that might bring the understanding that the Company has a relation with or provide political contribution to any political party or political power group. The Company shall be neutral and not concentrate on any political party or political power group and shall not use the Company's resources to support any political party or to assist any political candidate. However, the Company recognizes that its employees have the freedom on their rights as a good citizen under the terms of the Constitution, related laws and regulations.

1.3 Regarding the Company's operations, the Company does not have the policy to give or accept all forms of bribery. The Company shall operate its businesses and contact with governmental and private agencies with transparency, integrity and complying with relevant laws and regulations.

1.4 The Company shall control the process of charity contribution, sponsorship, giving the business gifts and supporting all activities to be transparent and lawful.

1.5 The Company shall provide the control and the inspection on internal control properly and consistently, in order to prevent all employees act in contrary to this policy.

1.6 The Company shall arrange the trainings to provide knowledge on countering fraud and corruption to the Board, executives and all employees of the Company or third parties in their relationship with the Company, in order to promote their integrity and responsibilities on duties as well as to be acknowledged on the Company's intention.

Fraud and corruption protection guidelines

1. Directors, executives and all staffs of the Company have to perform according to Anti-Corruption policy, Code of Business Ethics, Director Code of Conduct, Executive, Employee Code of Conduct and good corporate governance policy including the regulations and other related working manual as well as other guidelines to be set by the Company.

2. The Company's staff shall not ignore when he/she discover the fraudulent and corrupted action that are related to the Company. He/she must inform his/her boss or responsible persons or Audit Committee for acknowledgement and co-operate to investigate the facts. If there is any doubt, he/she must consult with his/her boss or human resources department via various communication channels provided by the Company.

3. The Company shall provide fairness and protection to the employee who denies or notifies fraudulent and corrupted incidents. The employee who denies or notifies such incident will be protected with no punishment, unfair transfer. The Company will appoint an investigator to investigate every notified incident.

4. Those who cheat and perform corrupted action to the Company will be punished in accordance with the Company's regulations and may be punished by law if such action is unlawful.

5. To give or receive the sponsorship must be transparent, having evidence, can be recorded in term of accounting and comply with the Company's policy. The Company can verify and control that the sponsorship is not a corrupted incident. There is an approval procedure and ensure that the use of sponsorship be in line with the internal control process.

6. The Company will donate for charity in cash or other form of assistance as a part of corporate social responsibility and promote the Company's image without any business benefits in return.

7. The donation for charity and sponsorship of the Company must be approved by the authorized person of the Company based on the following criteria.

7.1 It must be the activity that is in line with the Company's business plan and policy

7.2 The specific person or organization who is the recipient of donation or sponsorship can be identified.

7.3 The objective for the use of donation or sponsorship must be clear. It can be tracked and evaluated.

7.4 There is starting and ending period of the activities

7.5 The place where the donation or sponsorship is used can be clearly stated.

7.6 The direct and indirect beneficiary of donation or sponsorship and the qualitative and quantitative benefits derived from the donation must be specified.

7.7 There is an evidence of payment or receipt that can be tracked.

7.8 To give or receive a gift, reception and expenses to executives and staffs must be complied with Executives and Staff Code of Conduct regarding to give or receive a gift or assets or other benefits.

The Company will disclose the information to the shareholders, executives, customers, staffs and all stakeholders in the annual report and the Company's website or other appropriate channels to ensure that the Company operates business with transparency.

Code of Business Ethics

The Company has established a code of conduct and code of business ethics to be a guideline for directors, executives, and employees to adhere with emphasis on corporate governance principles, equitable treatment to all groups of stakeholders with fairness and transparency, as well as considering and respecting rights of all groups of stakeholders in order to create proper balance in society. List of code of ethics for executives are as follows:

1. Perform duties with responsibility, integrity, commitment, and dedication, comply with the rules and policies of the Company, and consider the Company's interests as the primary concern.
2. Strictly keep the confidentiality of customers, business partners, and the Company, take extra care to ensure that the confidential documents or information are not leaked
3. Respect the privacy of other employees and refrain from divulging professional or private information of other employees or discussing about it in such a way that may cause damage to the employee or the overall image of the Company
4. Not accuse or engage in any actions which may lead to disunity or damage within the Company or related persons of the Company
5. Maintain and promote unity
6. Treat colleagues with politeness, kindness and good human relation and keep a promise
7. Behave and develop oneself for the benefits of the Company in accordance with the Company's values
8. Commit to moral principles and refrain from all vices and not behave in a way that may damage the reputation of oneself and the Company
9. Pay attention and help to preserve the environment and atmosphere in the workplace including the development organization into excellence
10. Refrain from giving and/or accepting gifts, reception, or any interests from business partners, or those who are involved with the Company's businesses, unless for the purpose of normal business operation or in festivals or conventional at reasonable value. If the gift is in the form of cash or item with the value exceeding Baht 3,000, the recipient must turn it down and return it. If the gift value is less than Baht 3,000, the reception for trading partner or those who has business relationship with the Company based on actual business practice and tradition is acceptable.
11. Refrain from any behavior considered sexual harassment

Remark : The investors can find additional information related anti-corruption and the Charter of Board of Directors in the Company's website. (<http://www.principalcapital.co.th>)

Internal Control and Risk Management

Internal Control Policy

The Company has a policy that every department shall operate in a systematic, efficient, and effective manner in accordance with the Company's objectives. The Company uses its assets in a suitable and conservative manner. It has an internal control and assessment system with an efficient and effective risk management system. Each department must put in place standard operating procedures and internal control, to prevent undesirable incidents that may cause the damage to the Company, encourage the employees within the department to have a positive attitude toward internal control and compliance with the standards and related laws and regulation as well as ready to cooperate in the assessment and audit process of the Company.

For the Company's internal control, the Audit Committee has approved to hire an independent external auditing firm, namely AM Advisor Audit Co., Ltd., as an internal auditor who is independent and have expertise to set up the controlling system to the Company and its subsidiaries. The internal auditor shall audit on a quarterly basis, in which Miss Karntima Kongsomyuti is the main responsible person in internal auditing of the Company and its subsidiaries.

The Company has set the following internal control guidelines.

1. All executives have duties and responsibilities to monitor and review internal control system within their units to ensure the efficiency and in compliance with the operating standards with efficient internal control system. Every department must have manual prescribing standard operating procedures of the department and must comply with the quality standard of the Company as well as important policies and guidelines on corporate governance principles.
2. Internal control system with assessment and risk management can ensure that each department has self-assessment mechanism of its business process with the controlling measures to minimize the probability and impact of risk. Therefore, the Company expects employees at all level to cooperate in risk assessment and control in order to prevent loss and damage that may occur.
3. The internal audit department shall support the executives in all departments to put in place the internal control system and review periodically as appropriate to ensure that all departments have efficient internal control system and consistently comply with the operating procedures which will lead to further improvement of working process.
4. Audit and evaluation procedures shall be conducted in a constructive way for the improvement in working process. Internal audit report, which is agreed by owner of work process, shall be proposed to audit committee for approval before implementation. In case that there is any improvement required to enhance efficiency and effectiveness, it deems as the responsibilities of all related departments to fix and improve the process. This function shall be a part of performance evaluation of related personnel.

Risk Management Policy

On November 26, 2015 Board of Director declared "Risk Management Policy" and "The Charter of Risk Management Committee" At the initial stage, the Committee to prepare Risk Management guideline was set up and on February 26, 2016, Board of Directors appointed Risk Management Committee to plan and rate the Company's risk as well as outline the risk mitigation measures, manage risk of the Company and report to the Board of Directors every 6 months.

The Company gives an importance to risk management starting from finding, identifying, analyzing, evaluating, managing and controlling as well as following up and reporting result by applying ISO 31000 standard to develop the framework for risk management with reference to internal control guideline of The Committee of Sponsoring Organizations of the Treadway Commission : COSO

Risk Management Approaches are as follows:

1. The Company operates business under 6 areas of risk, consisting of investment, finance, operation, politic and governmental policies, good corporate governance and regulation, and the reputation/brand image. Therefore, the Company requires to manage risk systematically and regularly both at the organization and project level by using the same standard set by the Company.

2. Management must communicate to personnel in all departments to aware of the importance of risk management and the Company's risks. The Company's personnel must be able to show risk status of their related works and use it for making decision to manage their department as well as to formulate the guidelines for proper operations and the contingency plan to deal with those risks.

3. Each department shall use risk map and risk management tools according to risk management manual in order to find, identify risk factors and risk models that affect the operation, analyze and evaluate the identified risks, specify the risk level as well as the acceptable criteria, formulate operational guidelines/measures or risk management plan that shall prevent, mitigate, avoid or control risk effectively as well as supervise, monitor, review and evaluate the results of risk management in order to improve risk management process.

4. The responsible persons of each department shall report the monitoring and evaluation result on risk management as required by the Company to the Risk Management Committee.

5. The Risk Management Committee shall formulate the risk management policy and the operational guideline as well as oversee internal risks. Also, the Risk Management Committee shall summarize and report the results of risk management to the Board of Directors.

1. Board of Directors are responsible for the overview of risk management of the Company.

2. Audit Committee are responsible for supporting Board of Director in reviewing independently to ensure that risk management system is suitable and effective.

3. Executive Committee is responsible for reviewing and monitoring risk in business and internal control of the Company.

4. Chairman of Executive Committee is responsible for pursuing the risk management policy and controlling risk management procedures to be implemented throughout the organization to ensure that the Company has appropriate risk management plan.

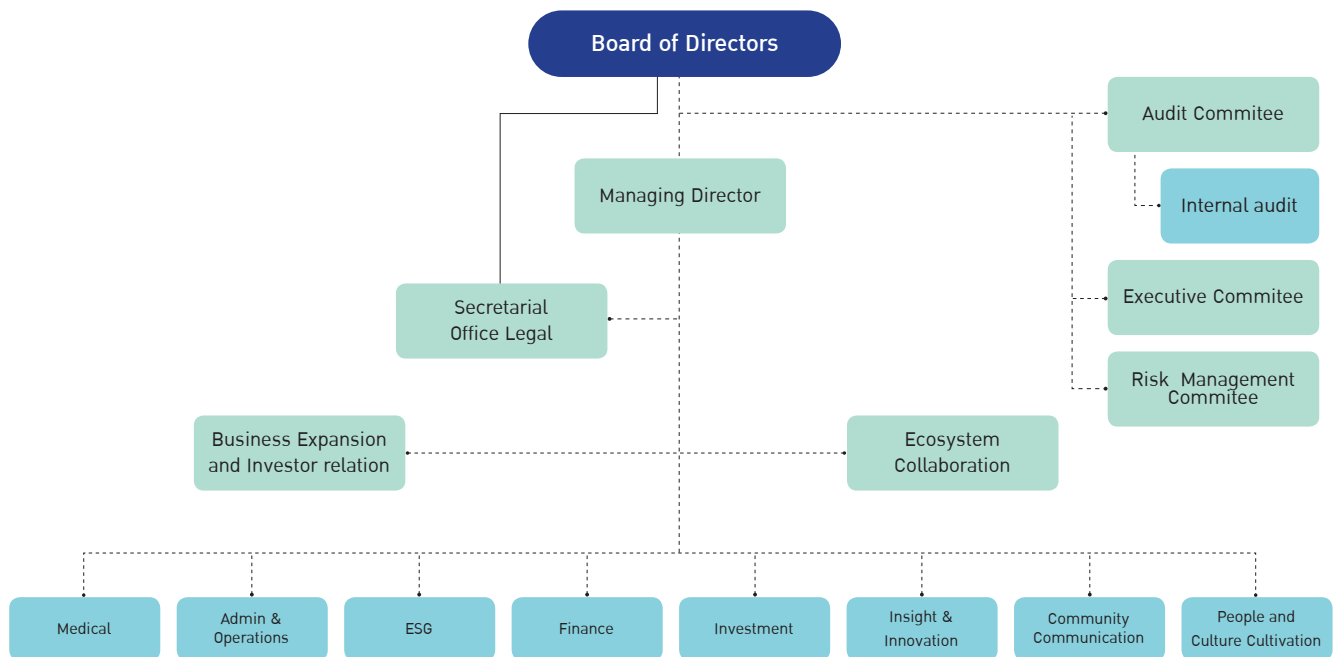
5. Risk Management Committee have following responsibilities:

1.1 Set the policy, target and risk management strategy.

1.2 Develop organization wide risk management system efficiently and stimulate the co-ordination in risk management at all level continuously.

- 1.3 Follow up and review risk of business units and propose recommendation for improvement.
- 1.4 Control and monitor effectiveness of risk management procedures.
- 1.5 Report risk and risk management result to the Board of Director as scheduled.

Risk Management Structure with responsibilities (As of December 31, 2020)



Expected Outcomes from Risk Management

1. Create awareness for the necessity to manage risk proactively by identify, evaluate and manage risk seriously and organization wide.
2. Add the channel to identify an opportunity that may lead to the business growth and ready for the threat that will hinder business operation.
3. Manage risk at the international standard.
4. Increase an opportunity to achieve operational target to increase confidence and trust from stakeholders.
5. Take the risk information for business planning and making strategic decision.
6. To be able operate according to the strategic plan and better forecast the future.
7. Improve capability to manage abnormal incidents.
8. Enhance learning from risk management experience.

Policy review

Risk Management Committee will review risk management policy and other related manual at least once a year and report the suitability and effectiveness in utilization to Board of Director for consideration for the continuous development.

Corporate Social Responsibilities

The Company is aware that the major factor contributing to sustainable business growth is to create a balance of economic, social, and environmental profit. Therefore, other than the determination to expand the business to meet the target, the Company has set up more continuous social and environmental activities that show clear concrete outcomes, by focusing on building the understanding and awareness within the organization as the priority. When sub-units of the organization understand, the outcome shall be fruitful as expected. The Company has adhered to the 7 main policies, which is in accordance with the guiding principle of the Stock Exchange of Thailand and ISO 26000 standards as follows:

1. Good corporate governance

The Company has the determination to operate the business with transparency, accountability, and disclosure of important information comply with the laws and other related regulations, including taking the benefits of all stakeholders into consideration. To make it clear and the employees have the same understanding of the best practice, the Company has outlined the Corporate Governance Policy and other related policies and posts such information publicly on the intranet for the employees' acknowledgment.

2. Doing business with fairness

To do business fairly, the Company has announced the anti-corruption policy as an operational guideline, which will help to reduce the problems of conflict of interest or violation of laws. Also, the Company has set up an information technology policy that covering the use of products with valid licenses to eliminate the problem of intellectual property infringement by having the penalty code and published such information on the intranet of the Company for employee's conduct and acknowledgment. Also, the Company review corporate governance standard and improve the policy to be in line with international standard. Furthermore, the Company receives the Certification in Collective Action Coalition Against Corruption or CAC reflecting the determination to pursue anti-corruption policy and put into practice in the organization as well as joining every form of the anti-corruption campaign.

On June 7, 2018, the Company obtained the Certificate in relation to "Thailand's Private Sector Collective Action Coalition against Corruption (CAC)"

3. Human rights and employment treatment

The Company treats its employees equitably and fairly, providing welfare, safety, and hygiene in line with labor standards. Employee compensation covers more than wages, salaries, and bonuses. Training is also provided to develop employee skills in various areas. Relationships within the organization are promoted, as well as effective communications and teamwork. Specialized training is provided, such as Senior Supervisor and Leadership Skill Development courses for officials, physicians, and nurses of Pitsanuvej Hospital.

In addition, the Company encourages the directors to attend the training courses organized by the Thai Institute of Director.

4. Responsibilities to Customers

To maintain high standard of services for high-end customers, the Company entered into a contract with the Marriot group, which is a famous international hotel group to manage and administer Marriot Executive Apartments Sathorn Vista, Bangkok. The Company also monitors its operating results quarterly to ensure that the customers have the best services. This property has always been awarded an excellent rating from the customers. In addition, the Company entered into the management contract with Ascott International Management (Thailand) Co., Ltd. Who is a market leader in serviced apartment management service in the Asia Pacific and Europe as well as middle-east, to manage Somerset Ekamai Bangkok Project.

5. Environment and Safety

The Company organizes the training on fire drill for the buildings administered by the Company and sends its staffs to attend the training on Advanced CPR with BNH Hospital to learn how to behave in case that their colleagues or customers need emergency assistance.

6. Participation in Community and Society Development

The Company conducts CSR-In process activities, which are social and environmental activities affecting an organization's stakeholders and surroundings. CSR — After process, which covers activities for society and the environment not directly related to the organization's operation, is also executed. During 2020, the following activities were conducted.

Social Activities of Principal Capital PCL.

- Princ Hospital Suvarnabhumi and village health volunteers (VHV) provide free cataract checking to the people in the community. If any patient needs cataract treatment or cataract operation, PRINC provides free cataract operation.
- Princ Hospital Suvarnabhumi provides Drive-thru Covid-19 checking to the Patient Under Investigation free of charge.

Social Activities of Pitsanuloke Medical Co., Ltd.

- Pitsanuvej Hospital organized "Ton Kla Haeng Kwam Dee" voluntary activities for 2020, renovating the canteens, toilets, and building nursing room, presenting scholarships to all students at Nong Mai Yang Kum School at Pitsanulok Province.
- Pitsanuvej Hospital in co-operation with Thai Beverage Co., Ltd., Pitsanulok Province sent out the mobile medical unit to provide primary health checking service to the public.
- Pitsanuvej Hospital conducted panel discussions to educate people on various topics; e.g., prepare good basic for the child and good nutrition for pregnant woman, etc.
- Pitsanuvej Hospital presented money to Jittavet Hospital in Wangthong District, Pitsanulok Province.

Social Activities of Paknampo Hospital Co., Ltd.

- Princ Hospital Paknampo took part to educate students who would like to further study in the medical field in the future by being a place for their field trip and allow them to learn the importance of the medical personnel.
- Princ Hospital Paknampo organized the first-aid class for paramedic teams.
- Princ Hospital Paknampo's mobile medical teams offer primary health checking services and lecture about the way to treat those who were at risk to be sick from diabetes at elderly school, Nakorn Sawan Municipal
- Princ Hospital Paknampo 2 presented masks and face shields to the schools in Nakorn Sawan Province.
- Princ Hospital Paknampo 2 conducted the child development training for the teachers at various schools and also trained the new moms to pregnant women.

Social Activities of Union Pichit Doctors Co., Ltd.

- Pitsanuvej Pichit Hospital's mobile medical team provided basic health check-ups in cooperation with agencies of the public and private sectors in various locations such as the Bang Phai Subdistrict Administrative Organization, Pichit Province Central Stadium.
- Pitsanuvej Pichit Hospital provided drinking water and Face Shield to the government agencies such as Muang Pichit Police Station, Tha Luang Temple, Pichit Province, and donated alcohol gel to rescuers.
- Pitsanuvej Pichit Hospital organized a basic life support training at Yan Yao School and organized first-aid training for employees of Nanyang Company Limited.

Social Activities of Pitsanuvej Uttaradit Hospital Co., Ltd.

- Pitsanuvej Uttaradit Hospital delivered alcohol gel to various organizations in Uttaradit Province such as the Uttaradit Welfare Foundation, Wat Mon Mai Rescue Association, Wat Wang Pong Rescue Association, etc.
- Pitsanuvej Uttaradit Hospital provided 200 packs of drinking water to the Office of the Red Cross Uttaradit Province for use in the mission of the organization and provided 1,200 bottles of drinking water to the Uttaradit Welfare Foundation to help flood victims.
- Pitsanuvej Uttaradit Hospital provided 3,000 masks and 1,200 bottles of drinking water and provided proper handwashing and masking procedures training, as well as distributed 600 survival bags with consumer products to the people affected by the COVID-19 crisis.
- The hospital nursing team in cooperation with Uttaradit Welfare Foundation provided first-aid training, as well as proper handwashing and masking procedures training to staff and students of Uttaradit kindergarten, Wat Nam Sai school, Wat Hong Soong school, Wat Na Thale school.
- Pitsanuvej Uttaradit Hospital organized an activity "One Giver fills the Recipient's Will" project in which the administrators, doctors, nurses, and hospital staff donated blood to the Thai Red Cross Society as well as handed over the home medicine cabinet to the needy schools.
- Pitsanuvej Uttaradit Hospital medical team provided basic health check-ups to the public free of charge in various events such as National Children's Day 2020, Tak Bat Devo and Chak Phra Festivals, Universal Disabled Person Uthai Thani Province, The province's badminton sports event, etc.
- Pitsanuvej Uttaradit Hospital organized seminars to educate people on various topics such as positive parenting, cancer in women, etc.

Social Activities of Principal Healthcare – Lamphun Co., Ltd.

- Sirivej Lamphun Hospital took part in a gift-giving event for the Red Cross at the Lamphun Governor's Mansion to earn income for the implementation on the mission of the Thai Red Cross Society in the relief of victims, providing social work and promoting quality of life for the underprivileged.
- Sirivej Lamphun Hospital organized activities to encourage the community and society under the project of supporting the care of the elderly and the disabled.
- Sirivej Lamphun Hospital provided a mobile health check-ups unit for people in cooperation with the Public Health Division and Wang Phang Municipality Environment, Wiang Nong Long District, Lamphun Province.
- Sirivej Lamphun Hospital organized cataract screening activities for people.
- Sirivej Lamphun Hospital supported the fights against COVID-19 by providing consumer products to the affected people and staff screening COVID-19 during the COVID-19 pandemics.

