

PRINCIPAL CAPITAL PUBLIC COMPANY LIMITED



Stepping Toward Sustainability



ANNUAL REPORT 2022

(56-1 One Report)



Vision

Principal Capital will become more healthcare-focused, invest in healthcare property, and be a trusted hospital management organization with an emphasis on digitalization and efficiency, while fully utilizing 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 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 the existing hotel and serviced apartment to build customer satisfaction.

Stepping Toward Sustainability

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COMPANY PURPOSE

A place where compassionate people are nurtured
and gathered to pay it forward to other people.
To community, and to society

”



John LEE Kohshun
Chairman

Dr. Satit Viddayakorn
Managing Director

Message of the Chairman of the Board



The world continues to be impacted by COVID-19 pandemic in 2022. With more residents of Thailand been vaccinated, we are see the transition of COVID-19 from pandemic to endemic. It is expected that in coming months, cases of COVID-19 will be less severe. The hospitals are treating more patients with elective procedures. Managing post COVID-19 transition to new normal will continue to be challenging to healthcare industry.

We see opportunities our group of hospitals as lives return to new normal. Aging population with non-communicable diseases will continue to be the trends of the future. Our hospitals will continue to adjust and improve our patient care strategies in order to better serve the changing needs of the communities.

Principal Capital PCL continues to grow during the pandemics. A new hospital was built in Sakon Nakhon and was opened in the first quarter of 2023. Construction and renovation work are carried out in several of our existing hospitals in order to better serve our customers, the patients. The company also made several significant merger and acquisition to increase our network of healthcare facilities.

Events in the natural world emphasises the important of caring for our environment. We need to ensure that our facilities and care activities are environmentally friendly and sustainable. We are part of the the community and this planet earth. It is our responsibility to be a leader in protecting the environment.

On behalf of the Board and Management of Principal Capital PCL, I would like to thank our shareholders for their trust and support. Our care team, doctors, nurses and technicians, have worked extra hard during pandemic. I salute all of them, thanking them for their dedication in making our community a better and healthier place to be.

Greetings and best wishes.

A handwritten signature in black ink, appearing to be 'John Lee Kohshun'.

John Lee Kohshun
Chairman

Message of the Managing Director

Dear shareholders,

In the year 2022, Principal Capital Public Company Limited (“Company”) focused on expanding the hospital and healthcare business by expanding the specialist center to provide medical treatment for the more complicated disease in every hospital and provide a speedy, efficient variety of healthcare services via share services system and also extend the co-operation in business, take care of society, community and environment in parallel with the sustainable business operation based on ESG principle. Furthermore, the Company also developed a relationship with new alliances to enhance the strength of the Company’s business ecosystem and recruit new executives with expertise in the hospital business and specialist doctors to support the expansion of the private hospital and healthcare business.

At present, there are 13 hospitals in Principal Healthcare network, located in 11 provinces. Princ Hospital Sakhon Nakhon is the newest hospital that is commercially operated in February 2023. The Company still keeps the target to expand the number of the hospital to 20, which is currently under negotiation, and conduct a feasibility study to expand the hospital network to the secondary provinces and expand other healthcare services to increase the number of Klai Baan Klai Jai medical clinics in Bangkok, which provides services to the patients under Universal Coverage System (gold cardholders), from 17 clinics to 37 clinics. The Company also has a target to expand the Aesthetic and surgery clinic (Pewdee Clinic) from 11 clinics to 15 clinics and has the plan to expand PRINC Recovery and Elder Care Center, which is currently at Princ Hospital Suvarnabhumi to other hospitals in the provincial area.

Last year, the Company speeded up the construction and preparation for the pre-operation of Princ Hospital Sakhon Nakhon in terms of place, and recruitment of medical personnel and employee at all levels also selected the local entrepreneur in Sakhon Nakhon Province to join “PRINC PSARN local product to the community PSARN local people to their hometown” to support hospital growth in parallel with the economic support to the community with the social responsibility and environmentally friendly like all hospitals and clinics in the Principal Healthcare group that aim to operate the business with sustainable growth according to the organization’s mission that aims to nurture people’s mind of being a giver. Therefore, the Company continues promoting an excellent corporate culture, a conducive working atmosphere, constructive exchange of ideas, encouraging behavior with positive reinforcement, and applying the Coach, Facilitator, and Mentor principle to create empathy and compassion among the workforce. We believe that if personnel work happily, they will pass on their happiness to the service recipients to create sustainable growth.

In addition, there are other activities to create sustainable growth through community and social support. For example, in the flooding situation in Ubon Ratchathani Province, the Company joined with the SET Social Impact Platform of the Stock Exchange of Thailand, the soldiers in Military Province 22, and the listed company alliance sent aid to the flood victims. Other activities like health check-up mobile unit to serve the people in the community, and educated people about healthcare knowledge and basic first-aid skill. The Company also encouraged employee engagement in reducing waste volume at every hospital by having Princ Hospital Suvarnabhumi as a model hospital in waste separation and waste management through Care the Whale Project of Stock Exchange of Thailand and Bangkachao Zero Waste Station.



PRINC together with six leading organizations signed a Memorandum of Understanding (MOU) in the carbon credit project, witnessed by Thailand Greenhouse Gas Management Organization. and implementing the Carbon Footprint for the Organization. PRINC network offset the greenhouse gas emission via carbon credit to be Carbon Neutral and initiate the change in the source of energy utilization at 10 hospitals in the PRINC hospital network from traditional form to solar cell. Currently, it is under the application for permit and installation process. Such solar cell installation is expected to complete in 2023. In terms of sustainable business operation, the executives of all hospitals agree to set the 2023 theme as Sustainable Growth with Triple Bottom Line to operate the business with social contribution and provide community access to healthcare service, grow sustainable business together with the consideration of the environment and being a technologically driven organization via PRINC NEXT-GEN Project with PRINC Next-Gen Hackathon by having teams of doctors, nurse, and personnel from all hospitals across the country come up with the idea of new product and services of the hospitals which support a being Digital Hospital. There were 10 outstanding projects of the total 70 projects that are the product of ideas leading to product and service innovation.

The business operation of the past year focused on quality, safety, and efficiency. Princ Hospital Paknampo 1 and Virajsilp Hospital received a certificate from the Healthcare Accreditation Institute (Public Organization) for following the Step 3 Path towards HA and Princ Hospital Paknampo 2 received a certificate from the Healthcare Accreditation Institute (Public Organization) for following the Step 2 Path towards HA. Moreover, we also do business intending to promote the lives and well-being of the employee at all levels with safety and appropriate welfare. Last year many hospitals in the PRINC network including Princ Hospital Paknampo 1, Princ Hospital Paknampo 2, Princ Hospital Uthaithani, Pitsanuvej Hospital, Pitsanuvej Uttaradit Hospital received an award as a National Level Distinguished Model Business Establishment for Labor Relations and Welfare. Moreover, Princ Hospital Suvarnabhumi also received GHA's Certification COVID-19 which is considered an international hospital standard that focuses on communicating with foreign clients and pays attention to hygiene standards related to the COVID-19 outbreak.

For the year 2022, apart from the COVID-19 outbreak, the economic factor also affected the people and the hospital business. Principal Healthcare hospital network emphasizes expanding healthcare services to other provinces with easy-to-access services at affordable prices. We still focus on management efficiency and treatment quality standard improvement with the highest safety for the clients.

Lastly, I would like to thank all shareholders and stakeholders for your confidence in the Company's direction under the management of the Company's executives. I hope that you will trust and continue supporting the Company to create benefits for the people in the community and create value for the partners and all shareholders as well as the well-being of the personnel.



Dr.Satit Vidayakorn, Ph.D.
Managing Director

BUSINESS AND OPERATING RESULTS

1

Service with compassion



1

Business Overview and Performance

1.1. Business Policy and Business Overview

Principal Capital Public Company Limited ("Company") was originally incorporated in 2000 under the name "Metrostar Property Company Limited" to engage in the residential property development business. Later, in 2005, the Company was listed on the Stock Exchange of Thailand. In 2013, following a change in the shareholding structure, the Company was renamed Principal Capital Public Company Limited.

In 2017, the Company acquired shares of Principal Healthcare Company Limited ("PRINH") (originally Alliance Medical Asia Company Limited) which operated a private hospital business, with four network hospitals in three provinces. The Company's core business has become operating and management of private hospitals since 2018. The Company has determined to expand the Principal Healthcare Group's hospital network through building new hospitals, forming joint ventures with alliances, and acquiring existing businesses with good potential for renovation and development to upgrade them to offer medical treatment using modern medical technologies. It aims to expand the hospital network to cover all the regions of the country, focusing on the secondary provinces with no private hospitals but with the demand for medical services. The Company changed its sector on the SET from "Property Development" to "Healthcare Services" to be in line with the Company's policy in 2019. At present, the Company had 13 hospitals in 11 provinces around the country with total registered bed of more than 1,000 beds. The Company has a target to expand the hospital network to 20 hospitals within the year 2024.