Social Activities of Principal Healthcare – Uthai Thani Co., Ltd.

- Princ Uthai Thani Hospital's nursing team provided a free health check-up unit to the public on many occasions such as the village headman's meeting in many districts of Uthai Thani Province, Uthai Thani Games, etc.
- Princ Uthai Thani Hospital organized a seminar to educate people on various topics such as cancer in women, positive parenting, good health both mind and body, etc.

Social Activities of Principal Healthcare – Ubon Ratchathani Co., Ltd.

- Princ Ubon Ratchathani Hospital provided a preliminary examination for trigger finger symptoms for the public free of charge.

Social Activities of Principal Healthcare – Chumphon Co., Ltd.

- Virajsilp Hospital, initiated the medical giver project, providing treatment services for the fishbone attached to the neck to the public free of charge.
- Virajsilp Hospital donated face shields and masks to government agencies. They also provided free health check-ups and discount coupons to the public and screening for diabetes in the community in cooperation with the General Hospital.
- Virajsilp Hospital donated first-aid kits to Chumphon Airport, handed over dry food and drinking water to victims of Nakhon Si Thammarat Province.

Social Activities of VMEA Co., Ltd.

- Marriott Hotel Executive Apartments Sathorn Vista – Bangkok and Marriott Hotel Executive Apartments Sukhumvit Park jointly organized activities, 'Wishing upon a Star' at Wat Klong Pho School and Wat Santiwattanaram School, Nakhon Nayok Province. The two hotels hosted luncheon, given scholarships to children who do well in their studies but lack financial resources, including given gifts to children, friends, carrying on dreams, and passing happiness through various activities that had been held for the children on Children's Day 2020.

- Marriott Hotel Executive Apartments Sathorn Vista - Bangkok handed over 70 used desk calendars to the Foundation for the Blind in Thailand under the Royal Patronage of His Majesty the King. The Foundation will then use these calendars as educational material for the blind students in Bangkok and other provinces.
 - Marriott Hotel Staff Executive Apartments Sathorn Vista - Bangkok donated through the purchase of a cloth bag under the project "LET'S SAVE AUSTRALIA" to raise funds to help the victims in Australia. The Marriott Hotel jointly donated funds for the total amount of Baht 8,100.
 - Marriott Hotel Executive Apartments Sathorn Vista - Bangkok had set up a project to accept donations of materials made from aluminum for use in making prostheses by delivering to the Prostheses Foundation of Her Royal Highness Princess Maha Chakri Sirindhorn. Those materials were delivered to the foundation in June 2020.
 - Marriott Hotel Executive Apartments Sathorn Vista - Bangkok made merit by turning things into tuition fees for underprivileged children. The hotel has received items of donations, second-hand clothes as well as school supplies and sports equipment and then delivered to the Baan Nokkamin Foundation under the project "Left-Ask by Teacher Aod asking for volunteers".
 - Marriott Hotel Executive Apartments Sathorn Vista - Bangkok delivered 250 pillows to Wat Suan Kaew for the foundation to distribute and earn income to help the community and the underprivileged.
 - Marriott Hotel Executive Apartments Sathorn Vista - Bangkok in collaboration with other Marriott Hotel in Bangkok had delivered linen cloth to be used for making cloth masks. The provided linen cloth can produce up to 4,800 cloth masks by handing them over to SOS Bangkok to give to the poor.
 - The staff of Marriott Hotel Executive Apartments Sathorn Vista - Bangkok had participated in blood donation activities under the project "Give Blood to Save Lives" at Royal Orchid Sheraton Hotel. The activity was organized in collaboration with Marriott hotels in Bangkok.
- Social Activities of V Residence Co., Ltd.
- Somerset Ekamai Hotel delivered used desk calendars to the Foundation for the Blind in Thailand under the Royal Patronage of His Majesty the King. The Foundation will then use these calendars as educational material for blind students in Bangkok and other provinces. In addition, 111 pieces of cloth masks were also donated to the Foundation for the Blind in Thailand under the Royal Patronage of His Majesty the King.
 - Somerset Ekamai Hotel donated survival bags to people living in the slum area of Klong Toey.
 - Somerset Ekamai Hotel donated 2,600 used plastic bottles to Wat Chak Daeng to be brought into the recycling process to produce the robes. The number of donated bottles can produce up to 65 pieces of sarong cloth.
 - Somerset Ekamai Hotel donated things and unused equipment to the Mirror Foundation to deliver to the poor in other provinces.
 - Somerset Ekamai Hotel staff participated in social service activities by cleaning up Wat That Thong.

7. Giving an importance to Social Responsibility Activity

The Company intends to develop social responsibility to be more sustainable, so the Company give an importance to the preparation of Sustainability Report in order to declare its determination and to be a starting point for building sustainable balance to the economic, social and environmental outcomes.

Remark : Please read for further details in Sustainability Report year 2018 in the Company's website; http://www.principalcapital.co.th/investor/good_corporate.html

Related Party Transaction

1. Disclosure of related party transactions with possible conflict of interest

As of December 31, 2020 there was no related party transaction with possible conflict of interest. There was only normal business transactions between the Company and its subsidiaries that have been disclosed in the notes to financial statement for the year 2019.

2. Necessity and Reasonability of Related Party Transactions

The Audit Committee commented that all related party transactions have been done with reasonability and normal business practice with fair price and conditions.

3. Related Party Transaction Policy

To make it transparent and fair to all shareholders and good corporate governance, the Company define the “Related Party Transaction” based on the following principles and disclose in corporate governance policy.

- The transaction must obtain the transparent approval by the directors and executives with caution and faithful responsibilities without the participation of conflict of interest party in decision making of the stakeholders.
- The transaction must maximize the benefit for the Company like the transaction with outsider.
- There is verification and follow up system to ensure that the transaction is done based on the correct process.

In case that the Company’s related party transaction is taken place with a person who may have conflict of interest, the Company shall report to the Audit Committee to provide an opinion related to the necessity and appropriateness of such transaction. In case where the Audit Committee has no expertise in considering related party transaction that may take place, the Company shall provide an independent expert or an external auditor of the Company to give an opinion on such related party transaction. However, the approval on entering into related party transactions that may take place in the future, the Board of Directors must comply with the Company’s regulations, laws regarding Securities and Stock Market as well as set of regulations, notifications, orders and requirements of the Stock Exchange of Thailand.

If there is related party transaction, the Company shall process to approve such transaction without the involvement of those who may have conflict of interest. As such, the Audit Committee is responsible for giving an opinion regarding the entering into every transaction. The approval process to enter into connected transaction is based on the requirements or notifications of the Securities and Exchange Commission, requirements on connected party transactions of the Stock Exchange of Thailand as well as other relevant rules and guidelines strictly. The price, remuneration or any fees related to related party transactions must be quoted with reference to the market price as well as the accounting standard specified by the Federation of Accounting Professions of Thailand, including taking into account the reasonableness of transactions and the benefits to the Company as a major priority and shall disclose the relevant details in the Company’s notes to financial statement and annual report.

Independent Auditor's Report

To the shareholders and the Board of Directors of Principal Capital Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Principal Capital Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

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 and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions 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.

My audit approach - overview



Materiality

Overall group materiality: Baht 26.0 million (1% of the Group's total revenue).

Audit scope

I conducted with audit work of the consolidated financial statements by focusing on the significant components which account for 85% of the Group's total revenue and 74% of the Group's total assets.

Key audit matter

I determined 1) goodwill impairment assessment, and 2) business combination - an entire business transfer as key audit matters.

Materiality

The scope of my audit was influenced by my application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on my professional judgment, I determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped me to determine the scope of my audit and the nature, timing and extent of my audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Rational for the materiality benchmark applied

I chose revenue as the critical measure because the Group's operation results in previous years were volatile. In my view, using revenue as a critical measure was more appropriate to the Group than the net profit before tax in the current year.

I agreed with the audit committee that I would report to them misstatements identified during my audit above Baht 1.3 million.

How I tailored my audit scope

I tailored the scope of my audit in order to perform sufficient work to enable me to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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 period. These 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 the matters.

Key audit matter	How my audit addressed the key audit matter
1. Goodwill impairment assessment Refer to Note 9 to the financial statements for critical estimates and judgements and Note 21 to the financial statements for goodwill. According to Thai Accounting Standards, TAS 36 - Impairment of assets, the Group shall test the impairment of goodwill annually. Goodwill of the Group was allocated to a group of cash generating units (CGUs) identified according to hospital segment by management. The goodwill had a book value of Baht 1,824 million. The management determined the recoverable amount for the group of CGUs based on their value in use by a discounted forecast of future cash flows and compared this to the book value to consider the need to set up an impairment allowance. In this regard, the Group considered there was no need to set up an allowance for goodwill impairment allocated to the group of CGUs because the recoverable amount exceeded the net book value. Current business volatility, both external and internal factors, significantly affected assumptions used in the projected cash flows such as revenue growth rate and discount rate. In response, the Board of Executive Directors of the parent company and the Board of Directors of the subsidiary determined and approved that the assumptions used in the cash flow projections reflect the current situation as precisely as possible. This is my key focus because they have considerable impact on the recoverable amount and as well as on the goodwill impairment due to current sensitivities.	I obtained information about the forecasted future cash flows of the CGUs provided and approved by the Group's management and gained an understanding of the procedures used to prepare the forecast. I challenged the reasonableness of the procedures and assumptions relating to management's forecast for the revenue growth rate and discount rate, as to whether they were in line with current business volatility, comparable component of weighted average cost of capital considered by my valuation expert. I mathematically tested key figures derived from the estimation according to the above assumptions to calculate the recoverable amount and compared this to the net book value. From the procedures performed above, I found that the recoverable amount assessment and management's key assumptions were within the acceptable range.

Key audit matter	How my audit addressed the key audit matter
2. Business combination - an entire business transfer Refer to Note 28 to the financial statements for the entire business transfer. During the year the Group expanded the hospital business network and increased the future potential profitability of the Group. Two subsidiaries of the Group paid to acquire the entire businesses of Virajslip Hospital Co., Ltd. on 2 March 2020 and Ruamphaet Sapphasit Co., Ltd. on 1 September 2020 which are companies operating private hospital. The management assessed and determined that these acquisitions are the entire business transfer using the Thai Financial Reporting Standards (TFRS) 3 Business Combinations. Regarding this, the management recognised net assets acquired at the fair value of Baht 902 million, goodwill from acquisition of the businesses of Baht 167 million and the gain from bargain purchase of Baht 31 million, based on the difference between the fair value of net assets acquired and the total purchase consideration. The net assets were valued as part of the purchase price allocation by an independent valuation expert and/or the management. Moreover, the management had to consider the risk and rewards of a non-controlling interest holding the subsidiary's shares according to shareholder agreements related to entire business transfer agreements for properly recording their interests in the consolidated financial statements. I focussed on this matter because valuating the net assets required significant judgment by management and the independent expert which affect the net assets acquired and goodwill from the purchase of the businesses. The value of this transaction is significant for the consolidated financial statements.	In addressing the matter, I enquired with the management to understand the basis used to recognise the acquisitions of the hospital businesses. I evaluated management's assessment and the information used in the acquisitions of the hospital businesses according to the TFRS 3 Business Combinations. I read the sale and purchase agreements for the hospital businesses and the minutes of the subsidiaries' Board of Directors meetings where the acquisitions were approved. Also, I consulted my accounting specialist when analysing the information gathered and the risk and reward of a non-controlling interest. I considered if these business acquisitions conformed to the TFRS principles mentioned above. I assessed the reliability of the purchase price allocation report done by the independent expert and the management. I also considered the qualifications, competency and independence of the independent expert. I examined the identification and valuation of net assets acquired against the purchase price allocation report. Moreover, I consulted with my valuation specialist when analysing the methodologies and assumptions used in the valuation of intangible assets recognised according to the entire business transfer. From the procedures performed above, I found that classing the acquisition of the two businesses as an entire business transfer was reasonable and the accounting treatment was recorded appropriately. Also, the valuation of the intangible assets recognised from the entire business transfer were within the acceptable range.

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

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 scepticism 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 the directors.
- Conclude on the appropriateness of the directors' 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 the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate 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 the audit committee 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 the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

PricewaterhouseCoopers ABAS Ltd.



Chanchai Chaiprasit
Certified Public Accountant (Thailand) No. 3760
Bangkok
24 February 2021

Statement of Financial Position

Principal Capital Public Company Limited
As at 31 December 2020

		Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Notes					
Assets					
Current assets					
Cash and cash equivalents	11	176,318,618	395,864,506	20,858,969	53,079,771
Financial assets measured at fair value					
through profit or loss	8	34,007,325	-	17,999,679	-
Short-term fixed deposits		1,387,654	-	-	-
Short-term investments		-	525,827,195	-	484,568,615
Restricted deposits at					
financial institutions - current	15	5,000,000	5,000,000	5,000,000	5,000,000
Trade and other receivables, net	12	342,837,497	233,450,311	49,512,830	48,066,031
Current portion of receivables					
under lease agreement, net		-	-	1,669,941	1,610,766
Short-term loans to subsidiaries	35	-	-	9,986	1,355,988,644
Short-term loan to a third party		-	39,044,440	-	39,044,440
Inventories, net	14	71,903,534	59,120,105	6,012,852	5,058,708
Other current assets	16	18,603,849	54,495,093	4,281,427	12,504,764
Total current assets		650,058,477	1,312,801,650	105,345,684	2,004,921,739
Non-current assets					
Restricted deposits at financial institutions	15	2,803,328	2,799,725	-	-
Receivables under finance lease, net		-	-	5,073,825	6,743,766
Investment in an associate		299,509	410,724	-	-
Investments in subsidiaries	17	-	-	7,976,853,340	7,963,253,540
Financial assets measured at fair value					
through profit or loss	8	330,000	-	330,000	-
Long-term investments		-	330,000	-	330,000
Long-term loans to subsidiaries	35	-	-	2,629,296,437	-
Investment property, net	18	1,155,055,192	1,576,376,289	-	-
Property, plant and equipment, net	19	10,987,584,661	9,896,169,674	1,848,741,827	3,033,818,641
Intangible assets, net	22	286,875,527	93,977,215	2,922,290	4,631,436
Right-of-use assets, net	20	425,304,673	-	116,667,799	-
Leasehold rights		-	26,512,846	-	-
Goodwill	21	1,823,978,253	1,657,153,409	-	-
Deferred tax assets	23	11,523,835	23,278,149	-	-
Other non-current assets		71,297,865	30,235,735	7,722,621	3,533,695
Total non-current assets		14,765,052,843	13,307,243,766	12,587,608,139	11,012,311,078
Total assets		15,415,111,320	14,620,045,416	12,692,953,823	13,017,232,817

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Financial Position (Cont'd)

Principal Capital Public Company Limited
As at 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	24	-	50,010,959	-	-
Trade and other payables	25	921,419,874	485,984,915	100,269,656	91,469,880
Advances received from customers - current	29	34,882,064	36,796,688	1,846,387	10,560,023
Short-term borrowings from related parties	24	298,257,836	348,416,234	482,381,530	1,886,110,809
Current portion of finance lease liabilities	24	68,709,087	64,811,684	29,294,509	27,249,664
Current portion of long-term borrowings from financial institutions	24	273,322,761	260,324,773	181,466,746	95,611,054
Current portion of promissory notes from a related party	24,35	120,973,014	539,337,616	120,973,014	539,337,616
Income tax payable		9,474,254	15,457,743	720,439	-
Deposits received from customers - current		29,444,461	24,638,843	-	7,187,000
Other current liabilities		92,595,737	92,631,682	18,131,856	6,446,686
Total current liabilities		1,849,079,088	1,918,411,137	935,084,137	2,663,972,732
Non-current liabilities					
Finance lease liabilities	24	224,059,326	204,917,951	82,103,596	90,691,684
Long-term borrowings from financial institutions	24	3,406,617,022	2,267,470,954	2,171,079,655	1,457,763,495
Long-term borrowings from related parties	24,35	-	-	300,000,000	-
Deposits received from customers		19,069,550	24,479,412	-	-
Deferred tax liabilities	23	382,867,599	333,879,767	158,365,040	164,789,591
Employee benefit obligations	26	144,585,923	117,847,500	21,078,832	18,534,694
Hospital acquisition payables		46,675,112	-	-	-
Other non-current liabilities		17,240,266	41,812,005	7,294,573	17,436,987
Total non-current liabilities		4,241,114,798	2,990,407,589	2,739,921,696	1,749,216,451
Total liabilities		6,090,193,886	4,908,818,726	3,675,005,833	4,413,189,183

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Financial Position (Cont'd)

Principal Capital Public Company Limited
As at 31 December 2020

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	27				
Authorised share capital					
Ordinary shares, 3,808,570,502 shares at par value of Baht 1 each		3,808,570,502	-	3,808,570,502	-
Ordinary shares, 3,564,096,272 shares at par value of Baht 1 each		-	3,564,096,272	-	3,564,096,272
Issued and paid-up share capital					
Ordinary shares, 3,462,336,820 shares paid-up at Baht 1 each		3,462,336,820	3,462,336,820	3,462,336,820	3,462,336,820
Premium on paid-up share capital	27	5,163,517,392	5,163,517,392	5,163,517,392	5,163,517,392
Retained earnings (deficits)					
Appropriated - legal reserve		61,735,874	44,199,790	61,735,874	44,199,790
Unappropriated		(1,155,337,368)	(626,349,548)	330,357,904	(66,010,368)
Other components of equity		764,873,173	766,023,166	-	-
Equity attributable to owners of the parent		8,297,125,891	8,809,727,620	9,017,947,990	8,604,043,634
Non-controlling interests		1,027,791,543	901,499,070	-	-
Total equity		9,324,917,434	9,711,226,690	9,017,947,990	8,604,043,634
Total liabilities and equity		15,415,111,320	14,620,045,416	12,692,953,823	13,017,232,817

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Comprehensive Income

Principal Capital Public Company Limited
For the year ended 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Revenues from hospital operations	10	2,290,328,940	2,296,171,232	184,675,401	227,379,346
Revenues from sales and services	10	360,376,746	575,269,628	167,889,732	288,754,396
Costs of hospital operations		(2,025,165,828)	(1,879,283,287)	(261,759,992)	(251,700,220)
Costs of sales and services		(307,009,269)	(353,286,426)	(118,738,747)	(137,816,024)
Gross profit (loss)		318,530,589	638,871,147	(27,933,606)	126,617,498
Other income		59,684,854	46,889,816	94,047,474	30,703,549
Gain from disposal of a business unit		-	-	704,702,645	-
Gain on bargain purchase		30,695,503	-	-	-
Gain (loss) on disposal of investment in subsidiaries	17	17,079,077	240,374,977	-	(44,999,980)
Selling expenses		(56,159,970)	(66,869,959)	(13,376,764)	(20,484,933)
Administrative expenses		(714,666,019)	(842,341,023)	(207,622,886)	(250,914,849)
Other expenses		(15,779,772)	(16,965,342)	-	-
Finance costs	30	(132,591,466)	(153,190,151)	(115,065,546)	(100,981,926)
Share of profit (loss) from an associate		(111,214)	160,724	-	-
Profit (loss) before income tax expense		(493,318,418)	(153,069,811)	434,751,317	(260,060,641)
Income tax (expense) income	32	(44,174,169)	(2,434,057)	(18,019,266)	5,813,836
Profit (loss) from continuing operations		(537,492,587)	(155,503,868)	416,732,051	(254,246,805)
Loss from discontinued operations		-	(31,438,891)	-	-
Profit (loss) for the year		(537,492,587)	(186,942,759)	416,732,051	(254,246,805)
Other comprehensive income :					
Items that will not be reclassified to profit or loss					
Remeasurements of employee benefit obligations	26	293,113	4,154,734	(3,534,618)	1,406,123
Deferred income tax on remeasurements of employee benefit obligations	23	(58,623)	(830,947)	706,923	(281,225)
Total items that will not be reclassified to profit or loss		234,490	3,323,787	(2,827,695)	1,124,898
Other comprehensive income (expense) for the year, net of tax		234,490	3,323,787	(2,827,695)	1,124,898
Total comprehensive income (expense) for the year		(537,258,097)	(183,618,972)	413,904,356	(253,121,907)

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Comprehensive Income (Cont'd)

Principal Capital Public Company Limited
For the year ended 31 December 2020

	Note	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Profit (loss) attributable to:					
Owner of the parent		(511,686,226)	(181,716,809)	416,732,051	(254,246,805)
Non-controlling interests		(25,806,361)	(5,225,950)	-	-
		<u>(537,492,587)</u>	<u>(186,942,759)</u>	<u>416,732,051</u>	<u>(254,246,805)</u>
Total comprehensive income (expense) attributable to:					
Owner of the parent		(511,451,736)	(178,726,782)	413,904,356	(253,121,907)
Non-controlling interests		(25,806,361)	(4,892,190)	-	-
		<u>(537,258,097)</u>	<u>(183,618,972)</u>	<u>413,904,356</u>	<u>(253,121,907)</u>
Profit (loss) per share	33				
Basic profit (loss) per share		<u>(0.148)</u>	<u>(0.056)</u>	<u>0.120</u>	<u>(0.078)</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Changes in Equity