In addition to hospital business, the Company also has other healthcare business including Elderly Care Center, 37 primary care clinics in Bangkok and Skin and Aesthetics Center which is a business with a continuous growth rate and is a source of income that will come in addition to income from the hospital business and expand the base of comprehensive health services through Share Services.

Apart from the private hospital and hospital management businesses, the Company is also engaged in hotel and serviced apartment business in the category of hi-end residences in prime business locations which are managed by a professional team from world class hotel chain like Marriott International and The Ascott Limited (Ascott) which benefited from opening up to foreign tourists and relaxing economic activities.

1.1.1. Major development to achieve sustainable growth

Principal Capital Public Company Limited's change and major development are as follows:

- In 2022**
- On September 21, 2022, Principal Healthcare Company Limited has increased its shareholding in a subsidiary, by acquiring the ordinary shares of Pitsanuloke Medical Company Limited of 125,000 shares at THB 8,200 per share, amounting to THB 1,025 million from the group of existing shareholders. As a result, the shareholding in the said company increased from 60% to 85%. Including an increase in the same proportion of equity of the other 2 subsidiaries (Union Pichit Doctors Company Limited and Pitsanuvej Uttaradit Hospital Pitsanuloke Medical Company) in which Pitsanuloke Medical Company holds 100% of the shares, aiming to expand the business. both the construction of the patient building Investing in medical

services specialized for complex diseases to accommodate the number of patients that are likely to increase.

- On March 14, 2022, Board of Directors' Meeting approved Principal Healthcare Co., Ltd. to acquire 302,500,000 ordinary shares of Pewdee Clinic Esthetics Co., Ltd. with total investment of Baht 302.50 million to provide Skin and Aesthetics Surgery service. The source of fund came from working capital and/or loan from financial institutions.
- In February 2022, the Company participated in the Asset Warehousing program ("Project"), the Bank of Thailand's measures to support the entrepreneurs affected by Covid-19, between the Company with transferee, to improve the debt structuring of the Company, by transfer V Residence's ownership interests in 4 buildings of Somerset Ekamai Bangkok (SEB) to transferee for debt payment according to the Program, and transferee have an option for the company and owner to buy back the assets in 3 years (and the program can be extended for 2 times, 1 year each time). A project duration, owner also lease SEB from transferee to continue business operations.

In 2021

- In December 2021, the Board of Directors' Meeting had a resolution for the investment and set up a new subsidiary of PRINH under the name Principal Healthcare – Sakon Nakhon Co., Ltd. with the total registered capital of Baht 300,000,000 to build a new 59-bed private hospital. The total investment cost is Baht 463 million. Such company is a joint venture with RATCH Group PCL. in the proportion of 75:25.
 - On June 18, 2021, PRINH, a major shareholder of Principal Healthcare – Ubonratchathani Co., Ltd ("PUBN") entered into the Share Sale and Purchase Agreement to sell 20% of the total registered capital of PUBN's shares to Ubon S.K. Meditech Co., Ltd. (Local Partner). 1,200,000 shares and 6,000,000 shares were transferred to the local partner on August 4, 2021, and September 10, 2021, respectively.
 - In May 2021, the Annual General Meeting of shareholders of the Company had the resolution to increase the registered capital and allocated the newly issued ordinary shares under the General Mandate scheme in the amount of 346,233,682 shares at par value of Baht 1 per share or 10% of total issued and paid-up capital, at the offering price of Baht 4.09 per share to RATCH. Total proceeds were Baht 1,416.09 million.
 - On April 23, 2021, the Annual General Meeting of shareholders of V Brilliant Group Holding Co., Ltd. ("VB") approved the acquisition and accept the transfer of V Intelligence ("VI"), a Company's subsidiary's office building for rent. Such transaction was completed on April 30, 2021.
 - In April 2021, Princ Hospital Sisaket was officially opened.
 - In March 2021, Princ Hospital Lamphun was officially opened.
-

In 2020

- In December 2020, the Company restructured business to mainly focus on expanding Healthcare Business and gradually divest property business by partial business transfer (PBT) of hotel and serviced apartment business namely the Marriott Executive Apartment Sathorn-Vista ("Marriott Hotel"), as well as all assets 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.
- In December 2020, the Company and Bamrungrad Hospital established the Holistic Cancer Center under Bumrungrad Healthcare Network in the northeast and lower north region at Princ Hospital Ubonratchathani and Pitsanuvej Hospital in Phitsanulok Province. It was opened for service in Q1/2021. Both Centers will be Cancer Center Hub for other hospitals in PRINC Hospital network.
- In December 2020 Princ Investment Co., Ltd. was renamed to Klai Baan Klai Jai Co., Ltd. to operate medical clinics and provide medical services to the patients under the Universal Health Coverage system (Gold Cardholders)
- In September 2020, the Company disposed of assets of VB, a subsidiary of the Company to Ms. Satita Viddayakorn, a concert party 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 Co., Ltd. ("V33") representing 99.99% of total issued and paid-up shares with total value of Baht 176.95 million
 - b) Land plots with a total area of 49-3-93 rai located in Muang Ang Thong District, Ang Thong Province, owned by VB at the price does not exceed Baht 87.27 million.
 - c) Land plots with a total area of 10-0-00 rai and buildings located in Muak Lek Sub-district, Muak Lek District, Saraburi Province, owned by VB at the price did not exceed Baht 32.08 million.
 - d) 12,899,998 ordinary shares of Udon Business District Company Limited ("UBD") or approximately 99.99% of total issued and paid-up shares of UBD with total value of Baht 137.37 million.
- In July 2020, PRINH, a Company's subsidiary set up a new company, which 99.99% shares held by PRINH, namely Principal Healthcare Ubonratchathani Co., Ltd. ("PUBN") with registered and paid-up capital of Baht 300 million to operate a private hospital business in Ubonratchathani province by transferring the Entire Business (EBT) of Ruamphaetsapphasit Co., Ltd., which operates Sunpasitinter Hospital with the payment of a total amount not exceeding Baht 500 million and the transfer was completed on September 1, 2020.
- On March 2, 2020, the Entire Business of Viraajsilp Hospital was completely transferred to Principal Healthcare – Chumphon Co., Ltd.

In 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 with the shareholding portion of 51% by Principal Capital Public Company Limited and 49% by NKG.
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- In December 2019, PRINH, a Company's subsidiary set up a new subsidiary Principal Healthcare - Chumphon Company Limited with a registered and paid-up capital of Baht 270 million. The Company owned 90% of the total shares. The objective of the new company was to engage in a private hospital business in Chumphon Province, through acquisition and acceptance of the Entire Business Transfer of Virajsilp Hospital Company Limited with the payment of Baht 570 million to the existing shareholders for the business and long-term lease of land.
- In December 2019, the Company signed an agreement with Bumrungrad Health Network Co., Ltd., 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 ("PSSK") was incorporated to engage in a 59-bed private hospital business in Sisaket Province with a registered and paid-up capital of Baht 250 million whereby PRINH held 60% shares and the remaining shares are held by Sisaket Meditech Co., Ltd.
- In November 2019, the Company issued and allocated new ordinary shares in a maximum amount of Baht 222,249,300, with a par value of Baht 1 per share, at an offer price of Baht 4.09 per share in a private placement to the International Finance Corporation ("IFC") an institutional investor in the World Bank Group. The registered capital has been increased from Baht 3,240,087,520 to Baht 3,462,336,820, with a par value of Baht 1 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 Co., Ltd. ("BG"), representing 99.99 % of its issued and outstanding shares, with a par value of Baht 100 to VMS Development Co., Ltd. ("VMSD"), a connected person of the Company with total sale value of around Baht 1,328.99 million. The proceeds from the disposition will be used as working capital and in expanding the hospital and health care businesses.
- On March 29, 2019, Pitsanuvej Uttaradit Hospital was officially opened.
- On March 1, 2019, Principal Healthcare – Lamphun Co., Ltd. ("PLPN") 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 "Service" under the "Health " Sector.

In 2018

- In October 2018, Principal Healthcare Co., Ltd., a subsidiary of the Company, set up Principal Healthcare – Lamphun Co., Ltd. (PLPN) with a registered capital of Baht 200 million to operate a private hospital business to accept Entire Business Transfer

(EBT) of Sirivej Lamphun Hospital in Lamphun Province with total investment of Baht 120 million.

- In May 2018, Principal Healthcare Co., Ltd., a subsidiary of the Company, set up Principal Healthcare – Uthai Co., Ltd. (PUTH) to operate a private hospital business with a registered capital of Baht 50 million. Principal Healthcare – Uthai Co., Ltd. (PUTH) acquired a suspended hospital, a non-performing asset from a financial institution, obtaining land and building. The buildings were renovated into a 59-bed hospital. Total investment cost was Baht 160 million.
- On February 27, 2018, the Company renamed “Piyamin Hospital” which the Company acquired and accepted the business transfer of the Health Management Organization Co., Ltd. (“THMO”), a company operating a private hospital business under the name “Piyamin Hospital”) to “Princ Hospital Suvarnabhumi, located in Samut Prakan Province, and three medical clinics in Bangkok by paying Baht 900 million to THMO. The acquisition of THMO’s hospital business was result in expansion of the Group’s hospital network, particularly in Bangkok and vicinity, given the hospitals previously 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 has been completed.
- On January 25, 2018, Alliance Medical Asia Co., Ltd. was renamed to Principal Healthcare Co., Ltd.

In 2017

- In November 2017, the Company acquired the business of Alliance Medical Asia Co., Ltd (“AMA”) Group of Companies through the purchase of 268,374,998 shares, representing approximately 99.99% of AMA’s total issued and paid-up shares from three existing shareholders who were connected persons with total value not more than Baht 2,000 million. This deal effectively resulted in the Company acquiring six subsidiaries, of which shares had been held, directly or indirectly, by AMA. The subsidiaries were 1) Phitsanuloke Medical Co., Ltd. 2) Paknampo Hospital Co., Ltd. 3) Union Pichit Doctors Co., Ltd. 4) Pitsanuvej Uttaradit Co., Ltd. 5) Pitsanuvej Pattana Co., Ltd. and 6) P.N.P. Hospital Co., Ltd.
- The Company amended its objectives and Memorandum of Association to accommodate the hospital business operation.

In 2016

- The Company entered into a transaction, buying 99.99% of common shares and preferred shares of V Brilliant Group Holding Co., Ltd, which was engaged in property development business and investing in four subsidiaries operating property development business; namely, 1) V Intelligence Co., Ltd. 2) V Residence Co., Ltd. 3) Bangkok Management Co., Ltd. and 4) V 33 Co., Ltd., from Ms.Satita Viddayakorn and Peak Development Holdings Ltd. The investment enabled the Company to obtain ownership in land and buildings in nine locations: four property projects located in the heart of Bangkok and five vacant land plots in the provinces. The total value of VB Group was Baht 5,791.13 million. The Company issued 1,839,938,433 new common shares to Ms.Satita Viddayakorn and Peaks Development Holdings Ltd. and also issued promissory notes amounting to

510,509,850 Baht to Ms.Satita Viddayakorn as consideration for the acquisition of V Brilliant Group Holding Co., Ltd., resulting in an increase in the registered capital to Baht 3,240,683,433 Baht.

Awards and Recognitions in 2022

Princ Hospital Uthaithani

- Princ Hospital Uthaithani was awarded as a Model Business Establishment for Labor Relations and Welfare for the year 2022 in the 1st year by the Department of Labor Protection and Welfare
- Princ Hospital Uthaithani was awarded Good Labor Practices: GLP from the Department of Labor Protection and Welfare.

Princ Hospital Ubonratchathani

- On September 3, 2022, Princ Hospital Ubonratchathani was recognized as a Distinguished Business for Social Security Payment by Social Security Office.

Pitsanuvej Uttaradit Hospital

- Princ Hospital Uttaradit was awarded as a Model Business Establishment for Labor Relations and Welfare for the year 2022 in the 1st year by the Department of Labor Protection and Welfare.

Pitsanuvej Hospital

- On December 7, 2022, Pitsanuvej Hospital was awarded as a National Level Distinguished Model Business Establishment for Safety, Occupational Health, and Workplace Environment for the year 2021(Diamond level) in the 7th year.
- On December 8, 2022, Pitsanuvej Hospital was awarded as a Model Business Establishment for Labor Relations and Welfare in the 12th year by the Department of Labor Protection and Welfare.
- On June 30, 2022, Pitsanuvej Hospital received a certificate of Honor (Gold Level) that was awarded under the Zero Accident Campaign in the 4th year.
- On September 2, 2021, Pitsanuvej Hospital was awarded a “Business Entity with Good Corporate Governance” with the honor to be a Model of White Business for the year 2021 and received a standard certificate with the virtue sign. This certification lasts 4 years. It is the only hospital out of 14 organizations nationwide that received this award.
- On October 18, 2022, Pitsanuvej Hospital received 2nd runner up Best Claim Management Hospital in AIA Hospital Awards 2022.
- On October 18, 2022, Pitsanuvej Hospital received Bangkok Life Assurance Smart Hospital Awards 2022 and Customer Service Excellence Awards from Bangkok Life Assurance Public Company Limited.

Pitsanuvej Phichit Hospital

- Pitsanuvej Phichit Hospital receive Phichit Labor Management Excellence Award 2022 in Labor Relation and was awarded as a Model Business Establishment for Labor Relations and Welfare in the 2nd year by the Department of Labor Protection and Welfare of Phichit Province.

Princ Hospital Suvarnabhumi

- On September 21, 2022, Princ Hospital Suvarnabhumi received Creativity Silver Award from Muang Thai Life Assurance Hospital Awards 2021.
- On November 26, 2022, Princ Hospital Suvarnabhumi received GHA's Certification COVID-19 from WellDest.

Princ Hospital Sisaket

- On September 17, 2022, Princ Hospital Sisaket received Patient and Personnel Safety Hospital: 2P Safety Hospital Reward from Ministry of Health and Hospital Accreditation Institute and 16 network organizations.

Princ Hospital Paknampo and Princ Hospital Paknampo 2

- On June 30, 2022, Princ Hospital Paknampo and Princ Hospital Paknampo 2 received Excellence Green & Clean Hospital Award from Department.
- Princ Hospital Paknampo and Princ Hospital Paknampo 2 was awarded as a Model Business Establishment for Labor Relations and Welfare in the 4th year by the Department of Labor Protection and Welfare
- Princ Hospital Paknampo received a certificate from the Healthcare Accreditation Institute (Public Organization) for following the Step 3 Path towards HA with certified period from July 9, 2021 – July 8, 2024.
- Princ Hospital Paknampo 2 received a certificate from the Healthcare Accreditation Institute (Public Organization) for following the Step 2 Path towards HA with certified period from December 23, 2022 – December 23, 2023.

Virajsilp Hospital

- Virajsilp Hospital received a certificate from the Healthcare Accreditation Institute (Public Organization) for following the Step 3 Path towards HA with certified period from December 9, 2021 – December 8, 2022.

Somerset Ekamai, Bangkok

- Somerset Ekamai, Bangkok received Global Winner Luxury Boutique Serviced Apartments 2022 from World Luxury Hotel Awards.
- V Residence Co., Ltd. received was awarded as a Model Business Establishment for Labor Relations and Welfare in the 1st year by the Department of Labor Protection and Welfare.

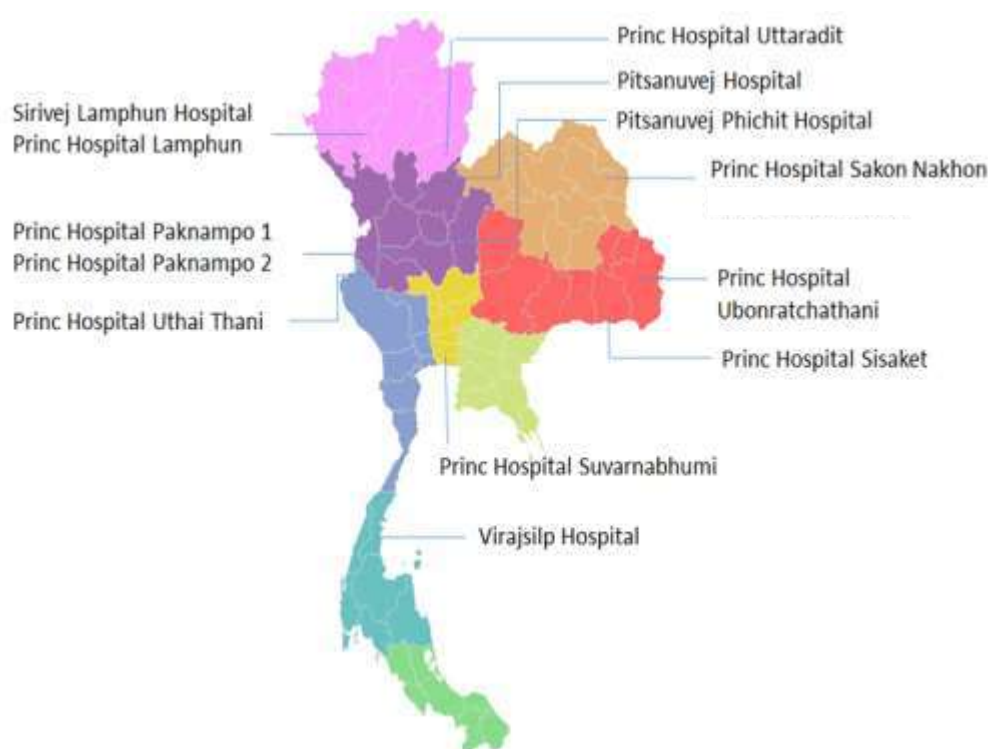
1.1.2. The Utilization of Proceeds from Right Offering in 2021

Objective of the use of proceeds	Utilization Plan (million Baht)	Utilization of proceeds from Jan. 1 to Dec. 31, 2022 (million Baht)	Remaining Amount (million Baht)
1) Invest in the expansion of the hospital and related business (1) Acquisition of Pewdee Clinic Esthetics Co., Ltd.'s shares (2) Construction of new hospital – Princ Hospital Sakon Nakhon	339	302 37	0
2) Renovate its existing hospitals including investment in new medical equipment	72.45	72.45	0
Total	411.45	411.45	0

1.2. Business Overview

Current business of the Company and its subsidiaries can be categorized into 2 types as follows:

1. Private Hospital Business and Private Hospital Management Currently, there are 13 hospitals in Princ hospital network, of which 13 hospitals as follows:



2. Property development

2.1. Hotel and serviced apartment business Currently, there are 2 hotels and serviced apartments namely “Marriott Executive Apartment Sathorn Vista Bangkok” and “Somerset Ekamai Bangkok” located in Central Business District, providing long-term accommodation to the executives and expatriates who work in Bangkok as well as Thai and foreign tourists.