Principal Capital Public Company Limited
For the year ended 31 December 2020

Consolidated financial statements												
Notes	Attributable to owners of the parent											
	Retained earnings (deficits)			Other components								
	Issued and paid-up share capital	Premium on paid-up share capital	Appropriated - legal reserve	Unappropriated	Difference arising from business combination under common control		Difference arising from change in ownership interest in subsidiaries		Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2019	3,240,087,520	4,476,767,055	44,199,790	(447,622,766)	764,129,669	-	-	764,129,669	8,077,561,268	764,057,968	8,841,619,236	
27 Proceeds from ordinary shares issued	222,249,300	686,750,337	-	-	-	-	-	-	908,999,637	-	908,999,637	
Proceeds from a subsidiary's ordinary shares issued	-	-	-	-	-	-	-	-	-	-	-	
Proceeds from a new subsidiary establishment	-	-	-	-	-	-	-	-	-	60,000,000	60,000,000	
Entire business transfer	-	-	-	-	-	-	-	-	-	60,000,020	60,000,020	
Change in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	20,726,769	20,726,769	
Dividend paid	-	-	-	-	-	-	1,893,497	1,893,497	1,893,497	9,606,503	11,500,000	
Total comprehensive expense for the year	-	-	-	(178,726,782)	-	-	-	-	(178,726,782)	(4,892,190)	(8,000,000)	
	-	-	-	-	-	-	-	-	-	(4,892,190)	(183,618,972)	
Closing balance as at 31 December 2019	3,462,336,820	5,163,517,392	44,199,790	(626,349,548)	764,129,669	1,893,497	-	766,023,166	8,809,727,620	901,499,070	9,711,226,690	
Opening balance as at 1 January 2020	3,462,336,820	5,163,517,392	44,199,790	(626,349,548)	764,129,669	1,893,497	-	766,023,166	8,809,727,620	901,499,070	9,711,226,690	
Legal reserve	-	-	17,536,084	(17,536,084)	-	-	-	-	-	-	-	
17 Proceeds from ordinary shares issued	-	-	-	-	-	-	-	-	-	-	-	
17 Proceeds from a new subsidiary establishment	-	-	-	-	-	-	-	-	-	40,000,000	40,000,000	
Entire business transfer	-	-	-	-	-	-	-	-	-	4,900,000	4,900,000	
28 Change in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	106,048,841	106,048,841	
Total comprehensive expense for the year	-	-	-	(511,451,736)	-	-	(1,149,993)	(1,149,993)	(1,149,993)	1,149,993	-	
	-	-	-	-	-	-	-	-	(511,451,736)	(25,806,361)	(537,258,097)	
Closing balance as at 31 December 2020	3,462,336,820	5,163,517,392	61,735,874	(1,155,337,368)	764,129,669	743,504	-	764,873,173	8,297,125,891	1,027,791,543	9,324,917,434	

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Changes in Equity (Cont'd)

Principal Capital Public Company Limited
For the year ended 31 December 2020

		Separate financial statements				
Note		Issued and paid-up share capital Baht	Premium on paid-up capital Baht	Retained earnings (deficits)		Total equity Baht
				Appropriated - legal reserve Baht	Unappropriated Baht	
	Opening balance as at 1 January 2019	3,240,087,520	4,476,767,055	44,199,790	187,111,539	7,948,165,904
27	Proceeds from ordinary shares issued	222,249,300	686,750,337	-	-	908,999,637
	Total comprehensive expense for the year	-	-	-	(253,121,907)	(253,121,907)
	Closing balance as at 31 December 2019	3,462,336,820	5,163,517,392	44,199,790	(66,010,368)	8,604,043,634
	Opening balance as at 1 January 2020	3,462,336,820	5,163,517,392	44,199,790	(66,010,368)	8,604,043,634
	Legal reserve	-	-	17,536,084	(17,536,084)	-
	Total comprehensive income for the year	-	-	-	413,904,356	413,904,356
	Closing balance as at 31 December 2020	3,462,336,820	5,163,517,392	61,735,874	330,357,904	9,017,947,990

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Cash Flows

Principal Capital Public Company Limited
For the year ended 31 December 2020

Notes	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash flows from operating activities				
Profit (loss) before income tax				
From continuing operation	(493,318,418)	(153,069,811)	434,751,317	(260,060,641)
From discontinued operation	-	(31,746,014)	-	-
Total	(493,318,418)	(184,815,825)	434,751,317	(260,060,641)
Adjustments for:				
Depreciation and amortisation	31	571,767,555	472,434,408	132,184,286
Allowance for (reversal of)				
- doubtful accounts -				
trade and other receivables		4,577,817	14,684,829	3,924,091
- obsolete inventories		33,303	(27,432)	-
Write-offs withholding tax receivables		1,438,754	3,637,475	1,438,561
Realised gains on disposals of financial assets				
measured at fair value through profit or loss	13.2	(1,003,960)	(303,431)	(789,736)
Unrealised (gains) loss on changes in financial assets				
measured at fair value through profit or loss	13.2	565	(463,072)	321
Gain on disposal of a business unit		-	(704,702,645)	-
Gain on bargain purchase	28	(30,695,503)	-	-
(Gain) loss on disposal of investment in subsidiaries	17	(17,079,077)	(245,989,546)	-
Gain on lease agreement termination		(88,354)	-	(88,354)
(Gain) loss on disposals of equipment		77,490	(399,337)	(79,536)
Loss on write-offs of equipment		702,925	371,326	115,542
Gain on disposals of investment property		(7,767,605)	-	-
Loss on write-offs of intangible assets		-	17,881	-
Employee benefit expenses	26	28,003,332	44,053,300	4,930,698
Interest income		(1,073,370)	(1,550,050)	(76,798,113)
Finance costs	30	132,591,467	153,190,151	115,065,546
Share of profit (loss) from an associate		111,214	(160,724)	-
Profit (loss) from operating activities before changes in operating assets and liabilities		188,278,135	254,679,953	(90,048,022)
Trade and other receivables		(53,965,000)	26,890,920	(5,370,886)
Inventories		(12,816,733)	(7,124,380)	(954,144)
Other current assets		9,217,680	4,205,074	2,588,742
Other non-current assets		(9,254,321)	(9,096,605)	(1,100,364)
Trade and other payables		(72,963,599)	107,045,859	(4,198,806)
Advances received from customers		(1,914,624)	9,951,185	(8,713,636)
Deposits received from customers		(604,244)	(623,728)	(7,187,000)
Other current liabilities		35,945	18,499,339	11,685,170
Employee benefits paid	26	(14,339,959)	(5,836,046)	(3,212,789)
Other non-current liabilities		24,571,739	(1,900,522)	(10,142,414)
Cash generated from (used in) operations		56,245,019	396,691,049	(116,654,149)
Interest paid		(143,186,288)	(147,354,670)	(170,023,283)
Income tax paid		(71,211,821)	(59,841,635)	(21,908,983)
Income tax received		-	3,524,159	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Cash Flows (Cont'd)

Principal Capital Public Company Limited
For the year ended 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Proceeds from disposals of					
short-term investments		674,227,734	1,280,173,746	655,358,351	220,000,000
Purchases of short-term investments		(182,792,124)	(1,799,170,418)	(188,000,000)	(700,056,938)
(Increase) decrease in restricted deposits					
at financial institutions		(2,690,775)	566,421	-	-
Cash received from short-term loans to subsidiaries		-	-	471,283,237	-
Cash received from short-term loans to third parties		32,000,000	-	32,000,000	-
Payments of short-term loans to subsidiaries		-	-	(1,038,083,207)	(1,253,699,958)
Payments of long-term loans to subsidiaries		-	-	(716,999,962)	-
Cash received from short-term loans to related parties		-	3,500,000	-	402,000,000
Cash received from short-term loans to director		70,000	-	-	-
Payments of short-term loan to a related person		(16,474,826)	-	-	-
Payments for purchases of investment in an associate		-	(250,000)	-	-
Payments of a new subsidiary establishment	28	-	-	(5,100,000)	-
Payments for increased in share capital of a subsidiary		-	-	(8,500,000)	-
Payments for entire business transfer	28	(728,499,790)	(96,000,000)	-	-
Payments for transaction costs of disposal of investment					
in subsidiaries		-	(7,974,000)	-	-
Cash received from decrease in share capital of a subsidiary		-	13,000,000	-	-
Cash received from receivables under lease agreement		-	-	1,887,480	262,868
Cash received from interest income		7,394,867	1,565,357	94,326,696	504,736
Proceeds from disposals of investment in					
subsidiaries - net of cash disposed		16,392,855	1,331,789,403	-	5,000,000
Proceeds from partial business transfer		-	-	1,966,000,000	-
Proceeds from disposals of equipment		684,137	10,191,836	859,194	561,215
Payments for land purchase deposit		-	(1,000,000)	-	-
Purchases of investment property		(1,326,073)	(1,534,599)	-	-
Purchases of property, plant and equipment		(861,100,110)	(1,088,376,406)	(270,268,639)	(381,273,116)
Purchases of intangible assets		(43,549,787)	(46,155,404)	(446,814)	(2,101,298)
Payments for right-of-use assets		(14,311,428)	(1,291,156)	-	-
Net cash generated from (used in) investing activities		(1,119,975,320)	(400,965,220)	994,316,336	(1,708,802,491)
Cash flows from financing activities					
Payments for financing fee		(3,597,200)	(1,500,000)	-	(1,500,000)
Proceeds from borrowings from financial institutions		3,727,275,201	1,971,669,415	2,833,529,728	1,667,578,669
Repayments of borrowings from financial institutions		(2,623,643,041)	(2,670,332,830)	(2,034,033,613)	(2,061,732,706)
Proceeds from borrowings from related parties		-	200,000,000	393,679,580	1,546,751,770
Repayments of borrowings from related parties		(52,000,000)	(324,500,000)	(1,884,700,000)	(296,000,000)
Payments of lease liabilities		(61,352,432)	(45,930,296)	(26,426,418)	(14,323,083)
Dividends paid to non-controlling interests		(6)	(8,000,000)	-	-
Proceeds from share issuance		-	908,999,637	-	908,999,637
Cash received from proceeds from a new					
subsidiary establishment		4,900,000	-	-	-
Proceeds from subsidiaries' ordinary shares issued		40,000,000	120,000,020	-	-
Payments for acquisition in a subsidiary's ownership interest		-	(4,500,000)	-	-
Proceeds from partial disposal of investment in a subsidiary		27,000,000	16,000,000	-	-
Net cash from (used in) financing activities		1,058,582,522	161,905,946	(717,950,723)	1,749,774,287

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Cash Flows (Cont'd)

Principal Capital Public Company Limited
For the year ended 31 December 2020

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Net decrease in cash and cash equivalents		(219,545,888)	(46,040,371)	(32,220,802)	(38,729,902)
Cash and cash equivalents at the beginning of the year, net		395,864,506	441,904,877	53,079,771	91,809,673
Cash and cash equivalents at the end of the year		176,318,618	395,864,506	20,858,969	53,079,771
Non-cash transactions					
Significant non-cash transactions for the year ended 31 December are as follows:					
Purchases of plant and equipment not yet paid for		304,857,207	109,706,566	59,347,993	6,898,829
Purchases of intangible assets not yet paid for		65,831,811	-	-	-
Asset under leases contracts		82,723,864	213,167,715	24,688,985	91,461,948
Short-term loan from a subsidiary	35 d)	-	-	417,219,011	-
Long-term promissory notes from a related party	35 e)	390,068,100	-	-	-
Hospital acquisition payables		294,091,218	-	-	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements

Principal Capital Public Company Limited

For the year ended 31 December 2020

1 General information

Principal Capital Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand and incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

No. 29, 23rd floor, Bangkok Business Center Building, Sukhumvit 63 Road, Klongtonnua, Wattana, Bangkok.

In addition, the Company has branches located at No.35/2, Moo 12, Bangna-Trad Road, Bangkaew, Bangphli, Samut Prakan.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal business operations of the Group are operating private hospitals, serviced apartments, office building for rent and property development and for rent.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 24 February 2021.

2 Significant events during the current year

Coronavirus Disease 2019 outbreak

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has adverse effects on operating results for the year ended 31 December 2020.

The global COVID-19 outbreak initiated government-imposed travelling restrictions and controls as well as upended the normal way of living and economic activities. As a result, hotel revenue significantly dropped by Baht 207.5 million which is 47.20% compared to 2019. This is due to temporary operational closures as well as previously suspended and currently diminished domestic and international travels. In response, the Group offered various promotions such as room and food and beverage discount to attract customers. Also, the protocol to prevent the spread of COVID-19 enforced restriction on transportation in many areas. The nationwide COVID-19 outbreak and decline in domestic economic resulted in dramatic decrease in hospital revenue by Baht 278.8 million which is 13.05% compared to prior period. The management expects that both of operating results and revenue will be recover after vaccine rollout in the second half year of 2021. However, the major shareholder and director of the Group has confirmed his intention and developed the financial plan to continue to provide financial support to the Group and the Company as and when it is needed to enable the sufficient liquidity of the Group and the Company to continue its operations and enable source of fund to fulfil all of its financial obligations now and in the future for a minimum period of 12 months after the date that the financial statements were authorised for issue by the Company’s authorised directors.

3 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except certain financial assets and liabilities (including derivative instrument), and employee benefit obligations.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 9.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

4 Accounting policies

4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group

a) Financial instruments

The new financial standards related to financial instruments are as follows:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRIC 16	Hedges of a net investment in a foreign operation
TFRIC 19	Extinguishing financial liabilities with equity instruments

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets’ measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

- c) Amendment to TAS 12, Income tax clarified** that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- d) Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement)** - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.
- e) Amendment to TAS 23, Borrowing costs** clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.
- f) Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures)** clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. The Group must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.
- g) Amendment to TFRS 3, Business combinations** clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.
- h) Amendment to TFRS 11, Joint arrangements** clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
- i) TFRIC 23, Uncertainty over income tax treatments** explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:
- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.
 - that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
 - that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

4.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and have significant impacts to the Group

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group.

a) **Revised Conceptual Framework for Financial Reporting** added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

b) **Amendment to TFRS 3, Business combinations** amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.

c) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

d) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

5 Impacts from initial application of the new and revised financial reporting standards

This note explains the impact of the adoption of TAS 32 *Financial Instruments: Presentation*, TFRS 7 *Financial Instruments: Disclosure*, TFRS 9 *Financial Instruments* and TFRS 16 *Leases* on the Group's consolidated financial statements and the Company's separate financial statements. The new accounting policies applied from 1 January 2020 were disclosed in Note 6.

The Group and the Company have adopted those accounting policies from 1 January 2020 by applying the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of 1 January 2020.

The impact of first-time adoption of new financial reporting standards on the consolidated and separate statements of financial position are as follows:

		Consolidated financial statements			
		31 December 2019 Thousand Baht	TFRS 9 and TAS 32 Thousand Baht	TFRS 16 Thousand Baht	1 January 2020 Thousand Baht
Notes					
Current assets					
Financial assets measured at fair value through profit or loss	B	-	519,601	-	519,601
Short-term fixed deposit*	B	-	6,226	-	6,226
Short-term investments	B	525,827	(525,827)	-	-
Trade and other receivables, net*	A	233,450	-	-	233,450
Non-current assets					
Financial assets measured at fair value through profit or loss	B	-	330	-	330
Other long-term investments	B	330	(330)	-	-
Property, plant and equipment, net	C, D	9,896,170	-	(282,535)	9,613,635
Right-of-use assets	C, D	-	-	333,588	333,588
Leasehold rights	C, D	26,513	-	(26,513)	-
Deferred tax assets		23,278	-	-	23,278
Total assets affected		10,705,568	-	24,540	10,730,108
Current liabilities					
Current portion of lease liabilities	C	64,812	-	7,011	71,823
Non-current liabilities					
Lease liabilities	C	204,918	-	17,529	222,447
Deposit received from customers*		24,479	-	-	24,479
Deferred tax liabilities		333,880	-	-	333,880
Other non-current liabilities*		41,812	-	-	41,812
Total liabilities affected		669,901	-	24,540	694,441
Equity					
Deficits - Unappropriated		(626,350)	-	-	(626,350)
Other components of equity		766,023	-	-	766,023
Total equity affected		139,673	-	-	139,673

		Separate financial statements			
	Notes	31 December 2019 Thousand Baht	TFRS 9 and TAS 32 Thousand Baht	TFRS 16 Thousand Baht	1 January 2020 Thousand Baht
Current assets					
Financial assets measured at fair value through profit or loss	B	-	480,581	-	480,581
Short-term fixed deposit*	B	-	3,987	-	3,987
Short-term investments	B	484,568	(484,568)	-	-
Trade and other receivables, net*	A	48,066	-	-	48,066
Non-current assets					
Financial assets measured at fair value through profit or loss	B	-	330	-	330
Other long-term investments	B	330	(330)	-	-
Property, plant and equipment, net	C, D	3,033,819	-	(117,444)	2,916,375
Right-of-use assets	C, D	-	-	125,489	125,489
Total assets affected		3,566,783	-	8,045	3,574,828
Current liabilities					
Current portion of lease liabilities	C	27,250	-	3,491	30,741
Non-current liabilities					
Lease liabilities	C	90,692	-	4,554	95,246
Deferred tax liabilities		164,790	-	-	164,790
Other non-current liabilities*		17,437	-	-	17,437
Total liabilities affected		300,169	-	8,045	308,214
Equity					
Deficits - Unappropriated		(66,010)	-	-	(66,010)
Total equity affected		(66,010)	-	-	(66,010)

* Financial assets and financial liabilities measured at amortised cost.

Note:

- A) Adjustments on impairment of financial assets (Note 5.1)
- B) Impacts from changes in classification and measurement of financial assets (Note 5.1)
- C) Recognition of right of use assets and lease liabilities under TFRS 16 (Note 5.2)
- D) Reclassification of leased assets and finance lease liabilities (Note 5.2)

5.1 Financial instruments

On 1 January 2020 (the date of initial application), the management has assessed which business models apply to financial assets and financial liabilities, and has classified its financial instruments into the appropriate TFRS 9 categories below:

Consolidated financial statements			
	Fair value through profit or loss (FVPL) Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht
Financial assets			
Cash and cash equivalents	-	395,865	395,865
Short-term fixed deposits	-	6,226	6,226
Short-term investments	519,601	-	519,601
Restricted deposits at financial institutions - current	-	5,000	5,000
Trade and other receivables, net	-	209,069	209,069
Short-term loan to third party	-	39,044	39,044
Other current assets	-	33,020	33,020
Restricted deposits at financial institutions	-	2,800	2,800
Long-term investments	330	-	330
Other non-current assets	-	4,946	4,946
	519,931	695,970	1,215,901
Financial liabilities			
Short-term borrowings from financial institutions	-	50,011	50,011
Trade and other payables	-	485,985	485,985
Short-term borrowings from related parties	-	348,416	348,416
Current portion of lease liabilities	-	64,812	64,812
Current portion of long-term borrowings from financial institutions	-	260,325	260,325
Current portion of promissory notes from a related party	-	539,338	539,338
Deposits received from customers - current	-	24,639	24,639
Other current liabilities	-	37,481	37,481
Lease liabilities	-	204,918	204,918
Long-term borrowings from financial institutions	-	2,267,471	2,267,471
Deposits received from customers	-	24,479	24,479
Other non-current liabilities	-	31,373	31,373
	-	4,339,248	4,339,248
Separate financial statements			
	Fair value through profit or loss (FVPL) Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht
Financial assets			
Cash and cash equivalents	-	53,080	53,080
Short-term fixed deposits	-	3,987	3,987
Short-term investments	480,581	-	480,581
Restricted deposits at financial institutions - current	-	5,000	5,000
Trade and other receivables, net	-	42,452	42,452
Current portion of lease receivables, net	-	1,611	1,611
Short-term loans to a subsidiary	-	1,355,989	1,355,989
Short-term loan to third party	-	39,044	39,044
Other current assets	-	11,786	11,786
Lease receivables, net	-	6,744	6,744
Long-term investments	330	-	330
Other non-current assets	-	178	178
	480,911	1,519,871	2,000,782

	Separate financial statements		
	Fair value through profit or loss (FVPL) Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht
Financial liabilities			
Trade and other payables	-	91,470	91,470
Short-term borrowings from related parties	-	1,886,111	1,886,111
Current portion of lease liabilities	-	27,250	27,250
Current portion of long-term borrowings from financial institutions	-	95,611	95,611
Current portion of promissory notes from a related party	-	539,338	539,338
Deposits received from customers - current	-	7,187	7,187
Lease liabilities	-	90,692	90,692
Long-term borrowings from financial institutions	-	1,457,763	1,457,763
Other non-current liabilities	-	17,437	17,437
	-	4,212,859	4,212,859

(a) **Reclassification from held-to-maturity to amortised cost**

Short-term fixed deposits that would have previously been classified as held-to maturity are now classified at amortised cost. The Group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. The Group did not recognise in the loss allowance for these assets.

(b) **General investments classified as FVPL**

As of 1 January 2020 the Group and the Company reclassified general investments in equity instruments that previously measured at cost less impairment of Baht 330,000 to FVPL. There is no significant impact of fair value measurement affected in retained earnings on 1 January 2020.

(c) Reclassifications of financial instruments on adoption of TFRS 9

On 1 January 2020, the date of initial application, the measurement categories and carrying amounts of financial assets and financial liabilities were as follows.