2.2. Office space for rent business At present, the Company has 1 office building for lease which is Bangkok Business Center offering space for lease to medium and large corporate customers. The project is located in Ekamai area which is in the business area with full facilities

1.2.1. Revenue Structure

Revenue type	Operate by	% shareholding	2022		2021		2020	
			Baht million	%	Baht million	%	Baht million	%
Revenue from hospital business	PSUV	N/A	1,578.7	23.6%	1,368.4	27.1%	184.7	7.0%
	PSV	85.00	1,518.9	22.7%	1,174.2	23.2%	1,040.7	39.3%
	PPNP	91.56	829.6	12.4%	701.2	13.9%	479.7	18.1%
	PCPN	90.00	471.6	7.1%	466.5	9.2%	165.4	6.2%
	PLPN	86.67	449.7	6.7%	248.3	4.9%	91.3	3.4%
	PUBN	80.00	273.0	4.1%	173.3	3.4%	20.9	0.8%
	PPCH	85.00	237.0	3.5%	170.9	3.4%	147.3	5.6%
	PUTD	85.00	256.0	3.8%	161.9	3.2%	111.9	4.2%
	PSSK	60.00	187.5	2.8%	123.7	2.4%	-	-
	PUTH	99.99	123.4	1.8%	81.7	1.6%	48.5	1.8%
	KBKJ	92.00	148.7	2.2%	71.9	1.4%	-	-
	PNKG	51.00	4.0	0.1%	0.4	0.0%	-	-
	PRINH	99.99	16.4	0.2%	0.2	0.0%	0.0	0.0%
	PPWD	55.00	116.8	1.7%	-	-	-	-
Total			6,211.4	92.9%	4,742.7	93.8%	2,290.3	86.4%
Service income from Property business	VMEA	99.99	180.0	2.7%	76.3	1.5%	110.3	4.2%
	VR	99.99	183.5	2.7%	121.3	2.4%	121.7	4.6%
	VB	99.99	105.2	1.6%	72.3	1.4%	-	-
	VIN	99.99	-	-	40.8	0.8%	122.3	4.6%
	PRINC	-	-	0.1%	5.5	0.1%	6.0	0.2%
Total			473.1	7.1%	316.1	6.2%	360.4	13.6%
Grand total			6,684.6	100.0%	5,058.8	100.0%	2,650.7	100.0%

Remark:	PSUV -	Princ Hospital Suvarnabhumi	PUTH -	Principal Healthcare - Uthai Co., Ltd.
		By Principal Capital PCL.		Princ Hospital Uthai Thani
	PSV -	Phitsanuloke Medical Co., Ltd.	KBKJ -	Klai Baan Klai Jai Co., Ltd.
		Pitsanuvej Hospital		Klai Baan Klai Jai Medical Clinics
	PPNP -	Paknam Hospital Co., Ltd.	PNKG -	Princ NKG Co., Ltd.
		Princ Hospital Paknam		PNKG Rehabilitation and Elderly Care Center
	PCPN -	Principal Healthcare - Chumphon Co., Ltd.	PRINH -	Principal Healthcare Co., Ltd.
		Virajsilp Hospital		
	PLPN -	Principal Healthcare - Lamphun Co., Ltd.	PPWD -	Pewdee Clinic Esthetics Co., Ltd.
		Princ Hospital Lamphun, Sirivej Lamphun		Pewdee Clinic
	PUBN -	Principal Healthcare - Ubonratchathani Co., Ltd.	VMEA -	VMEA Co., Ltd.
		Princ Hospital Ubonratchathani		Marriott Executive Apartments - Sathorn Vista
	PPCH -	Union Pichit Doctors Co., Ltd.	VR -	V Residence Co., Ltd.
		Pitsanuvej Phichit Hospital		Somerset Ekamai Bangkok
	PUTD -	Pitsanuvej Uttaradit Hospital Co., Ltd.	VB -	V Brilliant Group Holding Co., Ltd.
		Pitsanuvej Uttaradit Hospital		Bangkok Business Center
	PSSK -	Principal Healthcare - Sisaket Co., Ltd.	VIN -	V Intelligence Co., Ltd.
		Princ Hospital Sisaket	PRINC -	Principal Capital PCL.

Princ Hospital Suvarnabhumi



Size
200 Beds



Location
Samutprakan



Navigation
Map



Google Maps



Highlight

Information Technology Standard
(HIMSS Analytics EMRAM Stage 6)
International Accreditation (JCI)



HIMSS Analytics STAGE 6



Near Suvarnabhumi
International Airport



Offering Excellence Emergency Care, 24 hrs
Child Care, Gastrointestinal Motility (GI)
and Hepatobiliary (Liver) Center.
(The hospital obtains JCI in March 2023)



Specialist
Doctor Clinics

- Internal Medicine
- Women's Health
- Pediatrics
- Physical Therapy
- Ophthalmology
- Check Up
- Men's Health
- Gastrointestinal Motility (GI) and Hepatobiliary (Liver) Center

- Child Development
- Surgical
- Orthopedics
- Radiology
- Ear Nose Throat
- Cardiology
- Vaccine
- Oncology
- Emergency

Pitsanuvej Hospital



Size
150 Beds



Location
Phitsanulok



Navigation
Map



Google Maps



Highlight



International
Accreditation (JCI)



Tertiary Care Hospital with
Over 30 Specialist Fields



Leading Private Hospital in
Northern Thailand with Excellence
in Cardiology, Cancer, and Dentistry.



Specialist
Doctor Clinics

- Cardiology
- Child Development
- Pediatric Neurology
- Orthopedics
- Urology
- Vascular Surgery
- Pediatric Surgery
- Women's Health Care
- Occupational Health Check Up
- Dental
- Musculoskeletal and Rehabilitation

- Sports Medicine and Rehabilitation
- Neurological Rehabilitation
- Radiology
- Medical Cannabis
- Breast
- Feet Care
- Gastrointestinal Motility (GI) and Hepatobiliary (Liver) Center
- Pediatric Allergy and Immunology
- Pediatrics
- Neurosurgery

- Plastic (Cosmetic) Surgery
- Cardiothoracic & Vascular Surgery
- Surgical
- Development and Behaviour
- Vaccine
- Oncology
- Pain Rehabilitation
- Cardiac Rehabilitation
- Swallowing Rehabilitation
- Elderly Health Care and Fall Prevention
- Child Development

Pitsanuvej Phichit Hospital



Size
90 Beds



Location
Phichit



Navigation
Map



Google Maps



Highlight



Excellence in Trauma
and Emergency Care (24 hrs.)



Excellence in Orthopedics Surgery



Neurosurgery



Specialist
Doctor Clinics

- Orthopedics
- Women's Health Care
- Plastic (Cosmetic) Surgery
- Emergency
- Diabetes
- Physical Therapy
- Check Up

- Hemodialysis
- X-Ray and Imaging
- Breastfeeding
- Surgical
- Urology and Bladder Care
- Pediatrics
- Neurosurgery

Princ Hospital Paknampo 1 and Princ Hospital Paknampo 2



Size
200 Beds



Location
Nakhon Sawan



Navigation
Map



Google Maps



Highlight



A Private Hospital that Provides
Excellent Maternal and Child Care 24 hrs.



Information Technology Standard
(HIMSS Analytics EMRAM Stage 7)



**Specialist
Doctor Clinics**

- Emergency
- Breastfeeding
- Gastrointestinal Motility (GI) and Hepatobiliary (Liver) Center
- Hemodialysis
- Internal Medicine
- Neurosurgery
- Physical Therapy
- Urology
- Check Up
- Ophthalmology
- Pediatrics

- Child Development
- Radiology
- Cardiology
- Thai Traditional Medical Innovation
- Traditional Chinese Medical
- Orthopedics
- Surgical
- Women's Health Care
- Ear Nose Throat
- Pediatric Allergy and Immunology
- Diabetes

Pitsanuvej Uttaradit Hospital



Size
57 Beds



Location
Uttaradit



Navigation
Map



Google Maps



Highlight



UTTARADIT

The First and Only One Modern Private
Hospital in Uttaradit



Excellent Emergency Care Provided
by a Specialist Doctor and Paramedic Team (24 hrs.)