	Consolidated financial statements				
	Measurement categories		Carrying amounts		
	Previously reported (TAS 105 and other TAS)	New (TFRS 9)	Previously reported Thousand Baht	New Thousand Baht	Difference Thousand Baht
Current financial assets					
Cash and cash equivalents	Amortised cost	Amortised cost	395,865	395,865	-
Short-term fixed deposits	Amortised cost	Amortised cost	6,226	6,226	-
Short-term investments	Trading	FVPL	519,601	519,601	-
Restricted deposits at financial institutions - current	Amortised cost	Amortised cost	5,000	5,000	-
Trade and other receivables	Amortised cost	Amortised cost	209,069	209,069	-
Short-term loan to a third party	Amortised cost	Amortised cost	39,044	39,044	-
Non-current financial assets					
Restricted deposits at financial institutions	Amortised cost	Amortised cost	2,800	2,800	-
Long-term investments	Cost less impairment	FVPL	330	330	-
Current financial liabilities					
Short-term borrowings from financial institutions	Amortised cost	Amortised cost	50,011	50,011	-
Trade and other payables	Amortised cost	Amortised cost	485,985	485,985	-
Short-term borrowings from related parties	Amortised cost	Amortised cost	348,416	348,416	-
Current portion of lease liabilities	Amortised cost	Amortised cost	64,812	64,812	-
Current portion of long-term borrowings from financial institutions	Amortised cost	Amortised cost	260,325	260,325	-
Current portion of promissory notes from a related party	Amortised cost	Amortised cost	539,338	539,338	-
Deposits received from customers - current	Amortised cost	Amortised cost	24,639	24,639	-
Other current liabilities	Amortised cost	Amortised cost	37,481	37,481	-
Non-current financial liabilities					
Lease liabilities	Amortised cost	Amortised cost	204,918	204,918	-
Long-term borrowings from financial institutions	Amortised cost	Amortised cost	2,267,471	2,267,471	-
Deposits received from customers	Amortised cost	Amortised cost	24,479	24,479	-
Other non-current liabilities	Amortised cost	Amortised cost	31,373	31,373	-

Separate financial statements					
Measurement categories		Carrying amounts			
	Previously reported (TAS 105 and other TAS)	New (TFRS 9)	Previously reported (TAS 105 and other TAS)	New (TFRS 9)	Previously reported (TAS 105 and other TAS)
Current financial assets					
Cash and cash equivalents	Amortised cost	Amortised cost	53,080	53,080	-
Short-term fixed deposits	Amortised cost	Amortised cost	3,987	3,987	-
Short-term investments	Trading	FVPL	480,581	480,581	-
Restricted deposits at financial institutions - current	Amortised cost	Amortised cost	5,000	5,000	-
Trade and other receivables, net	Amortised cost	Amortised cost	42,452	42,452	-
Current portion of lease receivables, net	Amortised cost	Amortised cost	1,611	1,611	-
Short-term loans to a subsidiary	Amortised cost	Amortised cost	1,355,989	1,355,989	-
Short-term loan to third party	Amortised cost	Amortised cost	39,044	39,044	-
Non-current financial assets					
Lease receivables, net	Amortised cost	Amortised cost	6,744	6,744	-
Long-term investments	Cost less impairment	FVPL	330	330	-
Current financial liabilities					
Trade and other payables	Amortised cost	Amortised cost	91,470	91,470	-
Short-term borrowings from related parties	Amortised cost	Amortised cost	1,886,111	1,886,111	-
Current portion of lease liabilities	Amortised cost	Amortised cost	27,250	27,250	-
Current portion of long-term borrowings from financial institutions	Amortised cost	Amortised cost	95,611	95,611	-
Current portion of promissory notes from a related party	Amortised cost	Amortised cost	539,338	539,338	-
Deposits received from customers - current	Amortised cost	Amortised cost	7,187	7,187	-
Non-current financial liabilities					
Lease liabilities	Amortised cost	Amortised cost	90,692	90,692	-
Long-term borrowings from financial institutions	Amortised cost	Amortised cost	1,457,763	1,457,763	-
Other non-current liabilities	Amortised cost	Amortised cost	17,437	17,437	-

(d) **Impairment of financial assets**

The Group and the Company have following financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- short-term fixed deposits
- restricted deposits at financial institutions
- trade and other receivables
- loans
- debt investments carried at amortised cost

The Group revise its impairment methodology under TFRS 9. While management considers that expected credit loss from these items were immaterial.

Trade receivables

The Group and the Company identified trade receivables as material financial assets required assessment by expected credit loss model.

The Group applies the simplified approach in measuring expected credit losses, which uses a lifetime expected loss allowance for trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the historical payment profiles of sales, the corresponding historical credit losses experienced as well as forward-looking information that may affect the ability of the customers to settle the receivables.

As of 1 January 2020, the Group and the Company recognised additional loss allowance of Baht 4.6 million and Baht 3.9 million, respectively for trade receivables.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables. As of 31 December 2020, the expected credit loss of Baht 12.0 million for trade receivables were assessed based on historical credit loss together with the management's judgement in estimating the expected credit loss.

The Group is currently assessing the impacts from including forward-looking information in assessing the expected credit loss of trade receivables after expiry of the temporary measures to relieve the impact from COVID-19 announced by TFAC.

The loss allowance for trade receivables and contract assets was determined as follows:

	Consolidated financial statements					
	Not yet due Thousand Baht	Up to 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	More than 12 months Thousand Baht	Total Thousand Baht
As of 31 December 2020						
Gross carrying amount (Note 12.1)						
- trade receivables						
- third parties	107,411	101,923	10,396	9,894	14,819	244,443
- trade receivables						
- related parties	240	-	-	-	-	240
- contract assets	16,579	68	-	-	-	16,647
Loss allowance	3,666	2,764	781	637	4,162	12,010
	Separate financial statements					
	Not yet due Thousand Baht	Up to 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	More than 12 months Thousand Baht	Total Thousand Baht
As of 31 December 2020						
Gross carrying amount (Note 12.1)						
- trade receivables						
- third parties	10,914	19,449	1,603	4,931	5,182	42,079
- trade receivables						
- related parties	5,626	-	-	-	-	5,626
- contract assets	1,480	-	-	-	-	1,480
Loss allowance	1	25	2	14	5,146	5,188

The reconciliations of loss allowance for trade receivables and contract assets for the year ended 31 December are as follow:

Consolidated financial statements	
Trade receivables	
2020	2019
Thousand Baht	Thousand Baht
7,432	7,192
-	-
7,432	7,192
5,930	7,023
(804)	(2,410)
(548)	(2,278)
-	(2,095)
12,010	7,432
Separate financial statements	
Trade receivables	
2020	2019
Thousand Baht	Thousand Baht
1,264	120
-	-
1,264	120
4,031	1,157
-	(13)
(107)	-
5,188	1,264

As of 31 December - calculated under TAS 101

Amounts restated through opening retained earnings

Opening loss allowance as at 1 January 2020 - calculated under TFRS 9
(2019: calculated under TAS 101)

Increase in loss allowance recognised in profit or loss during the year

Receivable written off during the year as uncollectible

Unused amount reversed

Disposal of subsidiaries' assets

As of 31 December - calculated TFRS 9

(2019: calculated under TAS 101)

As of 31 December - calculated under TAS 101

Amounts restated through opening retained earnings

Opening loss allowance as at 1 January 2020 - calculated under TFRS 9
(2019: calculated under TAS 101)

Increase in loss allowance recognised in profit or loss during the year

Unused amount reversed

Partial business transfer

As of 31 December - calculated TFRS 9

(2019: calculated under TAS 101)

Loans to related parties

The Company has loans to related parties measured at amortised cost. The 12-month expected credit loss allowance was recognised for those loans without any significant increase in credit risk. The lifetime expected credit loss was recognised for those loans with significant increase in credit risk.

The Company decide not to reserve provision for credit loss of the short-term and long-term loans to related parties as of 31 December 2020 and 2019 because these loans have low default rate.

5.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases for leases of land, buildings and machineries with lease terms more than 12 months. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 4.03%.

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied in which the incremental borrowing rate for the whole lease term is applied. Other right-of-use assets were measured at the amount equal to the lease liability in which the incremental borrowing rate for the remaining lease terms from the initial application date is applied, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

	Consolidated financial statement Baht	Separate financial statement Baht
Operating lease commitments disclosed as at 31 December 2019	58,876,537	10,352,248
(Less): Discounted using the lessee's incremental borrowing rate of at the date of initial application	(4,006,942)	(395,637)
Add: Finance lease liabilities recognised as at 31 December 2019	269,729,636	117,941,348
(Less): Short-term leases recognised on a straight-line basis as expense	(1,341,955)	-
(Less): Low-value leases recognised on a straight-line basis as expense	(768,536)	-
(Less): Contracts reassessed as service agreements	(28,218,419)	(1,911,562)
Lease liability recognised as at 1 January 2020	294,270,321	125,986,397
Current lease liabilities	71,823,110	30,741,038
Non-current lease liabilities	222,447,211	95,245,359
	294,270,321	125,986,397

Practical expedients applied

In applying TFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an arrangement contains a Lease

6 Accounting policies

6.1 Principles of consolidation accounting

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method. Directly attributable costs of acquisition of the investment is capitalised as costs of the investment.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for using cost method.

c) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently shares of its associates' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates is recognised in profit or loss.

When the Group losses control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture, or a financial assets accordingly.

e) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

6.2 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses.

As in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

6.3 Foreign currency translation

a) functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency and the Company's and the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

6.4 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call financial institution, short-term highly liquid investments with maturities of three months or less from acquisition date.

6.5 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 7.1.2(b).

6.6 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the weighted average method. Cost of inventories comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

6.7 Financial assets

For the year ended 31 December 2020

a) Classification

From 1 January 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial assets at its fair value plus, in the case of a financial assets not at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item the statement of comprehensive income.
- FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

f) Impairment

From 1 January 2020, the Group assesses on a forward looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 7.1.2(b) for details.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 as disclosed in note 5.1(d).

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

For other financial assets carried at amortised cost, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

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

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

For the year ended 31 December 2019

Investments in debt securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Trading investments

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

General investments

General investments are carried at cost less impairment.

6.8 Investment property

Investment properties, principally land and office buildings for rental, are held for long-term rental yields or for capital appreciation or both and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building and building improvements	5 - 20 years
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6.9 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building and building improvements	5 - 40 years
Furniture, fixtures and office equipment	3 - 5 years
Medical equipment	3 - 10 years
Vehicles	5 years

Linens, dishware, glassware, and silverware, and some equipment supplies necessary for operating the serviced apartments, at the appropriate quantities for the normal operations, are recorded at the acquisition value. These assets are not depreciated. Subsequent replenishment or replacements of these items are recorded as period costs.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

6.10 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

6.11 Intangible assets

Acquired intangible assets

Separately acquired intangible assets such as trademark, customer relationships and computer software are measured at historical cost.

The assets with infinite useful life are subsequently measured at cost less impairment losses.

The assets with limited life are subsequently carried at cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method or other method of depreciation over their estimated useful lives, as follows:

Trademark	20 years
Customer relationships	10 years
Computer software	3 - 10 years

6.12 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 as an indication of the impairment of assets.

6.13 Leases

For the year ended 31 December 2020

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture, car and billboard.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

For the year ended 31 December 2019

Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

6.14 Financial liabilities

a) Classification

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

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

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

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation/modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated/modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

6.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take substantial period of time to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

6.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

6.17 Employee benefits

a) *Short-term employee benefits*

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) *Defined contribution plan*

The Group pays contributions to a separate fund. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

c) *Defined benefit plans*

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are charged or credited to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past service costs are recognised immediately in profit or loss.

6.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

6.19 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

6.20 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Revenues from hospital operations

Revenues from hospital operations include doctor fee, room service, and medical fee. The revenues, net amount of discount, are recognised when services or medicine have been delivered.

Revenues from services

Revenue from hotel ownership comprises amounts earned in respect of rental of rooms, food and beverage sales, and other ancillary services. Revenue is recognised over the period when rooms are occupied or services are performed. Revenue from the sale of food and beverages and goods is recognised at the point of sale when the food and beverages and goods are delivered to customers. Payment is due immediately when the hotel guest occupies the room and receives the services and goods.

Revenues from the serviced apartments and office building management businesses are recognised on an accrual basis at the amount net of value added taxes and trade discounts.

Revenues from rental operations

Rental revenues from investment property are recognised in statement of income by using the straight-line method over the rental contract period.

Other income

Interest income and other income are recognised on an accrual basis, unless collectability is in doubt.

Contract assets and liabilities

The Group will recognise revenue from contract as assets when the Group has performed by transferring a good or service to the customer before due date or prior to receiving payment from customer.

The Group will recognise revenue from contract as liabilities at contract due date or receiving payment from customer prior to the Group performing by transferring the related good or service to the customer.

The Group will offset the amount of contract assets or contract liabilities of the same contract.

6.21 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders, and interim dividend are approved by the Board of Directors.

6.22 Legal reserve

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside at least 5% of its net profit after taking into account the beginning balance of deficits (if any) as a legal reserve until the reserve is not less than 10% percent of the registered capital. The legal reserve is non-distributable.

7 Financial risk management**7.1 Financial risk factors**

The Group exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Board of Directors provides written principles for overall risk management which is carried out by a central treasury department (the Group treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units. The Risk Management Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and liquidity risk.

7.1.1 Market risk**a) Foreign exchange risk**

The Group is exposed to foreign currency risk arises mainly in US Dollar from consulting fees and expenses under the serviced apartment management agreements that are denominated in foreign currencies. However, the management believes that the circumstances of foreign exchange risk does not affect operational results of the Group. Therefore, the Group did not use derivatives and applied hedge accounting.

b) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow risk.

The Group's borrowings and receivables are carried at amortised cost. The borrowings are periodically contractually repriced (see the table below) and to that extent are also exposed to the risk of future changes in market interest rates.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

	Consolidated financial statements			
	2020		2019	
	Thousand Baht	% of total loans	Thousand Baht	% of total loans
Variable rate borrowings	3,679,940	90	2,527,796	73
Separate financial statements				
	2020		2019	
	Thousand Baht	% of total loans	Thousand Baht	% of total loans
Variable rate borrowings	2,352,546	72	1,553,375	39

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings. An analysis by maturities is provided in note 7.1.3 below.

7.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost as well as credit exposures to customers, including outstanding receivables and loans.

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only trustworthy financial companies are accepted from credit ratings agencies.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on the assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers or specific industry sectors.

The Group's investments in debt instruments are considered to be low risk investments.

b) Impairment of financial assets

The Group and the Company has 4 types of financial assets that are subject to the expected credit loss model:

- Trade and other receivables
- Contract assets
- Investment in debt instruments measured at amortised cost
- Loans

While cash, cash equivalents and cash at bank are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Trade receivables and contract assets

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled services provided work and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Accounting policies of expected credit losses for trade receivables and contract assets as of 31 December 2020 are disclosed in Note 5.1(d).

The Group and the Company write-off trade receivables and contract assets when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments or cannot be contacted for a period greater than 1 - 2 years past due.

Impairment loss for trade receivables and contract assets will be presented as net impairment loss in operating profit. The repayment will be a reversal transaction of the loss.

Previous accounting policy for impairment of trade receivables for comparative period

In the year 2019, the Group recognised impairment of trade receivables based on the incurred loss model such as uncollectible or past due for a period less than 1 - 2 years, which was not taken into account future losses. Therefore, loss allowance and allowance for doubtful accounts are not comparable.

Loans to related parties

Loans to related parties measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significant increased.

However, management of the Group estimates that the loans to related parties have low default rate. Therefore, management did not record expected credit losses for the year of 2020.

Debt investments

The Group and the Company considers that all debt investments measured at amortised cost and FVOCI have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management consider 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

7.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 176.3 million (2019: Baht 395.9 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding from financial institutions committed credit facilities.

Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

a) Financing arrangements

The Group has access to the following undrawn credit facilities as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Floating rate				
Expiring within one year				
- bank overdraft	-	-	-	-
Expiring beyond one year				
- bank loans	585,950	1,419,886	180,850	924,630
	585,950	1,419,886	180,850	924,630

b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

	Consolidated financial statements					Book Value (Asset)/ Liabilities
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Thousand Baht
As at 31 December 2020						
Trade payables	-	671,420	-	-	671,420	671,420
Other current liabilities	-	18,604	-	-	18,604	18,604
Lease liabilities	-	78,447	206,839	105,849	391,135	292,768
Long-term loans from financial institutions	-	273,323	2,392,766	1,017,056	3,683,145	3,679,940
Deposits received from customers	880	28,564	19,070	-	48,514	48,514
Hospital acquisition payables	-	250,000	55,000	-	305,000	290,672
Other non-current liabilities	-	-	17,240	-	17,240	17,240
Total	880	1,320,358	2,690,915	1,122,905	5,135,058	5,019,158

	Consolidated financial statements					
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	Book Value (Asset)/ Liabilities
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2019						
Short-loans from financial institutions	-	50,011	-	-	50,011	50,011
Trade payables	-	485,985	-	-	485,985	485,985
Other current liabilities	-	92,632	-	-	92,632	92,632
Lease liabilities	-	73,184	216,932	-	290,116	269,730
Long-term loans from financial institutions	-	260,325	2,050,070	218,904	2,529,299	2,527,796
Deposits received from customers	297	24,342	24,479	-	49,118	49,118
Other non-current liabilities	-	-	41,812	-	41,812	41,812
Total	297	986,479	2,333,293	218,904	3,538,973	3,517,084

	Separate financial statements					Book Value
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	(Asset)/ Liabilities
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2020						
Trade payables	-	100,270	-	-	100,270	100,270
Other current liabilities	-	4,281	-	-	4,281	4,281
Lease liabilities	-	32,312	85,450	-	117,762	111,398
Long-term loans from financial institutions	-	181,467	1,578,515	594,231	2,354,213	2,352,547
Other non-current liabilities	-	-	7,295	-	7,295	7,295
Total	-	318,330	1,671,260	594,231	2,583,821	2,575,791

	Separate financial statements					
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Book Value (Asset)/ Liabilities Thousand Baht
As at 31 December 2019						
Trade payables	-	91,470	-	-	91,470	91,470
Other current liabilities	-	6,447	-	-	6,447	6,447
Lease liabilities	-	31,192	96,670	-	127,862	117,941
Long-term loans from financial institutions	-	95,611	1,271,081	188,144	1,554,836	1,553,374
Deposits received from customers	-	7,187	-	-	7,187	7,187
Other non-current liabilities	-	-	17,437	-	17,437	17,437
Total	-	231,907	1,385,188	188,144	1,805,239	1,793,856

7.2 Capital management

7.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital based on debt to equity ratio which is determined by dividing net debt with equity.

	2020 Thousand Baht	2019 Thousand Baht
Net debt	6,090,194	4,908,814
Equity (including non-controlling interests)	9,324,917	9,711,226
Net debt to equity ratio	65%	51%

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- the gearing ratio must be not more than between 125% and 233%, and
- the ratio of adjusted DSCR must be not lower than between 115% and 125%

The Group has complied with these covenants throughout the reporting period as at 31 December 2020. However, some entities can not maintain the ratio of adjusted DSCR. Therefore, these entities received waiver letters from financial institutions.

8 Fair value

The following table presents fair value of financial assets and liabilities recognised or disclosed by their fair value hierarchy.

Consolidated financial statements								
Level 1		Level 2		Level 3		Total		
31 December		31 December		31 December		31 December		
2020	2019	2020	2019	2020	2019	2020	2019	
Thousand baht	Thousand baht	Thousand baht	Thousand baht	Thousand baht	Thousand baht	Thousand baht	Thousand baht	Thousand baht
Assets								
Financial assets at fair value through profit or loss								
Debt investments (Note 13)	34,007	519,600	-	-	-	-	34,007	519,600
Equity investments (Note 13)	-	-	-	-	330	330	330	330
Assets								
Financial assets at fair value through profit or loss								
Debt investments (Note 13)	18,000	480,581	-	-	-	-	18,000	480,581
Equity investments (Note 13)	-	-	-	-	330	330	330	330

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand or the Thai Bond Dealing Centre.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data

The fair value measurement of financial assets and financial liabilities is in accordance with accounting policies disclosed in Note 6.7 and 6.14.

Transfer between fair value hierarchy

The Group has no transfers between fair value hierarchy levels during the year.

The Group's valuation processes

The fair value of financial instruments in level 1 is calculated from fund's net asset value by reference to the asset management company.

9 Critical estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) *Goodwill impairment*

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a 5-year - 10-year period.

Cash flows beyond the 5th - 10th year period are extrapolated using the estimated growth rates stated in note 21. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

b) *Useful life of intangible asset*

The Group estimates the useful life of intangible assets as follows:

Trademark	20 years
Customer relationships	10 years

Reference to expected used in hospital operations by the Group and historical data of customer's demographic information.

c) *Defined retirement benefit obligations*

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 26.

d) *Determination of lease terms*

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended or terminated.

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

e) *Determination of discount rate applied to leases*

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

f) *Determination of discount rate applied to hospital acquisition payable*

The Group determines the incremental borrowings rate using third-party financing of the Group, adjusting to reflect changes in its financing conditions.