Specialist
Doctor Clinics

- Internal Medicine
- Women's Health Care
- Emergency
- Ear Nose Throat

- Surgical
- Pediatrics
- Check Up
- Orthopedics
- NCDs Clinic

Sirivej Lamphun Hospital



Size
59 Beds



Location
Lamphun



Navigation
Map



Google Maps



Highlight

บัตรทอง

Support Universal Coverage Scheme
and Health Promotion Activities in Community



25 Years of Unique
Expertise in Medical Services and
Modern Medical Technology.



Specialist
Doctor Clinics

- Internal Medicine
- Women's Health Care
- Check Up
- Child Development

- Pediatrics
- Surgical
- Psychiatry
- Ophthalmology

Princ Hospital Uthai Thani



Size
59 Beds



Location
Uthaithani



Navigation
Map



Google Maps



Highlight



UTHAITHANI

The Advanced Private
Hospital in Uthai Thani



Excellence Emergency
and Child Care (24 hrs.)



Specialist
Doctor Clinics

- Internal Medicine
- Orthopedics
- Pediatrics
- Women's Health Care
- Check Up

- Hemodialysis
- Surgical
- Emergency
- Physical Therapy
- Traditional Chinese Medical

Virajsilp Hospital Chumphon



Size
100 Beds



Location
Chumphon



Navigation
Map



Google Maps



Highlight



**Serving Excellence Medical Services
in Chumphon for Over 5 Decades**



**Given Surgical Services with
Modern Technology**



**Specialist
Doctor Clinics**

- Internal Medicine
- Check Up
- Women's Health Care
- Dental
- Surgical
- Emergency

- Neurosurgery
- Ear Nose Throat
- Psychiatry
- Pediatrics
- Orthopedic

Princ Hospital Sisaket



Size
59 Beds



Location
Sisaket



Navigation
Map



Google Maps



Highlight



Sisaket's First Private
Full-Service Medical Check Up



24 hrs. Pediatrics Center and
Excellent Orthopedics Surgical Center



Specialist
Doctor Clinics

- Computer X-Ray and Imaging
- Women's Health Care
- Surgical
- Check Up
- Emergency
- Internal Medicine

- Pediatrics
- Ear Nose Throat
- Orthopedics
- Rehabilitation
- Family Medicine

Princ Hospital Ubon Ratchathani



Size
59 Beds



Location
Ubon Ratchathani



Navigation
Map



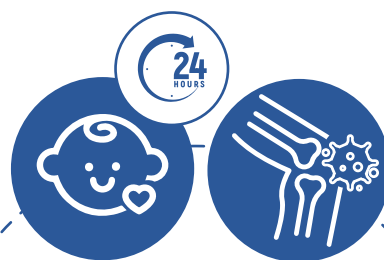
Google Maps



Highlight



Offer advanced Emergency Care
with Specialists and a Paramedic Team (24 hrs.)



24 hrs. Child Care and
Excellence Cancer Center



Specialist
Doctor Clinics

- Oncology
- Orthopedics
- Ophthalmology
- Women's Health
- Check Up

- Surgical
- Internal Medicine
- Pediatrics
- Child Development

Princ Hospital Lamphun



Size
59 Beds



Location
Lamphun



Navigation
Map



Google Maps



Highlight



Private Hospital has Registered as Social Security Medical Institution with the Social Security Office (SSO)



Offering Medical Care to the Population in Industrial Estates and Surrounding Areas



Specialist
Doctor Clinics

- Occupational Health Check Up
- Internal Medicine
- Women's Health
- Psychiatry
- Surgical
- Emergency
- Child Development

- Pediatrics
- Check Up
- Ear Nose Throat
- Orthopedics
- Dental
- Ophthalmology

Princ Hospital Sakon Nakhon



Size
59 Beds



Location
Sakon Nakhon



Navigation
Map



Google Maps



Highlight



The Latest Private Hospital in Sakon Nakhon
aims to Elevate the Community
Healthcare Standards



24 hrs. Child Care and Emergency



Specialist
Doctor Clinics

- Emergency
- Women's Health
- Check Up
- Radiology

- Surgical
- Internal Medicine
- Pediatrics
- Physical Therapy

Operating Statistics

	2020	2021	2022
Revenue contribution			
Outpatient	41%	38%	39%
Inpatient	59%	62%	61%
Outpatient			
Number of Outpatient/days	1,405	1,880	2,474
Bangkok and vicinity		281	354
Provincial area		1,599	2,120
Inpatient			
Number of registered bed (bed)	915	1,033	1,131
Bangkok and vicinity	200	200	200
Provincial area	715	833	931

Quality of Service

The Company is private hospital group that obtained various hospital service quality certification for example, 10 hospitals received Healthcare Accreditation from Hospital Accreditation Thailand and 2 hospital received international standard accreditation from the Joint Commission International (JCI), Pitsanuvej Hospital and Princ Hospital Suvarnabhumi (received in March 2023).

Hospital	Joint Commission International (JCI)	Hospital Accreditation Thailand (HA) Level 2	Hospital Accreditation Thailand (HA) Level 3	HIMSS Level 6	HIMSS Level 7
1. Princ Hospital Suvarnabhumi	√	During Re-accreditation		√	
2. Pitsanuvej Hospital	√	√			
3. Pitsanuvej Phichit Hospital		√			
4. Pitsanuvej Uttaradit Hospital		√			
5. Princ Hospital Paknam 1			√		√
6. Princ Hospital Paknam 2		√			
7. Princ Hospital Uthai Thani		√			
8. Princ Hospital Lamphun		√			
9. Sirivej Lamphun Hospital		√			
10. Princ Hospital Sisaket		√			
11. Princ Hospital Ubonratchathani		√			
12. Virajsilp Hospital			√		

Medical Co-operation

The company has partnered with Bumrungrad Health Network to open the Pitsanuvej Horizon Cancer Center at Pitsanuvej Hospital. The Company saw an opportunity and potential to provide a holistic cancer treatment in the lower northern area to the patients who want to access high technology medical treatment, one-stop service from the specialized doctors with expertise and experience in cancer treatment to get the best treatment result at the affordable price without long distance traveling. The Company also has a plan to open the Cancer Center at Princ Hospital Ubonratchathani and other hospital in Princ hospital network.

Bumrungrad Health Network is the cooperation and sharing between Bumrungrad Hospital and the allied hospital in terms of cost, revenue, medical team, equipment. The training will be provided to the allied hospital to upgrade the knowledge and capability for medical treatment. The

treatment will be provided based on Bumrungrad Hospital by the medical specialist team from Bumrungrad Hospital with the utilization of medical services and infrastructure of the allied hospital. This business model will provide an opportunity for the patients to access treatment and care of quality standards at an affordable price for the target group of the allied hospital. This model will enhance the sustainable growth for the hospital business and upgrade the medical services in Thailand by providing access to treatment and care of quality standards to the patients in other regional areas.

Other healthcare service business

▪ Elderly Care Center

The Company has entered into a joint venture with the Nihon Keiei Group (“NKG”) from Japan by establishing a joint venture company in the name of Principal NKG Company Limited to operate a rehabilitation care center for patients and the elderly with the concept Self-reliance Emphasis is placed on encouraging patients to learn to be self-reliant. The first elderly care center was opened at Princ Hospital Suvarnabhumi.

▪ Klai Baan Klai Jai Medical Clinic

The Company opened primary care clinics in Bangkok to offer medical services to the patients under the Universal Health Coverage System (Gold cardholder) who were affected by the termination of services of 190 Clinics. In 2022, 17 primary care clinics (as of 31 December 2022) were ready for service and the company expects to open 37 clinics in both Bangkok and provincial area. To support and expand the base of service recipients in the rights of Universal Health Coverage System (Gold cardholder) as well as other treatment rights in the future to provide access to quality and standardized public health services. Moreover, ready to be referred from the primary care clinic, to treat more complex diseases, to the hospital network both the public hospitals and Princ hospital network.

▪ Skincare and Esthetics Clinic

In 2022, PRINH, the Company's subsidiary acquired 60,500 shares representing 55% of total shares of Pewdee Clinic Esthetics Co., Ltd. with total investment value of Baht 302.50 million to expand to skincare aesthetics and holistic healthcare business. At present, Pewdee Clinic has 12 branches in Bangkok and it has a plan to open 4 new branches in 2023 by opening branches in affiliated hospitals. The first branch at Princ Hospital Suvarnabhumi on July 15, 2022.

Market and Competition in Hospital Business

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 Sisaket Province, has been open since 2021, which currently provides health services for both Thais and foreigners including Cambodia and Princ Sakon Nakhon Hospital, which open in 2023. 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 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 13 hospitals in 11 provinces around the country.

2. 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. The Company will manage its business and take care of cost management, guaranteeing revenue and profit growth.

3. Providing service by focusing on the needs of the middle-income group, the majority of the population employing pricing strategy and medical service with complete medical equipment.

4. Placing importance on the alliance including medical and nursing alliance, that help increase the capacity to take care of the patients. The business alliance is also important to enhance the efficiency of service and the accessibility to the customer group.

5. Creating community engagement by developing the hospital in parallel with creating a strong community under "Creating Shared Value" concept through "Princ PSARN" Project by using local products and adding value to the products along with the care of the health of people in the community.

6. 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 via mobile.

In addition, there is a telehealth service with the Application PRINC Telemed. Such service will reduce the traveling to the hospital of the patient and also reduce the risk for medical personnel.

7. To open specialized medical centers like Heart Center and Cancer Center with the cooperation of Bumrungrad Hospital and invests in modern medical equipment to enhance the treatment capability of complicated disease and increase number of specialized doctors to treat patients with complex disease.

8. To expand the customer base in the community where the hospital located and arrange useful activities to reach the community and create the hospital's brand awareness to the community and also opening NCD Clinics.

9. To set up the international center in the hospitals in the northeastern region to support the patients from Lao PDR, Myanmar, and Cambodia, having a full-time and part-time specialized doctors in various fields to provide medical service.

10. To expand to other healthcare-related businesses such as rehabilitation centers for the elderly, aesthetic business and primary care clinics to provide service to gold card holders in addition

to the hospital business and to find business partners to increase revenue and support sustainable growth for the Company.

11. To focus on sustainable growth with social, community, and environmental responsibility and arrange environmental protection activities for example, in 2022, the Company joined with Central Group to accept a donation of used plastic bottles to produce the blanket., installing solar rooftop to the hospitals in the Princ group to enable the utilization of electricity from the solar cell and save the energy cost to the hospitals. Donate Moderna Vaccine to the government agency. To set up a donation box for unused items to transform into scholarships to the children in Yuvabadhana Foundation.

Competition

The 13 hospitals of the subsidiaries are located in 11 provinces in various regions covering the north, central, northeastern, and south of Thailand which are Samut Prakarn, Lamphun, Phichit, Phitsanulok, Nakhon Sawan, Uthai Thani, Uttaradit, Ubon Ratchathani, Sisaket, Chumphon and Sakon Nakhon. Our competitor is a public hospital and private hospital in those provinces. Nevertheless, the Company has the policy to invest in hospital business in the province with no private hospital or few private hospitals compared with the population in the province, having middle-income earners and afford to pay for medical services in a private hospital. As such, this is an opportunity to expand medical services with modern technology equipment to the local population. In addition, the company has a policy to focus on cooperation with local health service providers such as public hospitals, private hospitals and clinics in the province. Therefore, the competition in the business is not high and provides a chance to access good quality and high standard medical service at an affordable price.

The strength/competitive advantage of the hospital in the Group are as follows:

Princ Hospital Suvarnabhumi is in a good location near Suvarnabhumi Airport and Megabangna Shopping Centre, There are more than 200 capable doctors and specialists in various fields together with the investment in modern medical equipment like CT 128 slice MRI 3 tesla. It also received a certification of HIMSS Analytics EMRAM Stage 6 enables the patients to receive good service quality in term of registration, medical treatment and speedy service in line with the Company's vision that emphasize on the utilization of technology and innovation to provide highest customer satisfaction. It has efficient management systems leading to effective cost control. Furthermore, the medical fees are charged at reasonable rates suitable for the target customers. It also has the potential to provide service to foreigners who need health check-ups according to pandemics screening measures.

Princ Hospital Paknam 1 and Princ Hospital Paknam 2 are both model hospitals when it comes to the application of information technology, such as HIS use Centrix Program to record patients' information, which enables 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, having one-stop Emergency service center with specialized clinics that equipped with the modern medical equipment like CT Scan 128, MRI3 Tesla, and Mammogram etc. 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.

Princ Hospital Uthai Thani is a new private hospital situated in Muang Uthai Thani 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 with continuous improvement in medical treatment quality. The medical fees are charged at reasonable rates suitable for the target customers. In addition, its location is near Princ Hospital Paknampo 1 and Princ Hospital Paknampo 2 which enable the transfer of the patients to those hospitals smoothly.

Princ Hospital Lamphun is a new private hospital in Lamphun Province that was just opened in 2021. It is located in the city center, easily access. It focuses on providing medical service to the local people and the patients under Social Security System. It has capable specialized doctors and also has modern medical equipment like CT scan, MRI etc. together with an efficient management system that enables the hospital to control cost effectively. The medical fee is charged at the rate suitable for the target customers.

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 more than 20 years. There are capable specialized doctors with expertise to provide medical treatment with modern medical equipment. It focuses on providing medical service to the local people and the patients under Social Security System. It has capable specialized doctors with 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 in Lamphun Province.

Princ Hospital Ubonratchathani is a small private hospital located in Muang District, providing medical services with a 24-hour Emergency Center, 24-hour Pediatrics doctors. It has specialized clinics providing service by experienced medical personnel and specialists in various areas with reasonable medical fees suitable for the target customers and also has the potential to provide medical service to the foreigners in CLMVT countries comprised Lao PDR, Myanmar, and Vietnam. This group has spending power with high growth potential. The demand for medical services for this group is expected to increase when the situation of the pandemic is relieved.

Princ Hospital Sisaket is a new hospital located in Muang District, having a 24-hour Pediatric Center, Gastrointestinal Endoscopy Center. It also has more than 20 specialized clinics fully equipped with modern medical equipment. It is a new private hospital alternative for the people in Sisaket Province that offer good standard medical service with a reasonable medical fee. In addition, it is ready to provide medical service to the international patients especially patients from Cambodia which are increasing continuously.

Pitsanuvej Hospital is a tertiary care hospital which has opened for more than 40 years. It was accredited by the Joint Commission International (JCI) in Phitsanulok Province. It is the only hospital in the lower north region that offers Cathlab, Open-heart Surgery, Venaseal, and Thrombectomy. The hospital has modern medical equipment and offers advanced medical services. It also features an advanced technology Radiology Center and the easy access hospital location. Moreover, there are more than 30 clinics with more than 200 capable specialized doctors and medical personnel in multidisciplinary professionals in all areas, ready to deliver professional services.

Pitsanuvej Phichit Hospital is the first private hospital in Phichit Province. It has been in operation for 25 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 hospital is located not far from Pitsanuvej Hospital (Pitsanulok), a high-level medical treatment hospital. As such, the patients can be confident that the hospital can co-ordinate with a specialized doctor in case of transfers efficiently.

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, Ultrasound, Echo, EST device with 24-hour ready for service. It is staffed with physicians specializing in many areas and having NCD Clinic that provide medical service to the chronically illness patients.

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 like Mammogram Detector, Ultrasound, Mobile X-Ray machine, 3D X-Ray, Automatic contrast injection machine. 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.

Currently, the Company introduces the Hospital Information System (HIS) for use in the hospital network. All the databases have been uploaded to the 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 evaluation.

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 the elders from the forecast that Thailand has been in the Aging Society, those living or working near the respective hospitals. Another target group is the foreign patients from the neighboring country and other countries as well as the expatriates who work in Thailand. As Thailand has been accepted among the foreigners to have international standard medical services with modern medical equipment.

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 or Universal Health Insurance (Gold card).

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.

Hospital business outlook

Although the first wave of COVID-19 caused the significant shrink in revenue of private hospital in 2020 but in 2021 the revenue was recovered to normal level. Apparently, the average revenue growth of private hospital business in the past 5 years was more than 7.7% per year. Although the private hospital business has been affected by the COVID-19 epidemic, it still tends to grow continuously.

In the first half of 2022, private hospital business improved compared to the same period of last year, reflected in 30% revenue growth y-o-y of the hospital business operators listed in the Stock Exchange of Thailand. This was due to temporary factor from the treatment of COVID-19 patients and the improvement in COVID-19 pandemic situation made more treatment for non-COVID patients. Moreover, relax of lockdown measures supports the recovery of Medical Tourism with the increase in number of foreign patients especially the patients from Middle East and CLMV.

Based on the statistical data on the structure of the use of medical welfare of Thai people, it was found that in the past 10 years (2011-2021), the trend to use medical services with social security welfare and health insurance of Thai patient was increasing continuously. In 2021, the utilization of social security welfare and health insurance accounted for 24.5% of total medical service welfare, increasing from 15.7% in 2011 indicated higher demand for medical services from more than 11 million workers under Social Security Scheme. COVID-19 epidemic makes Thai people more health conscious and become aware of disease prevention and concern about higher medical expenses. As a result, people realize the importance of purchasing health insurance to reduce the risk to accept the medical expense that may occur in the future. Comparing health insurance premium in the first half of 2019 (Pre-COVID-19) with the first half of 2022, it showed that health insurance premium for the first half of 2022 was 1.3 times higher than the first half of 2019. This indicated that people are willing to pay for health insurance coverage, which is good for private hospital business. Thus, health insurance customers are still the significant target group to support the revenue growth of private hospital business.