The Group's committee identifies reportable segments of its business to examine the Group's performance by product lines as follows:

	Property development and rental business										Eliminations				Total	
	Hospital business		2019		2020		2019		2020		2019		2020		2019	
	Million Baht	Million	Million Baht	Million	Million Baht	Million	Million Baht	Million	Million Baht	Million	Million Baht	Million	Million Baht	Million	Million Baht	Million Baht
Revenues from sales and services																
External customers	2,290.3	2,296.2	360.4	575.3												
Inter-segment	122.2	126.8	56.7	57.8												
Total	2,412.5	2,423.0	417.1	633.1												
Timing of revenue recognition:																
At a point in time	2,006.6	1,961.2	38.3	83.7												
Over time	406.1	461.8	378.6	549.4												
Total	2,412.7	2,423.0	416.9	633.1												
Gross profit (loss)	407.5	434.5	107.6	284.4												
Selling and administrative expenses	(788.8)	(689.1)	(186.6)	(264.4)												
Profit (loss) before income tax expense	(477.4)	(345.8)	766.6	(132.6)												
Income tax (expense) income	(12.4)	(11.2)	(29.7)	(6.5)												
Profit (loss) for the year from continuing operations	(489.8)	(357.0)	736.9	(139.1)												
Profit (loss) for the year from discontinued operations	-	-	-	-												
As at 31 December																
Investment property, net	-	-	1,155.1	1,576.4												
Property, plant and equipment, net	7,437.0	6,226.0	3,550.4	3,670.2												
Goodwill	1,824.0	1,657.2	-	-												
Total assets	10,675.5	8,351.3	10,779.9	12,119.6												

11 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Cash at bank and on hand	176,319	393,568	20,859	50,784
Short-term bank deposits	-	2,296	-	2,296
Total	176,319	395,864	20,859	53,080

12 Trade and other receivables, net

12.1 Trade and others receivable

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade receivables - third parties	244,443	200,434	42,079	37,527
Trade receivables - related parties (Note 35b)	240	321	5,626	4,627
Accrued income, net	16,647	8,332	1,480	748
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(12,010)	(7,432)	(5,188)	(1,264)
Trade receivables, net	249,320	201,655	43,997	41,638
Prepaid expenses	20,828	23,231	3,589	5,510
Advance expenses	2,007	1,150	327	104
Shares subscription receivable	60,000	-	-	-
Other receivable - related parties	2,823	3,914	-	-
Other receivables - third parties	7,859	3,500	1,600	814
	342,837	233,450	49,513	48,066

12.2 Impairments of trade receivables and financial assets

Information about the impairment of trade and financial assets is disclosed in note 5.1(d).

13 Financial assets and liabilities

As at 31 December 2020, classification of the Group's financial assets and financial liabilities are as follows:

	Consolidated financial statements		
	FVPL Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht
Current financial assets			
Cash and cash equivalents	-	176,319	176,319
Financial assets measured at fair value through profit or loss	34,007	-	34,007
Short-term fixed deposits	-	1,388	1,388
Restricted deposits at financial institutions - current	-	5,000	5,000
Trade and other receivables, net	-	320,002	320,002
Other current assets	-	16,169	16,169
Non-current financial assets			
Restricted deposits at financial institutions	-	2,803	2,803
Financial assets measured at fair value through profit or loss	330	-	330
Other non-current assets	-	39,550	39,550
Current financial liabilities			
Trade and other payables	-	921,420	921,420
Short-term borrowings from related parties	-	298,258	298,258
Current portion of lease liabilities	-	68,709	68,709
Current portion of long-term borrowings from financial institutions	-	273,323	273,323
Current portion of promissory notes from a related party	-	120,973	120,973
Deposits received from customers - current	-	29,444	29,444
Other current liabilities	-	13,889	13,889
Non-current financial liabilities			
Lease liabilities	-	224,059	224,059
Long-term borrowings from financial institutions	-	3,406,617	3,406,617
Deposits received from customers	-	19,070	19,070
Hospital acquisition payables	-	46,675	46,675
Other non-current liabilities	-	9,438	9,438

	Seperate financial statements		
	FVPL Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht
Current financial assets			
Cash and cash equivalents	-	20,859	20,859
Financial assets measured at fair value through profit or loss	18,000	-	18,000
Restricted deposits at financial institutions - current	-	5,000	5,000
Trade and other receivables, net	-	45,597	45,597
Current portion of receivables under finance lease, net	-	1,670	1,670
Short-term loans to subsidiaries	-	10	10
Other current assets	-	4,281	4,281
Non-current financial assets			
Receivables under lease agreement, net	-	5,074	5,074
Financial assets measured at fair value through profit or loss	330	-	330
Long-term loans to subsidiaries	-	2,629,296	2,629,296
Other non-current assets	-	4,385	4,385
Current financial liabilities			
Trade and other payables	-	100,270	100,270
Short-term borrowings from related parties	-	482,382	482,382
Current portion of lease liabilities	-	29,295	29,295
Current portion of long-term borrowings from financial institutions	-	181,467	181,467
Current portion of promissory notes from a related party	-	120,973	120,973
Non-current financial liabilities			
Lease liabilities	-	82,104	82,104
Long-term borrowings from financial institutions	-	2,171,080	2,171,080
Long-term borrowings from related parties	-	300,000	300,000

13.1 Other financial assets at amortised cost

a) Classification of financial assets at amortised cost (2019: amortised cost under TAS105)

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group.

b) Fair values of other financial assets at amortised cost

Fair value for the following investments was determined by reference to published price quotations in an active market (classified as level 1 in the fair value hierarchy).

Due to the short-term nature of the financial assets, their carrying amount is considered to be the same as their fair value.

As at 31 December 2020 loans to related parties at a carrying amount of Baht 2,629.3 million (2019: Nil) have a fair value of Baht 2,621.7 million (2019: Nil). The fair values were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

c) Loss allowance

Information about the impairment of financial assets at amortised cost and the Group's exposure to credit risk is disclosed in Note 7.1.2.

13.2 Financial assets at fair value through profit or loss

a) Classification of financial assets at fair value through profit or loss (2019: amortised cost / fair value / cost under TAS 105)

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the entity has irrevocably not elected at initial recognition to recognise fair value gains and losses through OCI.

b) Amounts recognised in profit or loss

The following gains/(losses) were recognised in profit or loss during the year as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Fair value gains (losses) on equity investments at FVPL recognised in other gains/(losses) (2019: Nil due to recognised at cost)	-	-	-	-
Fair value gains (losses) on debt instruments at FVPL recognised in other gains/(losses) (2019: recognised at amortised cost and presented in interest expenses)	1,003	767	789	581

14 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Medicines	40,525	32,617	2,770	2,202
Medical supplies	30,741	25,794	3,243	2,590
Goods for sales	54	78	-	-
General supplies	548	488	-	-
Food and beverage	193	267	-	267
	72,061	59,244	6,013	5,059
<u>Less</u> Allowance for obsolete inventories	(157)	(124)	-	-
	71,904	59,120	6,013	5,059

During the year ended 2020 and 2019, amounts recognised as cost of sales in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Cost of sales and services	379,359	384,887	25,264	28,247
Write-down of inventories to net realisable value	33	-	-	-
Reversal of write-down inventories to net realisable value	-	(27)	-	-

15 Restricted bank deposits

As at 31 December 2020, the Company's restricted deposits represents fixed deposits totalling Baht 5.0 million (2019: Baht 5.0 million) with the interest rate of 0.50 % per annum (2019: 1.00% per annum) pledged as collateral for letters of guarantee (Note 36).

As at 31 December 2020, the Group's restricted deposits represents savings and fixed deposits totalling Baht 7.8 million (2019: Baht 7.8 million) with the interest rates of 0.20% to 0.50% per annum (2019: 1.00 % to 1.25% per annum) pledged as collateral for letters of guarantee (Note 36).

16 Other current assets

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Short-term deposits	1,036	3,556	58	2,209
Receivables from the Revenue Department	12,199	17,439	-	-
Withholding tax refundable	3,969	30,643	3,969	9,604
Undue input VAT	1,074	1,821	196	387
Others	326	1,036	58	305
	18,604	54,495	4,281	12,505

17 Investments in subsidiaries

As at 31 December 2020, the Group included the following subsidiaries in the preparation of consolidated financial statements. The subsidiaries have ordinary shares and preference shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

Investments in subsidiaries as at 31 December comprised the following:

Company's name	Country of incorporation	Nature of business	Ownership interests held by the Group		Ownership interests held by non-controlling interests	
			2020 Percent	2019 Percent	2020 Percent	2019 Percent
Direct: Subsidiaries under Principal Capital Public Company Limited						
Klai Baan Klai Jai Co., Ltd. (Former: Principal Investment Co., Ltd.)	Thailand	Medical services	99.99	99.99	-	-
Bangkok Center District Co., Ltd.	Thailand	Property development	99.99	99.99	-	-
V Brilliant Group Holding Co., Ltd.	Thailand	Property development	99.99	99.99	-	-
Principal Healthcare Co., Ltd.	Thailand	Investment holding and hospital management services	99.99	99.99	-	-
Principal NKG Co., Ltd.	Thailand	Medical services	51.00	-	49.00	-
Indirect: Subsidiaries under V Brilliant Group Holding Co., Ltd						
V Intelligence Co., Ltd.	Thailand	Office rental	99.99	99.99	-	-
V Residence Co., Ltd.	Thailand	Service apartment rental	99.99	99.99	-	-
V 33 Co., Ltd.	Thailand	Property development	-	99.99	-	-
Udon Business District Co., Ltd.	Thailand	Property development	-	99.99	-	-
Ban Chang Business District Co., Ltd.	Thailand	Property development	99.99	99.99	-	-
VMEA Co., Ltd.	Thailand	Service apartment rental	99.99	-	-	-
Indirect: Subsidiaries under Principal Healthcare Co., Ltd.						
Pitsanuloke Medical Co., Ltd.	Thailand	Hospital	60.00	60.00	40.00	40.00
Paknampo Hospital Co., Ltd.	Thailand	Hospital	91.43	91.43	8.57	8.57
Principal Healthcare-Uthai Co., Ltd.	Thailand	Hospital	99.99	99.99	-	-
Principal Healthcare-Lamphun Co., Ltd.	Thailand	Hospital	86.67	80.00	13.33	20.00
Principal Healthcare-Sisaket Co., Ltd.	Thailand	Hospital	60.00	60.00	40.00	40.00
Principal Healthcare-Chumphon Co., Ltd.	Thailand	Hospital	90.00	99.99	10.00	-
Principal Healthcare-Ubon Ratchathani Co., Ltd.	Thailand	Hospital	80.00	-	20.00	-
Indirect: Subsidiaries under Pitsanuloke Medical Co., Ltd.						
Union Pichit Doctors Co., Ltd.	Thailand	Hospital	60.00	60.00	40.00	40.00
Pitsanuvej Uttaradit Hospital Co., Ltd.	Thailand	Hospital	60.00	60.00	40.00	40.00
Pitsanuvej Pattana Co., Ltd.	Thailand	Hospital	-	60.00	-	40.00
Indirect: A subsidiary under Paknampo Hospital Co., Ltd.						
P.N.P Hospital Co., Ltd.	Thailand	Hospital	-	91.43	-	8.57

Movement of investments in subsidiaries for the year ended 31 December was as follows:

	Separate financial statements	
	2020	2019
	Thousand Baht	Thousand Baht
As at 1 January	7,963,254	8,013,254
Additions	13,599	-
Disposal of investment	-	(50,000)
As at 31 December	7,976,853	7,963,254

At the Board of Directors' meeting held on 17 December 2019, the Board of Directors have passed a resolution to approve establishment of Principal NKG Co., Ltd. with authorised share capital of Baht 10.0 million which consisted of 100,000 ordinary shares at a par value of Baht 100 each. The Company acquired 51.00% ownership interest. The Company paid up of issued shares capital of Baht 5.1 million on 23 April 2020 and the subsidiary registered the establishment with the Ministry of Commerce on 18 March 2020.

At the Extraordinary General meeting of V33 Co., Ltd. held on 30 January 2020, the shareholders have passed a resolution to approve decrease in the Company's authorised share capital from 37,500,000 ordinary shares at par Baht 10 each to be 28,125,000 shares at par Baht 10 each in proportion to the number of shares held by each of them. The Company's subsidiary registered the decreased share capital with the Ministry of Commerce on 2 March 2020.

At the Extraordinary General meeting of Principal Healthcare - Chumphon Co., Ltd. held on 17 February 2020, the shareholders have passed a resolution to approve increase the Company's authorised share capital from 100,000 ordinary shares of par Baht 10 each to be 27,000,000 ordinary shares of par Baht 10 each to the existing shareholders in proportion to the number of shares held by each of them. The Company's subsidiary registered the increased share capital with the Ministry of Commerce on 28 February 2020.

At the General meeting of P.N.P hospital Co., Ltd. held on 10 April 2020, the shareholders registered for the dissolution with the Ministry of Commerce on 28 April 2020 and the process of the subsidiary's liquidation is completed.

At the General meeting of V33 Co., Ltd. held on 22 April 2020, the shareholders have passed a resolution to approve decrease in the Company's authorised share capital from 28,125,000 ordinary shares at par Baht 10 each to be 28,125,000 shares at par Baht 7.5 each in proportion to the number of shares held by each of them. The Company's subsidiary registered the decreased share capital with the Ministry of Commerce on 8 June 2020.

At the Board of Directors' meeting of Principal Healthcare Co., Ltd. held on 8 June 2020, the Board of Directors have passed a resolution to approved establishment of Principal Healthcare - Ubon ratchathani Co., Ltd with authorised share capital of Baht 300.0 million which consisted of 30,000,000 ordinary shares of a par value of Baht 10 each. Principal Healthcare held in the properties of 99.99 of this subsidiary. The Company's subsidiary registered the establishment with the Ministry of Commerce on 3 July 2020.

At the Extraordinary General meeting of Principal Healthcare - Lamphun Co., Ltd. held on 16 June 2020, the shareholders have passed a resolution to approve increase the Company's authorised share capital from 20,000,000 ordinary shares of par Baht 10 each to be 30,000,000 ordinary shares of par Baht 10 each in proportion to the number of shares held by each of them. According to the minority shareholder refused to exercise the right to purchase new shares issued and consequently the major shareholder exercise the right to purchase all new shares issued. As a result, the proportion number of shares held by major shareholders increased from 80.00% to 86.67%. The Company's subsidiary registered the increased share capital with the Ministry of Commerce on 23 June 2020.

At the Board of Director meeting of Principal Healthcare - Sisaket Co., Ltd. on 24 June 2020, Directors have passed a resolution for calling the remaining shares subscription of issued shares from shareholders for 25,000,000 shares. The paid up of issued shares Baht 6 per share would be Baht 10 per share as it per value. The subsidiary received all called share subscription and registered the establishment with the Ministry of Commerce on 3 August 2020.

At the Annual General meeting of shareholders on 10 August 2020, the shareholders have passed a resolution to approve the disposition of investment in V33 Co., Ltd. and Udon Business District Co., Ltd. to related party. The consideration price was determined under the share sale and purchase agreement dated 8 September 2016. As a result, the Group recognized loss on disposal of the investment in the consolidated statement of comprehensive income of Baht 17.1 million.

At the Board of Director meeting of V Brilliant Group Holding Co., Ltd. held on 10 August 2020, the Board of Directors have passed a resolution to approve establishment of VMEA Co., Ltd. with authorised share capital of Baht 1.0 million which consisted of 100,000 ordinary shares at a par value of Baht 10 each. The Company acquired 99.99% ownership interest. This subsidiary registered the establishment with the Ministry of Commerce on 20 August 2020. The establishment is for the objective of the partial business transfer of hotel and service apartment rental business under the name “Marriott executive apartment sathorn vista - Bangkok” from the Company according to resolution from Annual General meeting of the Company.

At the Board of Directors’ meeting of VMEA Co., Ltd. held on 3 September 2020, the Board of Directors have passed a resolution to approve increase its authorised share capital from 100,000 ordinary shares of par Baht 10 each to be 200,000,000 ordinary shares of par Baht 10 each to the existing shareholders in proportion to the number of shares held by each of them. The subsidiary registered the increased share capital with the Ministry of Commerce on 28 October 2020.

At the Extraordinary General meeting of Principal Investment Co., Ltd held on 26 November 2020, the shareholders have passed a resolution to approve amendment of the memorandum of association on the name of company from “Principal Investment Co., Ltd” to be “Klai Baan Kslai Jai Co., Ltd” The subsidiary registered the amendment with the Ministry of Commerce on 30 November 2020.

At the Extraordinary General meeting of Klai Baan Klai Jai Co., Ltd. held on 28 December 2020, the shareholders have passed a resolution to approve increase and decrease the Company’s authorised share capital of Baht 8.5 million both at once with a par value of Baht 10 each in proportion to the number of shares held by each of them. The paid up of issued shares by the Company occurred on 18 December 2020. The Company’s subsidiary registered the increased and decreased share capital with the Ministry of Commerce on 29 December 2020 and 4 February 2021 respectively.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised statement of financial position

	Pitsanuloke Medical Co., Ltd.		Paknampo Hospital Co., Ltd.		Union Pichit Doctors Co., Ltd.		Pitsanuej Uttaradit Co., Ltd.		Principal Healthcare-Ubon Ratchathani Co., Ltd.	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Current assets	293,564	306,057	71,705	87,428	32,671	40,976	21,712	13,699	117,873	-
Current liabilities	(178,754)	(236,938)	(175,863)	(554,588)	(57,204)	(51,827)	(155,694)	(133,683)	(263,567)	-
Total net current assets	114,810	69,119	(104,158)	(467,160)	(24,533)	(10,851)	(133,982)	(119,984)	(145,694)	-
Non-current assets	1,393,974	1,365,658	1,656,455	1,752,498	184,788	190,328	558,480	586,122	529,811	-
Non-current liabilities	(227,794)	(230,445)	(706,567)	(361,584)	(49,162)	(47,395)	(257,363)	(230,643)	(55,544)	-
Total net non-current assets	1,166,180	1,135,213	949,888	1,390,914	135,626	142,933	301,117	355,479	474,267	-
Net assets	1,280,990	1,204,332	845,730	923,754	111,093	132,082	167,135	235,495	328,573	-
Non-controlling assets	512,396	481,733	72,479	79,166	44,437	52,833	66,854	94,198	65,715	-

Summarised statement of comprehensive income

	Pitsanuloke Medical Co., Ltd.		Paknampo Hospital Co., Ltd.		Union Pichit Doctors Co., Ltd.		Pitsanuvej Uttaradit Co., Ltd.		Principal Healthcare-Ubon Ratchathani Co., Ltd.	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenue	1,043,425	1,202,047	481,711	531,820	147,284	174,884	111,963	85,857	20,868	-
Profit (loss)	94,877	144,248	(78,023)	(61,508)	(20,990)	(31,263)	(68,360)	(61,890)	(13,299)	-
Other comprehensive income (expense)	-	1,428	-	(639)	-	(619)	-	-	-	-
Total comprehensive income (expense)	94,877	145,676	(78,023)	(62,147)	(20,990)	(31,882)	(68,360)	(61,890)	(13,299)	-
Profit (loss) allocated to non-controlling interests	37,951	58,270	(6,687)	(5,326)	(8,396)	(12,753)	(27,344)	(24,756)	(2,660)	-
Dividends paid to non-controlling interests	-	8,000	-	-	-	-	-	-	-	-

Summarised statement of cash flows

	Pitsanuloke Medical Co., Ltd.		Paknampo Hospital Co., Ltd.		Union Pichit Doctors Co., Ltd.		Pitsanuvej Uttaradit Co., Ltd.		Principal Healthcare-Ubon Ratchathani Co., Ltd.	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Net cash generated from (used in) operating activities	138,743	195,624	44,188	199	8,149	(19,857)	(62,953)	(21,513)	(11,092)	-
Net cash flow generated from (used in) investing activities	(84,658)	(384,859)	(28,838)	(13,506)	2,925	(22,615)	(2,668)	(269,862)	(288,599)	-
Net cash flow generated from (used in) financing activities	(55,021)	67,185	(16,951)	18,541	(4,525)	40,517	71,369	290,918	300,000	-
Net increase (decrease) in cash and cash equivalents	(936)	(122,050)	(1,601)	5,234	6,549	(1,955)	5,748	(457)	309	-
Cash and cash equivalents at the beginning of the year	24,660	146,710	5,078	(156)	5,167	7,122	2,933	3,390	-	-
Cash and cash equivalents at the ending of the year	23,724	24,660	3,477	5,078	11,716	5,167	8,681	2,933	309	-

18 Investment property, net

	Consolidated financial statements		
	Land Thousand Baht	Building and improvements Thousand Baht	Total Thousand Baht
As at 1 January 2019			
Cost	2,048,257	808,461	2,856,718
<u>Less</u> Accumulated depreciation	-	(136,815)	(136,815)
Net book amount	2,048,257	671,646	2,719,903
For the year ended 31 December 2019			
Opening net book amount	2,048,257	671,646	2,719,903
Additions	-	1,535	1,535
Disposition of subsidiaries	(1,055,459)	(30,269)	(1,085,728)
Depreciation charges	-	(59,334)	(59,334)
Closing net book amount	992,798	583,578	1,576,376
As at 31 December 2019			
Cost	992,798	816,708	1,809,506
<u>Less</u> Accumulated depreciation	-	(233,130)	(233,130)
Net book amount	992,798	583,578	1,576,376
For the year ended 31 December 2020			
Opening net book amount	992,798	583,578	1,576,376
Additions	-	1,326	1,326
Disposition	(111,594)	-	(111,594)
Disposition of subsidiaries	(278,538)	-	(278,538)
Entire business transfer - investment property (Note 28)	-	17,037	17,037
Depreciation charges	-	(49,552)	(49,552)
Closing net book amount	602,666	552,389	1,155,055
As at 31 December 2020			
Cost	602,666	841,099	1,443,765
<u>Less</u> Accumulated depreciation	-	(288,710)	(288,710)
Net book amount	602,666	552,389	1,155,055

As 31 December 2020, fair value of investment properties in the consolidated financial statements including blank land, and land with buildings are as follows:

	Consolidated financial statements	
	2020 Thousand Baht	2019 Thousand Baht
Blank land measured by Market approach	279,295	596,418
Land with bulidings measured by Income approach	1,245,000	1,279,000
Total fair value	1,524,295	1,875,418

Revaluation of land with building, which was classified as investment properties, was recalculated by independent appraiser by using market approach (Maximum benefits from observed data in a market and using minimum reference data from client's forecasting in level 2 of fair value estimation). In addition, appraiser used income approach (Discounted cash flow method). Therefore, the Group classified revaluation of investment properties in level 3 of fair value estimation.

As at 31 December 2020, the Group's land and buildings of net book value of Baht 1,017.9 million (31 December 2019: Baht 1,064.5 million) has been pledged as securities for borrowing facilities from financial institutions (Note 24).

The Group disposed lands to a related party for repayment long-term promissory notes from a related party. The consideration price was determined under the shares sale and purchase agreement dated 8 September 2016. The gain from disposed lands amount of Baht 7.8 million recognised in the consolidated statement of comprehensive income.

Amount recognised in profit and loss that are related to investment property are as follows:

	Consolidated financial statements	
	2020	2019
	Thousand Baht	Thousand Baht
Rental income	105,921	112,582
Direct operating expense arise form investment property that generated rental income	45,666	55,304
Direct operating expense arise from investment property that did not generate rental income	5,576	4,682

19 Property, plant and equipment, net

	Consolidated financial statements					
	Land Thousand Baht	Building and improvements Thousand Baht	Medical equipment Thousand Baht	Furniture, fixtures, and office equipment Thousand Baht	Vehicles Thousand Baht	Construction in process Thousand Baht
						Total Thousand Baht
At 1 January 2019						
Cost	2,649,776	7,006,783	971,597	619,740	80,134	11,953,105
Less Accumulated depreciation	-	(1,930,910)	(584,887)	(427,038)	(67,520)	(3,010,355)
Net book amount	2,649,776	5,075,873	386,710	192,702	12,614	8,942,750
For the year ended 31 December 2019						
Opening net book amount	2,649,776	5,075,873	386,710	192,702	12,614	8,942,750
Entire business transfer - property, plant and Equipment (Note 28)	35,252	62,843	13,833	1,429	2,042	118,912
Additions	26,946	35,796	255,862	64,506	15,633	1,243,006
Disposals of subsidiaries' assets out of the Group	-	-	-	(164)	(6)	(170)
Disposals and write-offs	-	(373)	(13,991)	(4,202)	(481)	(19,047)
Transfer in (out)	-	1,332,290	22	18,148	-	-
Depreciation charge	-	(201,138)	(112,620)	(67,757)	(7,766)	(389,281)
Closing net book amount	2,711,974	6,305,291	529,816	204,662	22,036	9,896,170
At 31 December 2019						
Cost	2,711,974	8,463,295	1,211,111	681,566	96,788	13,287,125
Less Accumulated depreciation	-	(2,158,004)	(681,295)	(476,904)	(74,752)	(3,390,955)
Net book amount	2,711,974	6,305,291	529,816	204,662	22,036	9,896,170

Consolidated financial statements									
	Land Thousand Baht	Building and improvements Thousand Baht	Medical equipment Thousand Baht	Furniture, fixtures, and office equipment Thousand Baht	Vehicles Thousand Baht	Construction in process Thousand Baht	Total Thousand Baht		
For the year ended 31 December 2020									
Opening net book amount	2,711,974	6,305,291	529,816	204,662	22,036	122,391	9,896,170		
Adjustments from change in accounting policy TFRS16 on 1 January 2020 (Note 5)	-	(8,743)	(244,504)	(14,942)	(14,346)	-	(282,535)		
Entire business transfer - property, plant and equipment (Note 28)	152,664	508,621	79,316	16,113	71	-	756,785		
Additions	74,211	242,782	57,799	22,427	12,170	626,101	1,035,490		
Disposition of subsidiaries	-	(2,173)	-	(2)	-	-	(2,175)		
Disposals and write-offs	-	(43)	(3)	(373)	-	(396)	(815)		
Transfer in (out)	-	74,430	240	708	-	(75,378)	-		
Depreciation charge	-	(252,841)	(92,905)	(64,310)	(5,279)	-	(415,335)		
Closing net book amount	2,938,849	6,867,324	329,759	164,283	14,652	672,718	10,987,585		
At 31 December 2020									
Cost	2,938,849	10,404,241	1,095,180	751,984	80,357	672,718	15,943,329		
Less Accumulated depreciation	-	(3,536,917)	(765,421)	(587,701)	(65,705)	-	(4,955,744)		
Net book amount	2,938,849	6,867,324	329,759	164,283	14,652	672,718	10,987,585		

The Group's land and building and improvements of net book value as at 31 December 2020 of Baht 6,530.5 million (2019: Baht 7,485.3 million) has been pledged as a security for borrowings (Note 24).

	Separate financial statements													
	Land		Building and		Medical		Furniture, fixtures, and office		Vehicles		Construction		Total	
	Thousand Baht	Thousand Baht	improvements	Thousand Baht	equipment	Thousand Baht	Thousand Baht	and office	Thousand Baht	Thousand Baht	in process	Thousand Baht	Thousand Baht	Thousand Baht
At 1 January 2019														
Cost	595,992	3,084,284		63,625	215,004	14,304	137,313		4,110,522					
Less Accumulated depreciation	-	(1,256,398)		(13,633)	(148,215)	(12,451)	-		(1,430,697)					
Net book amount	595,992	1,827,886		49,992	66,789	1,853	137,313		2,679,825					
For the year ended 31 December 2019														
Opening net book amount	595,992	1,827,886		49,992	66,789	1,853	137,313		2,679,825					
Additions	-	22,600		93,948	22,809	4,596	315,670		459,623					
Disposals and write-offs	-	(373)		(8,000)	(2,525)	-	-		(10,898)					
Transfer in (out)	-	382,736		7	3,329	-	(386,072)		-					
Depreciation charge	-	(64,327)		(12,368)	(16,713)	(1,323)	-		(94,731)					
Closing net book amount	595,992	2,168,522		123,579	73,689	5,126	66,911		3,033,819					
At 31 December 2019														
Cost	595,992	3,488,706		149,579	231,436	18,900	66,911		4,551,524					
Less Accumulated depreciation	-	(1,320,184)		(26,000)	(157,747)	(13,774)	-		(1,517,705)					
Net book amount	595,992	2,168,522		123,579	73,689	5,126	66,911		3,033,819					

For the year ended 31 December 2020

Opening net book amount
Adjustments from change in accounting policy
TFRS16 on 1 January 2020 (Note 5)
Additions
Partial business transfer - land, building and
equipment
Disposals and write-offs
Transfer in (out)
Depreciation charge

Closing net book amount

At 31 December 2020

Cost
Less Accumulated depreciation

Net book amount

Separate financial statements						
	Land Thousand Baht	Building and improvements Thousand Baht	Medical equipment Thousand Baht	Furniture, fixtures, and office equipment Thousand Baht	Vehicles Thousand Baht	Construction in process Thousand Baht
	595,992	2,168,522	123,579	73,689	5,126	66,911
	-	(8,742)	(101,350)	(2,226)	(5,126)	-
	-	227,120	16,054	11,062	-	48,757
	(227,517)	(984,980)	-	(47,188)	-	-
	-	(43)	(768)	(340)	-	-
	-	61,779	-	558	-	(62,337)
	-	(85,930)	(6,556)	(17,304)	-	-
	368,475	1,377,726	30,959	18,251	-	53,331
	368,475	3,360,300	53,863	102,814	2,467	53,331
	-	(1,982,574)	(22,904)	(84,563)	(2,467)	-
	368,475	1,377,726	30,959	18,251	-	53,331
						1,848,742

The Group's land and building and improvements of net book value as at 31 December 2020 of Baht 1,746.0 million (2019: Baht 2,764.5 million) has been pledged as a security for borrowings (Note 24).

For the year ended 31 December 2020, borrowing costs totalling Baht 0.8 million (31 December 2019: Baht 14.8 million), arising from financing specifically entered into for the construction of plant and equipment installation of Baht 0.8 million (31 December 2019: Baht 10.1 million) and there was no general borrowing costs capitalisation during the year 2020 (31 December 2019: Baht 4.7 million with a capitalisation rate of 3.67%).

Leased assets included above, where the Group is a lessee under finance leases, comprise medical equipment, office equipment and vehicles as at 31 December 2019 as follows:

	Consolidated financial statements	Separate financial statements
	Thousand Baht	Thousand Baht
Cost - finance leases	307,953	87,799
<u>Less</u> Accumulated depreciation	(58,619)	(4,568)
Net book amount	249,334	83,231

20 Right-of-use assets, net

	Consolidated financial statements			
	Property Thousand Baht	Machinery Thousand Baht	Vehicles Thousand Baht	Total Thousand Baht
Balance as at 1 January 2020 (Note 5)	50,052	269,190	14,346	333,588
Entire business transfer (Note 28)	76,519	-	-	76,519
Additions	38,027	28,776	5,692	72,495
Lease termination	(123)	-	-	(123)
Lease modifications and reassessments	208	1,439	76	1,723
Depreciation	(5,901)	(48,361)	(4,635)	(58,897)
Balance as at 31 December 2020	158,782	251,044	15,479	425,305

	Separate financial statements			
	Property Thousand Baht	Machinery Thousand Baht	Vehicles Thousand Baht	Total Thousand Baht
Balance as at 1 January 2020 (Note 5)	16,259	104,105	5,125	125,489
Additions	11,410	2,316	2,917	16,643
Partial business transfer - right-of-use assets	-	(1,015)	-	(1,015)
Lease termination	(5,535)	-	-	(5,535)
Lease modifications and reassessments	208	1,547	76	1,831
Depreciation	(4,039)	(14,497)	(2,209)	(20,745)
Balance as at 31 December 2020	18,303	92,456	5,909	116,668

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use and cash outflows for leases is as follows:

	Consolidated financial statements	Separate financial statements
	2020	2020
	Thousand Baht	Thousand Baht
Expense relating to short-term leases	1,176	911
Expense relating to leases of low-value assets	2,534	212
Total cash outflow for leases	3,710	1,123

21 Goodwill

	Consolidated financial statements	
	2020	2019
	Thousand Baht	Thousand Baht
As 1 January		
Cost	1,657,153	1,648,636
<u>Less</u> Provision for impairment	-	-
Net book amount	1,657,153	1,648,636
For the year ended 31 December		
Opening net book amount	1,657,153	1,648,636
Entire business transfer (Note 28)	166,825	13,093
Disposition of subsidiaries	-	(4,576)
Closing net book amount	1,823,978	1,657,153
At 31 December		
Cost	1,823,978	1,657,153
<u>Less</u> Provision for impairment	-	-
Net book amount	1,823,978	1,657,153

Goodwill is allocated to the Group's cash-generating units (CGUs).

A segment-level summary of the goodwill allocation categorised by business segments is presented below;

	Consolidated financial statements	
	2020	2019
	Thousand Baht	Thousand Baht
Goodwill allocation to;		
Hospital business	1,823,978	1,657,153
Other business	-	-
	1,823,978	1,657,153

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5 years - 10 years period. Cash flows beyond the 5th - 10th year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	Hospital (%)
Gross margin	32.37 - 37.20%
Growth rate	8.65 - 13.36%
Discount rate	9.00%

Management determined budgeted gross margin based on past performance, its expectations of market development and the role model company of the Group. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used reflect specific risks relating to the relevant segments.

Key assumption which affects value-in-use is the discount rate. The sensitivity of change in discount rate that affect to some CGU which value-in-use exceeding book value approximately Baht 311.8 million. In this case, if pre-tax discount rate increases by 1% per annum, the Group need to settle allowance for goodwill impairment Baht 281.1 million.

22 Intangible assets, net

	Consolidated financial statements					
	Information system service agreements Thousand Baht	Computer software Thousand Baht	Computer software in progress Thousand Baht	Trademark Thousand Baht	Customer relationships Thousand Baht	Total Thousand Baht
At 1 January 2019						
Cost	35,490	127,371	266	-	-	163,127
<u>Less</u> Accumulated amortisation	(35,490)	(58,005)	-	-	-	(93,495)
Net book amount	-	69,366	266	-	-	69,632
For the year ended 31 December 2019						
Opening net book amount	-	69,366	266	-	-	69,632
Additions	-	42,271	5,997	-	-	48,268
Disposition of a subsidiary	-	(57)	-	-	-	(57)
Write-offs	-	(47)	-	-	-	(47)
Transfers in (out)	-	2,820	(2,820)	-	-	-
Amortisation charge	-	(23,819)	-	-	-	(23,819)
Closing net book amount	-	90,534	3,443	-	-	93,977
At 31 December 2019						
Cost	-	169,312	3,443	-	-	172,755
<u>Less</u> Accumulated amortisation	-	(78,778)	-	-	-	(78,778)
Net book amount	-	90,534	3,443	-	-	93,977

Consolidated financial statements						
	Information system service agreements Thousand Baht	Computer software Thousand Baht	Computer software in progress Thousand Baht	Trademark Thousand Baht	Customer relationship s Thousand Baht	Total Thousand Baht
For the year ended 31 December 2020						
Opening net book amount	-	90,534	3,443	-	-	93,977
Entire business transfer	-	-	-	101,500	30,000	131,500
Additions	-	100,117	9,266	-	-	109,383
Transfers in (out)	-	1,094	(1,094)	-	-	-
Amortisation charge	-	(41,276)	-	(4,216)	(2,492)	(47,984)
Closing net book amount	-	150,469	11,615	97,284	27,508	286,876
At 31 December 2020						
Cost	-	260,266	11,615	101,500	30,000	403,381
<u>Less</u> Accumulated amortisation	-	(109,797)	-	(4,216)	(2,492)	(116,505)
Net book amount	-	150,469	11,615	97,284	27,508	286,876

	Separate financial statements Thousand Baht
Computer software	
At 1 January 2019	
Cost	16,028
<u>Less</u> Accumulated amortisation	(12,351)
Net book amount	3,677
For the year ended 31 December 2019	
Opening net book amount	3,677
Additions	2,959
Write-offs	(18)
Amortisation charge	(1,987)
Closing net book amount	4,631
At 31 December 2019	
Cost	18,969
<u>Less</u> Accumulated amortisation	(14,338)
Closing net book amount	4,631
For the year ended 31 December 2020	
Opening net book amount	4,631
Additions	471
Entire business transfer	(531)
Amortisation charge	(1,649)
Closing net book amount	2,922
At 31 December 2020	
Cost	8,651
<u>Less</u> Accumulated amortisation	(5,729)
Closing net book amount	2,922

23 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	4,183	5,923	5,866	3,504
Deferred tax assets to be recovered more than 12 months	91,213	37,261	22,143	336
	95,396	43,184	28,009	3,840
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(18,754)	(6,094)	(8,814)	(4,798)
Deferred tax liabilities to be settled more than 12 months	(447,986)	(347,692)	(177,560)	(163,832)
	(466,740)	(353,786)	(186,374)	(168,630)
Deferred tax (net)	(371,344)	(310,602)	(158,365)	(164,790)

The movements in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements									
	Impairment of financial assets Thousand Baht	Change in fair value of financial assets Thousand Baht	Property, plant and equipment Thousand Baht	Intangible assets Thousand Baht	Lease liability Thousand Baht	Employee benefit obligations Thousand Baht	Total Thousand Baht			
Deferred tax assets:										
At 1 January 2019	1,031	-	197	(239)	332	17,033	18,354			
Entire business transfer	-	-	-	-	-	512	512			
Disposition of a subsidiary	-	-	-	-	-	(788)	(788)			
Charged/(credited) to profit or loss	(31)	-	3,583	14,829	(1,362)	7,643	24,662			
Credited to other comprehensive income	-	-	-	-	-	(831)	(831)			
At 31 December 2019	1,000	-	3,780	14,590	(1,030)	23,569	41,909			
At 1 January 2020	1,000	-	3,780	14,590	(1,030)	23,569	41,909			
Entire business transfer (Note 28)	-	-	-	-	-	2,674	2,674			
Charged/(credited) to profit or loss	(58)	2	(933)	(12,749)	4,089	2,733	(6,916)			
Credited to other comprehensive income	-	-	-	-	-	(59)	(59)			
At 31 December 2020	942	2	2,847	1,841	3,059	28,917	37,608			

Consolidated financial statements						
	Right-of-use assets Thousand Baht	Change in fair value of financial assets Thousand Baht	Employee benefit obligations Thousand Baht	Property, plant and equipment Thousand Baht	Intangible assets Thousand Baht	Total Thousand Baht
Deferred tax liabilities:						
At 1 January 2019	-	-	42	(346,945)	-	(346,903)
Entire business transfer	-	-	-	(16,604)	-	(16,604)
Charged/(credited) to profit or loss	-	(93)	(48)	11,137	-	10,996
At 31 December 2019	-	(93)	(6)	(352,412)	-	(352,511)
At 1 January 2020	-	(93)	(6)	(352,412)	-	(352,511)
Entire business transfer (Note 28)	(15,304)	-	-	(26,308)	(26,300)	(67,912)
Charged/(credited) to profit or loss	(4,046)	90	6	14,080	1,341	11,471
At 31 December 2020	(19,350)	(3)	-	(364,640)	(24,959)	(408,952)

	Separate financial statements		
	Employee benefit obligations Thousand Baht	Lease liabilities Thousand Baht	Total Thousand Baht
Deferred tax assets:			
At 1 January 2019	3,031	(160)	2,871
Charged to profit or loss	958	293	1,251
Credited to other comprehensive income	(281)	-	(281)
At 31 December 2019	3,708	133	3,841
At 1 January 2020	3,708	133	3,841
Credited to profit or loss	(198)	(2,000)	(2,198)
Charged to other comprehensive income	707	-	707
At 31 December 2020	4,217	(1,867)	2,350

	Separate financial statements				
	Right-of-use assets Thousand Baht	Change in fair value of financial assets Thousand Baht	Employee benefit obligations Thousand Baht	Property, plant and equipment Thousand Baht	Total Thousand Baht
Deferred tax liabilities:					
At 1 January 2019	-	-	42	(173,235)	(173,193)
Charged/(credited) to profit or loss	-	(90)	(48)	4,701	4,563
At 31 December 2019	-	(90)	(6)	(168,534)	(168,630)
At 1 January 2020	-	(90)	(6)	(168,534)	(168,630)
Charged to profit or loss	804	90	6	7,016	7,916
At 31 December 2020	804	-	-	(161,518)	(160,714)

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 610.6 million (2019: Baht 529.2 million) in respect of losses amounting to Baht 3,053.1 million (2019: Baht 2,646.0 million) that can be carried forward against future taxable income. Losses amounting to Baht 483.8 million (2019: Baht 1,957.6 million which will be expired in 2024) will be expired in 2025.

24 Borrowings

	Consolidated financial statements		Separate financial statement	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Current				
Short-term borrowings				
- Bank borrowings	-	50,000	-	-
- Accrued interest	-	11	-	-
Current portion of long-term borrowings				
- Bank borrowings	272,562	259,820	181,120	95,309
- Accrued interest	761	505	347	302
- Finance lease liabilities	68,709	64,812	29,295	27,250
Borrowings from related parties (Note 35 d)				
- Borrowings from related parties	265,000	317,000	478,951	1,852,752
- Accrued interest	33,258	31,416	3,431	33,359
Current portion of long-term promissory notes (Note 35 e)				
- Long-term promissory notes from a related party	120,442	510,510	120,442	510,510
- Accrued interest	531	28,828	531	28,828
Total current borrowings	761,263	1,262,902	814,117	2,548,310
Non-current				
Long-term borrowings				
- Bank borrowings	3,406,617	2,267,471	2,171,080	1,457,763
- Finance lease liabilities	224,059	204,918	82,104	90,692
- Long term borrowing from a related party (Note 35 d)	-	-	300,000	-
Total non-current borrowings	3,630,676	2,472,389	2,553,184	1,548,455
Total borrowings	4,391,939	3,735,291	3,367,301	4,096,765

The borrowings include secured liabilities in a total amount of Baht 3,680.6 million (2019: Baht 2,577.2 million). Borrowings from financial institutions are secured by land and buildings (Note 18 and 19).

The movement of borrowings during 2020 are presented in Note 34.