After COVID-19 pandemic, Health Tech played an important role in healthcare. Telemedicine or Telehealth was originally utilize for enhance medical services of the hospital. However, Health Tech or Digital Health may become direct and indirect competitor of the business. The technological advancement with the familiarity in technological utilization of the people would produce health innovations continuously. When Health Tech plays a bigger role to make the medical treatment easy and provide long-term public health benefits that help reduce the overcrowding problem in the public hospitals and reduce inequality in access to health services resulting in the decrease in demand for medical services in private hospitals, which have higher cost.

Private hospital business in 2023 expected to have continuous growth with the supporting factor from the international travel situation that will gradually return to normal levels, resulting in the increase in number of foreign patients, both tourists and expats (foreigners working and residing in Thailand) coming for treatment in Thailand together with the support measures from government to make Thailand a Medical Hub. Prior to COVID-19 pandemics, Thailand is a world travel destination with almost 40 million international visitors in 2019. Comparing with competitors in the same region, 59 Thai hospitals received JCI (Joint Commission International) accreditation, which is more than other countries in the region combined with the low living cost and medical treatment cost as well as high standard of service along with a reputation for the specialized medical treatments such as infertility, anti-aging medicine, sex reassignment surgery. As a result, Thailand has strong potential to keep on generating income from medical tourism. However, there are risk factors from slow economic recovery, inflation and high household debts that pressure the domestic consumption which has an impact to the decision of some patients who want to save medical treatment cost and admit to the hospital with lower treatment cost, intensified competition, lack of medical personnel and the controlling measures of medicine, medical supplies and medical services that may limit the profitability and resulting in lower business growth than expected.

ที่มา: Research from TTB Analytics dated September 22, 2022

Private Hospital Business Analysis by LH Bank dated September 23, 2022

“Private Hospital Business Direction” Krungthai Compass

Sourcing of Products and Services

- **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 with the co-operation from the unit inside and organization outside the hospital network to develop and update their knowledge continuously to support fast business growth.

- **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 in corresponding

to the hospitals' needs 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 support various activities that use natural resources effectively including proper disposal of garbage and waste with no effect on the environment. The Company encourage employee and surrounded community to sort waste correctly with the cooperation with the Stock Exchange of Thailand via the "Care the whale" Project to sort, manage and deliver each type of waste to the elimination or recycle process. Princ Hospital Suvarnabhumi in Samut Prakarn Province is a role model for waste management especially infectious waste and currently, it is under the process to extend this project to other hospitals in Principal Healthcare network around the country.

1) Property development

2.1 Hotel and Serviced Apartment

- **Marriott Executive Apartments Sathorn Vista, Bangkok (MEA)** is a 4-star hotel and serviced apartment with 184 rooms and operated by VMEA Co., Ltd, a subsidiary. MEA was managed by the executives of Marriott Group providing accommodation services for foreign customers who come to work and travel in Thailand for short-term and long-term stay. Such property is located in central business district on Silom, Sathorn Road. In addition, it has a policy to provide good quality service and efficient safety system

Marriott Executive Apartments Sathorn Vista, Bangkok	
Property type	4-star Hotel and Serviced Apartment
Number of room	184 rooms
Location	Soi Sathorn 3 (Suanplu), South Sathorn Road, Tung Mahamek, Sathorn, Bangkok
Restaurant	Momo Café (Thai and international food) Pool Bar
Banquet and meeting room	1 room

- **Somerset Ekamai Bangkok** is a 4-star hotel and serviced apartment, located in the business area of Sukhumvit and Ekamai, operated by V Residence Co., Ltd., and managed by the executives from Ascott Group who has 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.

Somerset Ekamai Bangkok	
Property type	4-star Hotel and serviced apartment managed by Ascott Group
Number of room	262 rooms
Location	Soi Ekamai 2 Sukhumvit 63 road (Ekamai), North Prakhonong, Wattana, Bangkok
Banquet/Meeting Room	5 rooms

Marketing and Competition

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. Put in place an efficient reservation system and meet international standards, 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

Competition

The 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 the 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. However, the occupancy rate has been improved continuously since the measures to allow the inbound tourists to enter the country with condition (Test & Go) in Q4/2021.

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. The hotel management team will set the appropriate pricing for customers and distribution channels to get the best average room rate. During the low season or low demand, hotel management will launch sale promotions and marketing campaigns to attract customers.

Distribution channels

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

- Direct sales through hotel's website and sale persons will directly book the room in the hotel's website.
- Sales through leading online travel agents like Agoda.com, Booking.com, Hotels.com, Expedia.com, which is easy to access for the customers. With this channel, the Company has to pay certain commission based on the income earned.
- Sale through the room reservation system of Marriott Group which is www.marriott.com of Ascott Group which is <https://www.discoverasr.com/en>. This channel can accommodate the booking of international visitors and become more popular among the foreigners.

Overview of tourism and hotel industry

In 2022, Thai tourism industry showed a recovery sign after COVID-19 situation in the country and overseas improved. Many countries relax the pandemic controlling measures and increase international travel reflecting the continuous increase in number of inbound tourists. After the government has a policy to open the country by canceling Test & Go measures from May 1, 2022 onwards and opened to accept the tourists without quarantine from October 11, 2022 onwards resulting in the increase in number of inbound tourists especially in Q4/2022. According to the statistic of Ministry of Tourism and Sports, total number of international visitors in 2022 was 11.15 million, increased by 2,506% from 2021.

The growth prospects of the tourism and hotel sector show more positive signs as the number of foreign tourists has increased along with the recovery of domestic travelling would support the growth in occupancy rate and hotel business in the near future, but the level of business recovery maybe vary depending on location and potential of each hotel.

Although Thai tourism sector will be gradually improved, the recovery remains at risk. World economy tends to slow down from inflation pressure and conflict between Russia-Ukraine may affect the confidence and the decision to travel of tourists around the world. The number of foreign tourists is expected to grow at an accelerated rate during 2023-2024 and will recover to a level similar to the pre-COVID-19 level (38-40 million) in 2025. While the number of Thai tourists tends to recover continuously from domestic tourism market stimulating measures.

In term of supply, it is forecasted that large hotel operators continue their investment but slower than plan. The average occupancy rate around the country remains low at 45% and will increase to 55% in 2023 and 65% in 2024. In general, the competition of hotels in all areas remain intensified from oversupply of hotel, other form of accommodation combined with the slow recovery of tourism make it hard to adjust the room rate.

Source: Hotel business analysis by LH Bank dated August 5, 2022

<https://www.thansettakij.com/business/tourism/548595>

Sourcing of Products and Services

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

▪ Office space for rent business

V Brilliant Group Holding Co., Ltd., the Company subsidiaries', operates office space for rent of Bangkok Business Center Building to medium-sized and large companies, both Thai and foreign. The building is in Ekamai area, which is business area with complete public utilities and telecommunications.

Bangkok Business Center Building	
ที่ตั้งโครงการ	Ekamai Road (Soi Sukhumvit 63), Klongton Nua, Wattana, Bangkok
Project area	1-3-9 rai (709 square wah)
Building area	37,770.61 Square meters
Project details	30-story 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.

Marketing strategy

- The office building of the Company is located in the business area, easy to transport.
- The Company has standard security system with the expertise and experience mechanic to take care and maintain various systems of the building.
- The Company has professional and experience office space management team.

Customer characteristic

Main tenants of Bangkok Business Center are consulting firm. Other tenants include medium and small size Thai and international companies. Office property is leased bare-shell space, standard unit to meet various prospects needs. The lease and service agreements with tenants generally have a term of three years. The rent under our office lease and service agreements typically escalate based on market rate once every three years. The rental rate is fixed and payment of rent is typically monthly in advance.

Distribution channel

The Company pays attention to maintain relationship with existing tenants and find a new tenants through the professional property agents who have access to a wide network and customer base. In addition to the sale via property agent, the prospective tenants can directly contact the sale persons at the sale office.

Sourcing of product and service

The Company improved common area, and elevators with an emphasis on the safety and comfort of the tenants. There is a designated area for public parking and food delivery for the convenience of the tenants and those who come to contact the tenants.

Bangkok Office Market Outlook

The total supply of offices in Bangkok was around 6,490,000 sq.m. The occupancy rate was at 87.63% in Q2/2022. The average monthly rental rate was Baht 800 per sq.m, which increased by 0.55% compared with the same period of last year (the average rental rate for Grade A offices was Baht 961 per sq.m. for grade B offices Baht 655 per sq.m.).

Supply of the office in the CBD area was around 1.80 million sq.m. The occupancy rate decreased from 87.36% in the last quarter of 2021 to 84.6%. However, the average rental rate increased from Baht 1,048 per sq.m. in 2021 to Baht 1,056 per sq.m.