The borrowings interest rates at the statement of financial position date were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Bank overdrafts	MOR	MOR	-	-
Bank borrowings	MLR - 2.00% to - 3.10%	MLR - 2.60% to - 3.10%	MLR - 2.45% to - 3.10%	MLR - 2.60% to - 3.10%

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Long-term borrowings from financial institutions	3,406,617	2,267,471	3,408,846	2,268,269
	Separate financial statements			
	Carrying amounts		Fair values	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Long-term borrowings from financial institutions	2,171,080	1,457,763	2,172,561	1,458,992
Long-term borrowings from a related party	300,000	-	299,963	-

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

The fair values of long-term borrowings are based on discounted cash flows using a discount rate based upon the borrowing market rate of MLR - 2.00% to MLR - 3.10% (2019 : MLR - 2.60% to MLR - 3.10%) and are within the level 2 of the fair value hierarchy.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Maturity of long-term borrowings (excluding finance lease liabilities)				
Not later than 1 year	394,296	799,663	302,440	634,949
Later than 1 year but not later than 2 years	434,100	702,370	255,097	333,253
Between 2 years and 5 years	1,955,811	1,346,215	1,621,835	936,384
Over 5 years	1,016,706	218,886	594,148	188,126
Total long-term borrowings	3,800,913	3,067,134	2,773,520	2,092,712

Maturity of lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Minimum lease payments of lease liabilities:				
Not later than 1 year	78,447	73,184	32,312	31,192
Later than 1 year but not later than 5 years	206,839	216,932	85,450	96,670
Over 5 years	105,849	-	-	-
<u>Less</u> Future finance charges on leases liabilities	(98,367)	(20,386)	(6,363)	(9,920)
Present value of lease liabilities	292,768	269,730	111,399	117,942
Representing lease liabilities:				
- short-term	68,709	64,812	29,295	27,250
- long-term	224,059	204,918	82,104	90,692
	292,768	269,730	111,399	117,942

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Present value of lease liabilities				
Not later than 1 year	68,709	64,812	29,295	27,250
Later than 1 year but not later than 5 years	191,704	204,918	82,104	90,692
Over 5 years	32,355	-	-	-
	292,768	269,730	111,399	117,942

The Group have the following undrawn committed borrowing facilities:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Floating rate				
- expiring within 1 year	-	-	-	-
- expiring beyond 1 year	585,950	1,419,886	180,850	924,630
	585,950	1,419,886	180,850	924,630

The facilities expiring within one year are annual facilities subject to review at various dates during year. The other facilities have been arranged to help finance the proposed expansion of the Group and the Company activities.

25 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Trade accounts payable - third parties	149,872	148,770	11,268	30,957
Trade accounts payable - related parties (Note 35 b)	1,564	1,717	2,335	3,299
Other payables	373,122	162,452	66,087	30,882
Current portion of hospital acquisition payables	247,416	-	-	-
Accrued expenses	149,446	173,046	20,580	26,332
	921,420	485,985	100,270	91,470

26 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Statement of financial position: Retirement benefits	144,586	117,848	21,079	18,535
Profit or loss charge included in operating profit for: Retirement benefits	28,003	44,053	4,930	4,920
Remeasurement for: Retirement benefits	(293)	(4,155)	3,535	(1,406)

The movements in the defined benefit obligation during the year are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
At 1 January	117,848	85,163	18,535	15,152
Entire business transfer (Note 28)	13,368	2,562	-	-
Partial business transfer of subsidiary in the Group	-	-	(2,708)	-
Disposition of a subsidiary	-	(3,940)	-	-
Current service cost	25,562	20,770	4,277	4,009
Past service cost	591	21,492	473	595
Interest expense	1,850	1,791	180	316
	159,219	127,838	20,757	20,072
Remeasurement:				
Gain from change in demographic assumptions	(341)	(1,360)	-	(92)
Loss from change in financial assumptions	4,159	8,093	3,535	58
Experience gain	(4,111)	(10,888)	-	(1,372)
	(293)	(4,155)	3,535	(1,406)
Benefits paid	(14,340)	(5,835)	(3,213)	(131)
As at 31 December	144,586	117,848	21,079	18,535

The significant actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Percent	2019 Percent	2020 Percent	2019 Percent
Discount rate	0.72 - 2.54	1.49 - 2.86	0.72 - 1.49	1.49 - 2.27
Salary growth rate	0.00 - 5.00	0.00 - 5.00	3.50 - 4.00	0.00 - 4.00
Staff turnover rate (depending on age)	0.00 - 29.00	0.00 - 37.00	0.00 - 28.00	0.00 - 22.00

The sensitivity analysis for significant principal actuarial assumptions can be analysed as follow:

	Consolidated financial statements					
	Impact on defined employee benefit obligations					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2020	2019	2020	2019	2020	2019
Discount rate	1%	1%	Decreased by 9.45%	Decreased by 8.59%	Increased by 11.07%	Increased by 10.12%
Salary growth rate	1%	1%	Increased by 11.12%	Increased by 9.77%	Decreased by 9.54%	Decreased by 8.48%
Staff turnover rate (depending on age)	1%	1%	Decreased by 10.02%	Decreased by 9.13%	Increased by 5.06%	Increased by 4.61%

Separate financial statements						
Impact on defined employee benefit obligations						
Change in assumption	Increase in assumption		Decrease in assumption			
2020	2019	2020	2019	2020	2019	
Discount rate	1%	1%	Decreased by 3.67%	Decreased by 3.97%	Increased by 3.26%	Increased by 4.46%
Salary growth rate	1%	1%	Increased by 3.14%	Increased by 5.05%	Decreased by 2.78%	Decreased by 4.59%
Staff turnover rate (depending on age)	1%	1%	Decreased by 3.89%	Decreased by 4.31%	Increased by 1.10%	Increased by 1.57%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The duration of the defined benefit obligation of each entity in the Group is 8.30 to 30.00 years (2019: 9.30 to 31.00 years).

27 Share capital and premium on share capital

	Number of shares	Ordinary shares Thousand Baht	Share premium Thousand Baht	Total Thousand Baht
As at 1 January 2019	3,240,087,520	3,240,088	4,476,767	7,716,855
Issuance of shares	222,249,300	222,249	686,750	908,999
As at 31 December 2019	3,462,336,820	3,462,337	5,163,517	8,625,854
Issuance of shares	-	-	-	-
As at 31 December 2020	3,462,336,820	3,462,337	5,163,517	8,625,854

At the Annual General meeting of shareholders on 10 August 2020, the shareholders have passed a resolution to approve increase the Company's authorised share capital from 3,462,336,820 ordinary shares of par Baht 1 each to be 3,808,570,502 ordinary shares of par Baht 1 each for the purpose of private placement. The Company's subsidiary registered the increased share capital with the Ministry of Commerce on 20 August 2020.

28 Entire business transfer

On 02 March 2020, a subsidiary acquired Virajsilp Hospital, a private hospital operating in Chumphon. The purpose of the acquisition was to create a hub-and-spoke model for the Group's hospitals and enhance the profitability of the Group in the future. The acquisition was through an entire business transfer.

The amounts below are fair values of assets acquired and liabilities assumed at the date of acquisition.

	Thousand Baht
Total purchase consideration - cash	512,200
	Fair value Thousand Baht
Inventories	7,788
Property, plant and equipment	238,994
Right-of-use assets	76,519
Intangible asset (Note 22)	131,500
Deferred tax assets	2,578
Trade and other payables	(10,177)
Employee benefit obligations	(12,890)
Deferred tax liabilities	(50,562)
Net identifiable assets acquired (100%)	383,750
<u>Less</u> Non-controlling interests (10%)	<u>(38,375)</u>
Net identifiable assets acquired	345,375
<u>Add</u> Goodwill presented in consolidated financial statements	<u>166,825</u>
	512,200

Goodwill recognised from expected ability of the acquiree enhance the incremental yield from fair value of net identified assets acquired.

The Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed of Virajsilp Co., Ltd. during the third quarter of 2020. Fair value measurement of identifiable assets and liabilities acquired is reliable.

Acquired identifiable intangible assets

The fair value of the acquired identifiable intangible assets of Baht 131.5 million was assessed by the independent expert. Intangible assets including trademarks Baht 101.5 million and customer relationships Baht 30.0 million (Note 22).

On 1 September 2020, a subsidiary acquired Sunpasit Inter Hospital, a private hospital operating in Ubon ratchathani. The purpose of the acquisition was to create a hub-and-spoke model for the Group's hospitals and enhance the profitability of the Group in the future. The acquisition was through an entire business transfer.

The amounts below are fair values of assets acquired and liabilities assumed at the date of acquisition.

	Thousand Baht
Total purchase consideration - cash	189,300
Remaining cash and short-term loans to related party of subsidiary as of entire business transfer date	290,672
Share subscription receivable	(60,000)
	419,972
	Fair value Thousand Baht
Inventories	1,331
Investment property	17,037
Property, plant and equipment	517,791
Deferred tax assets	96
Trade and other payables	(86)
Employee benefit obligations	(478)
Deferred tax liabilities	(17,350)
Net identifiable assets acquired	518,341
<u>Less</u> Non-controlling interests (20%)	(67,674)
Net identifiable assets acquired	450,667
<u>Less</u> Bargain purchase	(30,695)
	419,972

A subsidiary issued Baht 50.0 million promissory note which is due within 6 months from entire business transfer date and issued Baht 100.0 million, 100.0 million and Baht 55.0 million aval guarantee which are due within 12 months, 16 months and 36 months respectively. The total amount of Baht 305.0 million is for hospital acquisition which is discounted using borrowings interest rate and presented as current and non-current acquisition payable.

The Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed of Sunpasit Inter Co., Ltd. on 9 July 2020. There was a mention to sell the subsidiary's shares to a former shareholder of Ruamphaet Sapphasit Co., Ltd. within 6 months after the business transfer date not exceeding 20.00% of total shares held by the Group at par value.

The Group assumed that net purchase consideration and risks of non-controlling interest were transferred to counterparty at the date of acquisition. Thus, the Group recognised non-controlling interests and share subscription receivable (Note 12) in the current period's consolidated financial statement.

Non-controlling interest

The Group has chosen to recognise the non-controlling interest at its net identifiable assets of subsidiary for this acquisition according to the proportion of ownership interest.

29 Liabilities relating to contracts with customers

29.1 Contract liabilities

The Group has recognised the following liabilities related to contracts with customers:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Contract liabilities - current	33,588	34,875	1,846	10,487

Revenue recognised in relation to contract liabilities

Revenue recognised in 2020 relates to carried-forward contract liabilities.

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Revenue recognised that was included in the contract liability balance at the beginning of the period				
- Medical services	9,588	5,720	1,822	404
- Building and office services	20,981	8,028	8,453	5,451
	30,569	13,748	10,275	5,855

29.2 Unsatisfied long-term contracts

As at 31 December 2020 and 2019 the unsatisfied performance obligations resulting from contracts are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Medical service contract	-	4,816	-	-
Building and office service contracts	81,362	89,785	-	-

Management expects that 61.96% of the transaction price allocated to the unsatisfied contracts as of 31 December 2020 will be recognised as revenue during the next reporting period amounting to Baht 50.4 million. The remaining 38.04% amounting to Baht 31.0 million will be recognised in the 2022 to 2024.

30 Finance costs

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Borrowings from financial institutions	96,914	112,387	59,418	67,920
Borrowings from related parties	23,819	31,695	51,518	30,045
Interest and finance cost of lease liabilities (2019 : finance lease liabilities)	11,858	9,108	4,130	3,017
	132,591	153,190	115,066	100,982

31 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Employee benefit expenses	906,198	954,997	168,932	189,558
Depreciation (Notes 18, 19 and 20)	523,784	448,615	130,535	94,731
Amortisation (Note 22)	47,984	23,819	1,649	1,987
Utilities expenses	106,435	107,178	25,868	29,014
Management fees	13,302	31,959	5,783	16,823
Operating lease payments	18,899	24,667	2,475	6,510

32 Income tax expense

Income tax expense for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Current tax:				
Current tax on profits for the year	48,729	37,785	23,737	-
Total current tax	48,729	37,785	23,737	-
Deferred tax:				
Decrease/(increase) in deferred tax assets (Note 23)	6,916	(26,024)	2,198	(1,251)
Decrease in deferred tax liabilities (Note 23)	(11,471)	(9,634)	(7,916)	(4,563)
Total deferred tax	(4,555)	(35,658)	(5,718)	(5,814)
Income tax expense(income)	44,174	2,127	18,019	(5,814)
Income tax expense(income) attributable to				
Loss from continuing operation	44,174	2,434	18,019	(5,814)
Loss from discontinued operation	-	(307)	-	-
	44,174	2,127	18,019	(5,814)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Loss before tax				
From continuing operation	(493,318)	(153,070)	434,751	(260,061)
From discontinued operation	-	(31,746)	-	-
	(493,318)	(184,816)	434,751	(260,061)
Tax calculated at a tax rate of 20% (2019: 20%)	(98,664)	(36,963)	86,950	(52,012)
Tax effect of:				
Associate's results reported net of tax	22	(32)	-	-
Expenses not deductible for tax purpose	29,637	21,899	6,051	2,577
Additional expenses deductible for tax purpose	(49,566)	(66,907)	(7,700)	(4,087)
Utilisation of previously unrecognised tax losses	-	(10,942)	-	-
Tax losses for which no deferred income tax assets were recognised	162,745	95,072	(67,282)	47,708
Income tax expense(income)	44,174	2,127	18,019	(5,814)

33 Earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the profit (loss) attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
From continuing operations attributable to the ordinary equity holders of the Company	(511,686)	(150,278)	416,732	(254,247)
From discontinued operation	-	(31,439)	-	-
Net loss attributable to ordinary shareholders of the Company (Thousand Baht)	(511,686)	(181,717)	416,732	(254,247)
Weighted average number of ordinary shares outstanding (shares)	3,462,336,820	3,260,181,292	3,462,336,820	3,260,181,292
Gain (loss) per share (Baht per share)	(0.148)	(0.056)	0.120	(0.078)

There is no diluted earnings per share during the year 2020 and 2019.

34 Change in liabilities arising from financing activities

	Consolidated financial statements		
	Leases Thousand Baht	Borrow due within 1 year Thousand Baht	Total Thousand Baht
Liabilities as at 1 January 2019	101,077	4,277,952	4,379,029
Cash flows - proceeds from borrowings	-	2,154,579	2,154,579
Cash flows - repayments	(45,930)	(2,984,488)	(3,030,418)
Acquisitions - lease liabilities	213,168	-	213,168
Entire business transfer	1,415	-	1,415
Interest expense	-	157,636	157,636
Interest repayments	-	(138,530)	(138,530)
Financing fee	-	(2,857)	(2,857)
Other non-cash movements			
- amortisation of financing fee	-	1,269	1,269
Liabilities as at 31 December 2019	269,730	3,465,561	3,735,291
Cash flows - proceeds from borrowings	-	3,727,275	3,727,275
Cash flows - repayments	(61,353)	(2,675,129)	(2,736,482)
Payment of short-term borrowing from a related party (non-cash)	-	(390,068)	(390,068)
Adjustment from adoption of TFRS 16 on 1 January 2020	24,541	-	24,541
Acquisitions - lease liabilities	58,183	-	58,183
Lease modifications and reassessments	1,723	-	1,723
Lease termination	(56)	-	(56)
Interest expense	-	118,197	118,197
Interest repayments	-	(143,186)	(143,186)
Financing fee	-	(4,082)	(4,082)
Other non-cash movements			
- amortisation of financing fee	-	603	603
Liabilities as at 31 December 2020	292,768	4,099,171	4,391,939

	Separate financial statements		
	Leases Thousand Baht	Borrow due within 1 year Thousand Baht	Total Thousand Baht
Liabilities as at 1 January 2019	40,802	3,093,975	3,134,777
Cash flows - proceeds from borrowings	-	3,247,721	3,247,721
Cash flows - repayments	(14,323)	(2,391,623)	(2,405,946)
Acquisitions - lease liabilities	91,462	-	91,462
Interest expense	-	108,565	108,565
Interest repayment	-	(78,991)	(78,991)
Financing fee	-	(1,796)	(1,796)
Other non-cash movements - amortisation of financing fee	-	973	973
Liabilities as at 31 December 2019	117,941	3,978,824	4,096,765
Cash flows - proceeds from borrowings	-	3,227,210	3,227,210
Addition - short-term borrowing from a related party (non-cash)	-	417,219	417,219
Cash flows - repayments	(26,427)	(4,308,802)	(4,335,229)
Adjustment from adoption of TFRS 16 on 1 January 2020	8,045	-	8,045
Acquisitions - lease liabilities	16,644	-	16,644
Remeasurement of lease liabilities	1,831	-	1,831
Partial business transfer	(1,080)	-	(1,080)
Lease termination	(5,556)	-	(5,556)
Interest expense	-	111,845	111,845
Interest repayment	-	(170,023)	(170,023)
Other non-cash movements - amortisation of financing fee	-	(370)	(370)
Liabilities as at 31 December 2020	111,398	3,255,903	3,367,301

35 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company are control by the Viddayakorn Family in the proportions of 81.23%. The remaining 18.77% of the shares are widely held.

The investments in subsidiaries are disclosed in Note 17.

Related transaction pricing policy as follow;

Related transaction	Pricing policy
Revenue from service, rental and its related service fees	Arm's Length Price
Interest income/expense	The Company's finance cost plus margin

The following transactions were carried out with related parties:

a) Revenue from services, revenue from rental, interest income, rental fees and service fees

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
For the year ended 31 December				
Revenue from services				
Subsidiaries	-	-	51,811	50,376
Related parties	3,064	4,336	3,064	2,772
	3,064	4,336	54,875	53,148
Revenue from rental				
Related parties	1,377	5,431	-	-
Interest income				
Subsidiaries	-	-	75,937	23,030
Rental and its related service fees				
Subsidiaries	-	-	523	4,469
Service fees				
Subsidiaries	-	-	9,739	10,654
Related parties	16,018	5,468	7,749	3,377
	16,018	5,468	17,488	14,031
Interest expense				
Subsidiaries	-	-	44,280	21,112
Related parties	20,461	31,772	7,238	8,934
	20,461	31,772	51,518	30,046
Revenue from disposals of investment in a subsidiary				
A related person (Note 17)	297,857	-	-	-
Revenue from land disposals				
A related person (Note 17)	119,362	-	-	-

b) Outstanding balances arising from sales/purchases of goods/services

The outstanding balances at the end of the period ended in relation to transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Accounts receivable				
Subsidiaries	-	-	5,396	4,306
Related parties	3,063	4,235	230	321
	3,063	4,235	5,626	4,627
Deposits				
A subsidiary	-	-	993	1,006
Lease receivables				
Subsidiaries	-	-	6,744	8,355
Accounts payable				
Subsidiaries	-	-	1,660	2,492
Related parties	1,564	1,717	675	807
	1,564	1,717	2,335	3,299
Accrued expenses				
Subsidiaries	-	-	32	33
Related parties	-	184	-	-
	-	184	32	33

c) Short-term loans to subsidiaries

The movements of loans to subsidiaries can be analysed are as follows:

	Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht
At 1 January	1,355,989	520,836
Loans advanced during the period		
- principle	1,038,082	1,253,700
- interest	35,654	22,919
Loans repayment received		
- principle	(398,283)	(402,500)
- interest	(10,111)	-
Reclassified as short term loan to other party	-	(38,966)
Reclassified as long term loan to related parties	(2,021,321)	-
At 31 December	10	1,355,989
Short-term loans to subsidiaries	-	1,330,700
Accrued interest income	10	25,289

As of 31 December 2020, short-term loan to related parties met the terms and conditions of borrowing. Short-term loans to subsidiaries have bear an interest rate of 12-month fixed deposit plus 1.00% per annum and an interest rate from source of borrowings plus 1.00% (2019 : 12-month fixed deposit interest rate plus 1.00% per annum and loan interest rate plus 0.50% to 1.00% per annum) are due within 6 months from the borrowing date. The Group did not record allowance of doubtful account for the year of 2020 and 2019.

The movements of long-term loans to a subsidiary can be analysed are as follows:

	Separate financial statements	
	31 December 2020 Thousand Baht	31 December 2019 Thousand Baht
At 1 January	-	-
Reclassified as short-term loan to subsidiaries	2,021,321	-
Loans advanced during the period		
- principle	717,000	-
- interest	40,006	-
Loans repayment		
- principle	(73,000)	-
- interest	(76,031)	-
At 31 December	2,629,296	-
Long-term loan	2,614,500	-
Accrued interest income	14,796	-

On 1 June 2020 and 1 September 2020, the Company issued promissory note is due within 3 years from the borrowing date. This promissory note was issued for replaced the 6 months due. Result in short-term loan to subsidiaries and long-term loan to subsidiaries are Baht 996.0 million and Baht 1,025.3 million respectively.

Long-term loan to subsidiaries met the terms and conditions of borrowing. Long-term loans to subsidiaries have bear an interest rate MLR - 2.10% per annum and interest rate 12-month fixed deposit plus 1.00% per annum and an interest rate from source of borrowings plus 1.00% are due within 3 years from the borrowing date. The Group did not record allowance of doubtful account for the year of 2020.

d) Short-term borrowings from related parties

The movements of short-term borrowings from related parties can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
At 1 January	348,416	461,891	1,886,111	614,851
Borrowings received during the period				
- principle	-	200,000	810,899	1,597,479
- interest	13,223	22,838	43,449	21,112
Borrowings repaid during the period				
- principle	(52,000)	(324,500)	(1,884,700)	(347,228)
- interest	(11,381)	(11,813)	(74,205)	(103)
Reclassified as long-term loan from subsidiaries	-	-	(300,000)	-
At 31 December	298,258	348,416	481,554	1,886,111

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short term loan				
Subsidiaries	-	-	478,951	1,852,752
Related parties	265,000	317,000	-	-
Accrued interest expense				
Subsidiaries	-	-	2,603	33,359
Related parties	33,258	31,416	-	-

The Company has short-term borrowings from subsidiaries which were bear an interest rate of 3.25% and of 12-month fixed deposit plus 1.00% per annum is due within 6 months from the borrowing date.

The Group has short-term borrowings from related parties which were bear an interest rate of 4.25% per annum and are due within 6 months from the borrowing date.

The Company entered into loan agreement with its subsidiaries Baht 417.2 million which were bear an interest rate of 2.38% per annum and due within 6 months from the borrowing date. As the Group has transferred the assets of subsidiaries to a related party for repayment of long-term promissory notes of the Company.

The movements of long-term borrowings from a related party for the year ended 31 December 2020 and 31 December 2019 can be analysed as follows:

	Separate financial statements	
	2020	2019
	Thousand Baht	Thousand Baht
At 1 January	-	-
Reclassified from short-term loan to a subsidiary	300,000	-
Borrowings received during the period - interest	828	-
At 31 December	300,828	-
Long term loan	300,000	-
Accrued interest expense due within 1 year	828	-

On 1 December 2020, the Company issued a promissory note which is due within 3 years from the borrowing date. This promissory note was issued for replacement of the outstanding balance of short-term borrowings from a related party. Result in the reclassification from short-term borrowings from a related party to long term borrowings from a related party Baht 300.0 million.

Long-term borrowings from a related party meets the terms and conditions of borrowing and have bear an interest rate 3.25% and are due within 3 years from the borrowing date. The Group did not record allowance of doubtful account for the year of 2020.

e) Long-term promissory notes from a related party

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current portion of long-term promissory notes				
Related party	120,442	510,510	120,442	510,510
Accrued interest expense				
Related party	531	28,828	531	28,828

The movements in long-term promissory notes from a related party for the year are analysed as follows:

	Consolidated and separate financial statements Thousand Baht
Opening balance	539,338
Additions - Interest	7,237
Promissory note repayment	
- principle	(390,068)
- interest	(35,534)
Closing balance	120,973

Long-term promissory notes from a related party bear an interest rate of 1.75% per annum and are due within 3 years from the borrowing date.

The repayment of promissory notes and accrued interest was in accordance with the share sale and purchase agreement dated 8 September 2016. The Group would sell its subsidiaries and investment properties back to a related person at agreed transaction price mentioned in the agreement amounting to Baht 417.2 million (Notes 17 and 18).

f) Key management compensation of the Group

Key management compensation is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Short-term employee benefits	58,389	88,993	23,655	37,672
Retirement benefits	5,207	6,432	2,259	2,679
	63,596	95,425	25,914	40,351

36 Letter of guarantees

As at 31 December 2020, the Company had letters of guarantee issued by financial institutions of Baht 18.5 million (2019: Baht 16.4 million) in respect of certain performance bonds in relation for medical services and obligation of property development business. However, Baht 10.0 million letter of guarantee has been expired in 16 November 2020, but the financial institution had not called the letter back. These letters of guarantee are required in the normal course of business.

As at 31 December 2020, the Group had letters of guarantee issued by financial institutions of Baht 35.5 million (2019: Baht 28.8 million) in respect of certain performance bonds in relation for medical services, obligation of property development business, guaranteeing electricity usages with Metropolitan Electricity Authority and Provincial Electricity Authority and guaranteeing gasoline filling as required in the normal course of business.

37 Commitments

37.1 Capital expenditure commitments

Capital expenditure contracted as at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Plant and equipment	132,361	21,909	9,733	12,166

37.2 Operating lease commitments

The Group has entered into low-value assets leases agreements and short-term leases agreements with leases term less than 1 year (2019: operating leases) which are non-cancellable lease agreements in respect to leases of equipment and its related service agreements. The lease terms are between 1 to 4 years. The future aggregate minimum lease payments which were not recognised as lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Not later than 1 year	21,622	33,637	134	5,714
Later than 1 year but not later than 5 years	9,404	16,895	69	4,638
More than 5 years	-	8,344	-	-
	31,026	58,876	203	10,352

From 1 January 2020, the Group recognised lease liabilities in relation to leases from the adoption of new lease standard (Note 20). Therefore, operating lease commitments as at 31 December 2020 are short-term and low-value leases which are not comparable with operating lease commitments as at 31 December 2019.

37.3 Long-term service commitments

On 24 January 2007, the Group entered into management agreements with a group company of a well known international standard hotel chain, appointing the hotel group to manage the Group's serviced apartments. Under the conditions of the agreements, the Group has to pay service fees to the hotel group at the rates stipulated in the agreements. The terms of the serviced apartment management agreements are 30 years, starting from the commencement of operations, and could be extended for a further period of at least 10 years, depending upon certain conditions specified in the agreements. Consulting fees and expenses under the contract for the year ended 31 December 2020 were Baht 5.8 million.

On 14 January 2016, the Group entered into management agreements with a group company of a well known international standard hotel chain, appointing the hotel group to manage the Company's serviced apartments. Under the conditions of the agreements, the Company has to pay service fees to the hotel group at the rates stipulated in the agreements. The terms of the serviced apartment management agreements are 10 years, starting from the commencement of operations, and could be extended for a further period of at least 10 years, depending upon certain conditions specified in the agreements. Consulting fees and expenses under the contract for the year ended 31 December 2020 were Baht 7.5 million.

Management Discussion and Analysis

Major developments in 2020

On March 2, 2020, Principal Healthcare - Chumphon Co., Ltd., a subsidiary of which shares are held indirectly by the Company, acquired and accepted the Entire Business Transfer (EBT) of "Virajsilp Hospital", located in Chumphon Province. The objective was to expand the coverage of the Business Group's private hospital business network, especially in southern area of Thailand, in order to enhance the Group's future revenue generating capability also enhance effectiveness and competitiveness to gain more revenue. The subsidiary paid a consideration of Baht 512.2 million. The transaction resulted in a intangible assets of Baht 298.3 million, including goodwill of Baht 166.8 million, trademarks Baht 101.5 million and customers relationship Baht 30.0 million in the Consolidate Financial Statement.

On March 18, 2020, the Company incorporated a new subsidiary, Principal NKG Company Limited, with the objective of investing in elderly care business. The Company holds 51% of the shares in the new company and the other 49% is held by Nihon Keiei (Thailand) Company Limited. The company's concept of elderly care focuses on self-reliance, whereby elderly people resume their healthy condition and capability of conducting their Activities of Daily Living (ADL) with their family members. The aim is to assist the elderly in rehabilitating their physical and mental strength for maximum self-reliance.

The AGM of the Company year 2020 on August 10, 2020 resolved to approve V Brilliant Group Holding Co., Ltd., the Company's subsidiary to dispose of assets to Miss Satita Viddayakorn who is a related person of the Company, as comply with the sales and purchase agreement of the shares on 8 August 2016, details are as follow;

1. Ordinary shares in V33 Company Limited and Udon Business District Company Limited, both are V Brilliant Group Holding Co., Ltd.'s subsidiaries which held 99.99 % of shares. The selling are higher than the fair value of the two subsidiaries.

2. Vacant lands in Ang-Thong province and Saraburi province, owned by V Brilliant Group Holding Co., Ltd. The selling price are higher than the book value.

The Board of Directors' meeting of V Brilliant Group Holding Co., Ltd. on August 10, 2020 resolved to approved to set up VMEA Company Limited, registered capital Baht 1 Million comprising of 100,000 ordinary shares of par Baht 10 each. V Brilliant Group Holding Co., Ltd. held 99.99% of shares. The subsidiary was registered with the Ministry of Commerce on August 20, 2020 and increase its authorised share capital to be 200,000,000 ordinary shares of par Baht 10 each. The subsidiary registered the increased share capital with the Ministry of Commerce on October 28, 2020. This subsidiary set up for acceptance of Partial Business Transfer (PRT) of the Marriott Executive Apartment Sathorn Vista-Bangkok from the Company as the approval of the AGM on August 10, 2020

On December 29, 2020 the indirect holding company (VMEA Co., Ltd.) has approved the acquisition and accepted the Partial Business Transfer (PBT) of the property rental business from the Company under the name “The Marriott Executive Apartment Sathorn Vista — Bangkok” in order to re-structure the business to achieve the Company’s strategy plan for managing each business clearly, which would build the sustainable business and enhance the growth, also increase the opportunities to expand the business, as the subsidiaries paid a consideration of Baht 1,966.0 million. The transaction resulted in gain from disposal of a business unit in the amount of Baht 704.7 in the separate financial statements since this list is an inter-company transaction, it does not affect the operating results in the consolidated financial statements.

On September 1, 2020, the subsidiary that the Company held share indirectly (Principal Healthcare -Ubon Ratchathani Company Limited) acquired and accepted the Entire Business Transfer (EBT) of a private hospital name “Sunpasitinter Hospital” in Ubon Ratchathani Province which would enhance the growth, capability and competitiveness of the Group as well as increase its future potential profitability. The subsidiary paid a consideration of 494.3 million Bant. The transaction resulted in gain on bargain purchase of Baht 30.7 million in the Consolidate Financial Statement.

The economic and industrial situations affecting the operation and business policies, strategies and decisions

The outbreak Covid-19 in early 2020 has adverse effects on operating results for the year ended 31 December 2020.

The global and Thailand Covid-19 outbreak initiated government-imposed travelling restrictions and controls as well as upended the normal way of living and economic activities. As a result, hotel revenue significantly dropped by Baht 207.5 million which is 47.2% compared to 2019. This is due to temporary operational closures as well as previously suspended and currently diminished domestic and international travels. In response, the Group offered various promotions such as room and food and beverage discount to attract customers. Also, the protocol to prevent the spread of Covid-19 enforced restriction on transportation in many areas. The nationwide Covid-19 outbreak and decline in domestic economic resulted in dramatic decrease in hospital revenue by Baht 278.8 million which is 13.1% compared to prior period. For hospital business, Covid-19 outbreak affected the demand for medical services as seen from the reduction in number of patients. This was due to 1) the patients were afraid of the infection of Covid-19 at the hospital as a resulting in the usage of medical services as necessary; 2) the Covid-19 preventive measures by wearing masks and social distancing apparently lower the case of respiratory system infection; 3) The close of the school and online study reduced the contagious disease in children resulting in the reduction in number of child patients. As a result, the revenue from hospital business decreased by Baht 278.8 million or 13.1% compared to last year. In addition, the cost of PPE increase substantially due to higher demand with limited supply. Such factors caused higher loss from operation. The management expects that both of operating results and revenue will be recover after vaccine rollout in the second half year of 2021.

2020 operating results

Statement of Comprehensive Income Unit: million	Year 2020	Year 2019	Increase (decrease)	Change %
Revenues from hospital operations	2,290.3	2,296.2	(5.8)	-0.3
Revenues from sales and services	360.4	575.3	(214.9)	-37.4
Costs of hospital operations	2,025.2	1,879.3	145.9	7.8
Costs of sales and services	307.0	353.3	(46.3)	-13.1
Gross profit	318.5	638.9	(320.3)	-50.1
Other income	59.7	46.9	12.8	27.3
Gain on disposal of investment in subsidiaries	17.1	240.4	(223.3)	(92.9)
Gain on bargain purchase	30.7	-	30.7	100.0
Selling and Administrative expenses	786.6	926.2	(139.6)	(15.1)
Finance costs	132.6	153.2	(20.6)	(13.4)
(Loss) before income tax expense	(493.3)	(153.1)	(340.2)	(222.3)
Income tax expense	44.2	(2.4)	41.7	1,714.8
(Loss) from continuing operations	(537.5)	(155.5)	(382.0)	(245.6)
Loss from discontinued operations	-	(31.4)	31.4	100.0
Loss for the year	(537.5)	(186.9)	(350.5)	(187.5)
Total comprehensive expense for the year	(537.3)	(183.6)	(353.6)	(192.6)

In 2020, the Company and the subsidiaries generated revenues totaling Baht 2,290.3 million from the hospital business and incurred costs totaling Baht 2,025.2 million from the hospital business, and revenues from sales and services totaling Baht 360.4 million and incurred costs of sales and services totaled Baht. 307.0 million Gain from disposal of a business unit and gain on disposal of investment in subsidiaries totaling Baht.47.8 million Selling and administrative expenses totaled Baht 786.6 million and financial costs totaled Baht.132.6 million As a result, the Company's loss for the year totaled Baht 537.5 million.

The following explains the operating results by business group.

Revenues from sales and services

Unit: million	Year 2020		Year 2019		Change
	Amount	%	Amount	%	%
Hospital business	2,290.3	86.4	2,296.2	80.0	-0.3
Property development and property rental business	360.4	13.6	575.3	20.0	-37.4
Total	2,650.7	100.0	2,871.5	100.0	-7.7

The Company and the subsidiaries generated revenues from sales and the rendering of services totaling Baht 2,650.7 million, decrease of Baht 220.7 million or 7.7% resulted from the following:

- The hospital business' revenues decreased by Baht 5.8 million, or 0.3% due mainly to:
 - Revenues of existing hospitals - Pitsanuvej Hospital, Princ Hospital Paknampo, Princ Hospital Suvarnabhumi, Pitsanuvej Pichit Hospital, - decreasing totaled Baht 278.8 million from the Covid-19 situation.
 - Revenues of the hospitals opened during 2019 and the new hospital opened in 2020 - Sirivej Lamphum Hospital, Pitsanuvej Uttaradit Hospital, Princ Hospital Uthai Thani, Virajsilp Hospital and, Princ Hospital Ubonratchathani - increasing totaled Baht 275.8 million.
- The property development, rental business and others had a revenue decrease of 214.9 million Baht, or 37.4%, due mainly to the following:
 - The Marriott Executive Apartment Sathorn Vista - Bangkok Project, had a revenue decrease of Baht 124.2 million because the occupancy rate reduces from 86.8% in 2019 to 47.9% in 2020, Average Daily Revenue (ADR) was reduced from Baht 4,093 to Baht 3,478 because the tourism business has been affected by the Covid-19 situation continuously.
 - The Somerset Ekamai Bangkok Project had a revenue decrease of Baht 83.2 million because the occupancy rate reduces from 78.0% in 2019 to 46.3% in 2020, from the impact of Covid-19 Pandemic and the current situation of the hotel that slow down, the customers in long-term rental was reduced especially Japanese customers.

Gross profit was Baht 320.3 million (50.1%) lower than 2019, for the following main reasons:

- Revenue from both businesses extremely decreased from the spreading of Covid-19 with the major impact to the business.
- Costs of the hospitals decreased less than the revenue that decreased from the new opened hospitals which is cost from doctor and medical staff that increasing to enhance the efficiency to provide the service and support the customer need.
- Depreciation of both new and existing hospitals increased.

Gain on bargain purchase were Baht 30.7 million caused by approved the acquisition and accepted the transfer of Principal Healthcare - Ubon Ratchathani Co., Ltd. in Q3/2020

Gain on disposal of investment in subsidiaries were Baht 17.1 million arising from the disposal of the ordinary shares of V33 Co., Ltd. and Udon Business District Co., Ltd. While in 2019, were Baht 240.4 million because of the disposal of the ordinary shares of Bangkok Management Co., Ltd.

Selling and administrative expenses in 2020 were Baht 786.8 million lower than 2019 in the amount of Baht 139.6 million (15.1%) because the Company aware of the impact of Covid-19 to the revenue. The Company and its subsidiaries highly pay attention to reduce cost by announcing the policy such as partially close the service area or temporary close some departments to reduce the cost from operation, reduce the temporary staff wage and reduce hiring of replacement employees and voluntary leave without pay and also the executives and employees are voluntary reduce the salary to reduce the cost of the Company.

EBITDA:

Unit: million	Year 2020	Year 2019	Increase (decrease)	Change %
EBITDA	211.1	472.5	(261.5)	-55.3
Finance costs	132.6	153.2	(20.6)	-13.4
Depreciation and amortisation	571.9	472.4	99.5	21.1
Profit before income tax	(493.3)	(153.1)	(340.2)	-222.3
Income tax expense	44.2	(2.4)	41.7	1714.8
Loss for the year	(537.5)	(155.5)	(382.0)	-245.6
<i>**EBITDA excluded adjustment transaction</i>	<i>163.3</i>	<i>232.1</i>	<i>(68.9)</i>	<i>(29.7)</i>

EBITDA for 2019 totaled Baht 472.5 million which was Baht 14.1 million, or 3.1% higher than the previous year because:

- There was a one-off item - a gain on disposal of investment in a subsidiary of Baht 240.4 million.
- There were direct costs, marketing and public relations expenses as well as other expenses of newly opened hospitals, increasing selling and administrative expenses.

EBITDA of the Company and the subsidiaries, excluding this adjusting entry, totaled Baht 232.1 million Baht 143.8 million lower than the previous year due to lower gross profits and the increases in the expenses of newly opened hospitals, and investment in physicians and medical units.

Interest expenses rose by Baht 27.1 million, as a result of the increase in borrowings from financial institutions for the newly opened hospitals and renovation and modernization of hospital buildings to suit customers' requirements.

Appreciation increased by Baht 50.9 million as there were three new hospitals and innovation work at some hospitals had been completed; hence, higher depreciation was booked.

Loss for the year The Company and the subsidiaries incurred a loss of Baht 155.5 million in 2019 (excluding the losses incurred from discontinued operations). The loss amount is greater than that of 2018 and resulted from the increases in the costs of sales and services, expenses of the subsidiaries, interest expenses and depreciation.

Financial Position

Statement of Financial Position Unit: million	31 December 2020	31 December 2019	Increase (Decrease)	Change %
Total assets	15,415.1	14,620.0	795.1	5.4
Total liabilities	6,090.2	4,908.8	1,181.4	24.1
Equity attributable to owners of the parent	8,297.1	8,809.7	(512.6)	-5.8
Debt to Equity Ratio (times)	0.73	0.56		

As at 31 December 2020, the Company and the subsidiaries has assets totaling Baht 15,415.1 million, increasing from total assets as at 31 December 2019 by Baht 795.1 million, resulting from:

- Property, plant and equipment increased by Baht 1,091.4 million from the purchase of Virajsilp Hospital and Princ Hospital Ubonratchathani, totaling Baht 735.6 million and from the Princ Hospital Sisaket where land was purchased and under the building construction, which was expected opening in the second quarter of 2021 amounting to Baht 356.5 million.
- Right-of-use assets increased by Baht 425.3 million resulting from the adoption of TFRS 16 (leases standard) as of 1 January 2020, the Company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases under the principles of TAS 17 Leases and for leases previously classified as finance leases the Group recognized the carrying amount of the lease asset and lease liability.
- Intangible assets increased by Baht 192.9 million from the acquisition of Virajsilp Hospital, which caused to the trademark and customers relationship totaling Baht 124.8 million.
- Goodwill increased by Baht 166.8 million from the acquisition of Virajsilp Hospital
- Short-term Investment decreased Baht 525.8 million, from the adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) by the adjustments to financial assets measured at fair value through profit or loss and Short-term fixed deposits totally Baht.35.4 million. While there are some parts that the company sold for use in investing in new projects and investing in new hospitals.
- Investment properties decreased by Baht 421.3 million from the disposal of the subsidiaries and vacant land of the group's subsidiaries for resale to Miss Satita Viddayakorn.

Liabilities of the Company and the subsidiaries as at 31 December 2020 totaled Baht 6,090.2 million, increasing from total liabilities as at 31 December 2019 by Baht 1,181.4 million for the following reason:

- Long-term borrowing from the financial institutions, increased by Baht 1,139.1 million, resulting from investment in new hospitals and renovating the existing hospitals.
- Hospital acquisition payables of Princ Hospital Ubonratchathani, an increase of Baht 294.1 million.
- Current portion of promissory notes from a related party decreased by Baht 418.4 million from the selling of assets to related party and pay long-term promissory notes.

Shareholders' equity decreased by Baht 512.6 million from the losses incurred by the Company during the year.

The debt-to-equity (D/E) ratio stood at 0.73, rise from 0.56 on 31 December 2019, resulting from the long-term borrowing from the financial institutions, while the shareholders' equity decreased from the operating results during the year.

Commitments and contingencies

Contingent liabilities for capital expenditure

Unit: Baht in million	2020	2019
Building and equipment	132.36	21.91

Operating lease commitments

The Company and its subsidiaries entered into non-cancellable operating lease agreements with respect to leases of equipment and service agreements. The terms of the agreements generally range between 1 to 13 years.

Unit: Baht in million	2020	2019
Not later than 1 year	21.62	33.64
More than 1 year but not later than 5 years	9.40	16.89
More than 5 years	-	8.34
Total	31.02	58.88

Long-term service commitments

On January 24, 2007, the Company entered into management agreements with a group company of a well-known international hotel chain, appointing the hotel group to manage the Company's serviced apartment. Under the conditions of the agreements, the Company has to pay service fees to the hotel group at the rates stipulated in the agreements. The terms of the serviced apartment management agreements are 30 years, starting from the commencement of operations, with the right to extend for a period of at least 10 years, depending upon certain conditions specified in the agreements. Consulting fees and expenses under the contract for the year ended December 31, 2020, was Baht 5.8 million.

On January 14, 2016, the Group entered into management agreements with a group company of a well-known international hotel chain, appointing the hotel group to manage the Company's serviced apartment. Under the conditions of the agreements, the Company has to pay service fees to the hotel group at the rates stipulated in the agreements. The terms of the serviced apartment management agreements are 10 years, starting from the commencement of operations with the right to extend for a period of at least 10 years, depending upon certain conditions specified in the agreements. Consulting fees and expenses under the contract for the year ended December 31, 2020, were Baht 7.5 million.





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