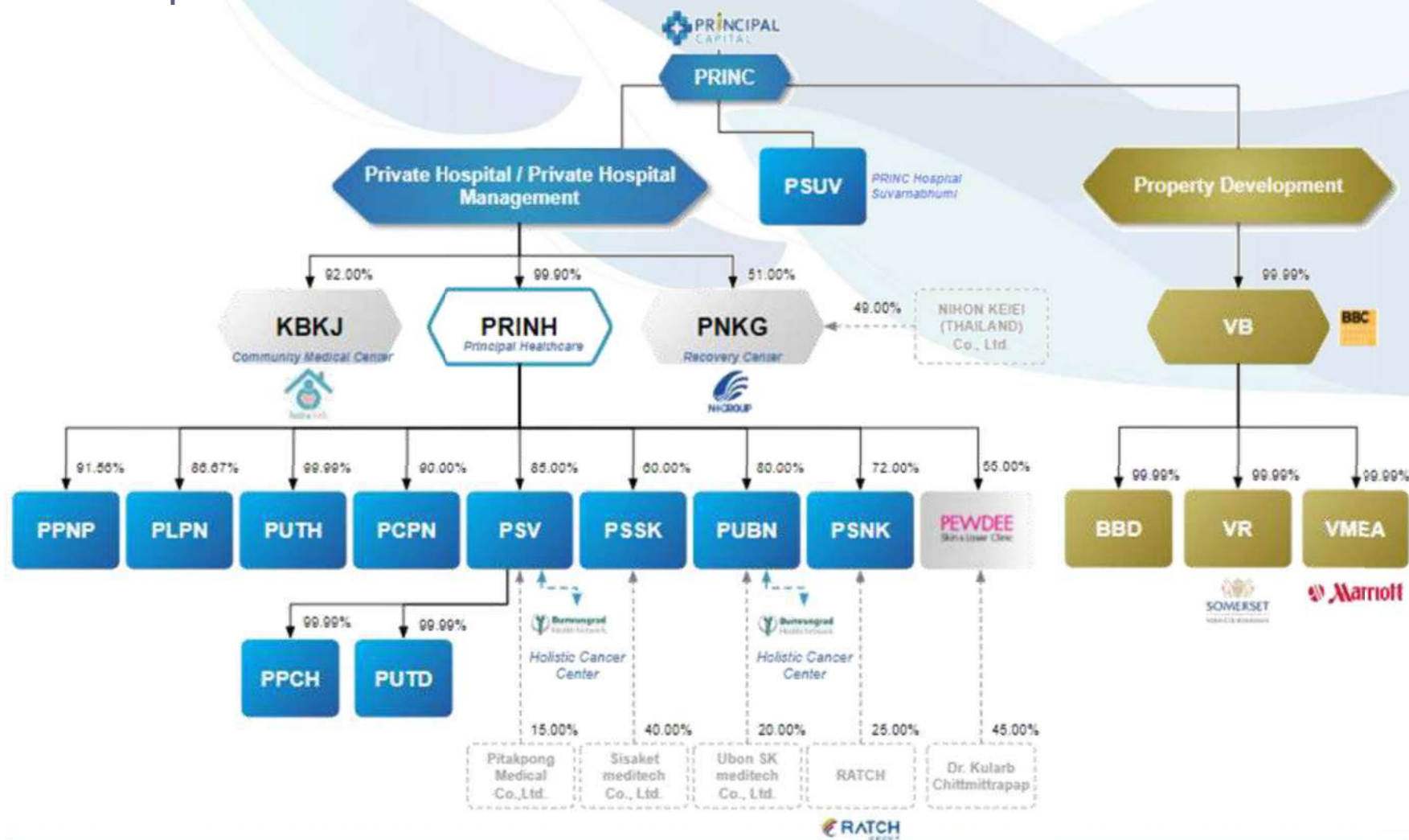
The new supply of almost 1 million sq.m. is under construction and will add to the market within the year 2024, about 66% of the new supply will be in the CBD area. The rental rate tends to decline as a result of the slower economic recovery than expected, work from anywhere, and other external factors like the prolonged fighting between Russia and Ukraine, and the absorption rate cannot catch up with the large incoming supply each year. However, most of the new supplies of Grade A offices are in the CBD area which would raise the average rental rate.

Project under construction

Project	Zone	Location	Area (sq.m.)	Completion
One City Center	CBD	Ploenchit – Rama 1	61,000	2022
Silom Edge	CBD	Rama IV	12,000	2022
Vanich Place at Ari	Non-CBD	Phayathai - Phaholyothin	33,000	2022
AIA East Gateway	Non-CBD	Onnuch - Bangna	60,000	2022
Mache 55	Non-CBD	Sukhumvit	14,000	2022
Park Silom	CBD	Silom	56,700	2023
The Unicorn Phayathai	Non-CBD	Phayathai - Phaholyothin	22,000	2023
Emsphere	Non-CBD	Sukhumvit	20,000	2023
One Bangkok Phase 1	CBD	Rama IV	201,000	2023
Central Park Office	CBD	Rama IV	63,000	2024
Total			542,700	

Source: Bangkok Office Market 1H/2022 by Nexus Property Consultant Co., Ltd.

1.3 Group structure



The entities that Company held more than 50% of total paid-up shares

Company's name	Registration number	Nature of business	Location	Registered capital (Baht million)	Paid-up capital (Baht million)	Direct and indirect shareholding (%)
Principal Healthcare Co., Ltd.	0125557004113	Holding company and shared service to other network hospitals	23 rd Floor Bangkok Business Center Building No. 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	4,590.00	4,590.00	99.99
Pitsanuloke Medical Co., Ltd.	0655524000033	Private hospital and invest in other companies	No. 211 Khun Phirenthorathep Road, Nai Muang Sub-district, Muang Phitsanulok District, Phitsanulok Province 65000	500.00	500.00	85.00
Union Pichit Doctors Co., Ltd.	0665532000039	Private hospital	No. 2/158 Srimala Road, Nai Muang Sub-district, Muang Phichit District, Phichit Province 66000	200.00	200.00	85.00
Pitsanuvej Uttaradit Hospital Co., Ltd.	0655560001044	Private hospital	No. 888 Moo 5 Pasao Sub-district, Muang Uttaradit District, Uttaradit Province 53000	300.00	300.00	85.00
Paknampo Hospital Co., Ltd.	0605530000155	Private hospital	No. 96/12 Moo 9 Asian Highway, Nakornsawan Tok, Muang Nakornsawan District, Nakornsawan Province 60000	354.166	354.166	91.56
Principal Healthcare – Uthai Co., Ltd.	0105561066977	Private hospital	256 Moo 2, Sakae Krang, Muang District, Uthai Thani 61000	200.00	200.00	99.99
Principal Healthcare – Lamphun Co., Ltd.	0515561001324	Private hospital	No. 7 Moo 5 Wiengyong Sub-district, Muang Lamphun District, Lamphun Province 51000	300.00	300.00	86.67
Principal Healthcare – Chumphon Co., Ltd.	0105562206951	Private hospital	No. 18/22 Paraminmanka Road, Tha Taphao District, Muang Chumphon, Chumphon 86000	270.00	270.00	90.00
Principal Healthcare – Ubonratchathani Co., Ltd.	0105563098191	Private hospital	No. 139 Polpan Road, Nai Muang Sub District, Muang District, Ubon Ratchathani Province	36.00	36.00	80.00
Principal Healthcare – Sisaket Co., Ltd.	0335562001362	Private hospital	No. 888 Moo 11 Sisaket-Utumpornpisai Road, Yaplong, Sisaket District, Sisaket 33000	250.00	250.00	60.00
Principal Healthcare – Sakon Nakhon Co., Ltd.	0105564178440	Private hospital	99 Pracha Uthit Road, That Choeng Chum, Mueang Sakon Nakhon District, Sakon Nakhon 47000	300.00	300.00	72.00

Company's name	Registration number	Nature of business	Location	Registered capital (Baht million)	Paid-up capital (Baht million)	Direct and indirect shareholding (%)
Principal NKG Co., Ltd.	0115563007226	Elderly care center	No. 35/2 Moo 12 Bangkaew, Bangplee District, Samut Prakarn Province	10.00	10.00	51.00
Klai Baan Klai Jai Co., Ltd.	0105556119227	Medical clinic	23 rd Floor Bangkok Business Center Building no. 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	50.00	50.00	92.00
Pewdee Clinic Esthetics Co., Ltd.	0105558184051	Aesthetics clinic	23 rd Floor Bangkok Business Center Building no. 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	110.00	110.00	55.00
V Brilliant Group Holding Co., Ltd.	0105556006937	Holding company	23 rd Floor Bangkok Business Center Building no. 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	6,330.90	6,330.90	99.99
V Intelligence Co., Ltd. (liquidation complete on 27 October 2021)		Office space for rent	23 rd Floor Bangkok Business Center Building no. 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	200.00	200.00	99.99
VMEA Co., Ltd.	0105563122467	Hotel and serviced apartment	No. 1 Soi Suanplu Tung Mahamek Sub-district Sathorn District Bangkok	2,000.00	2,000.00	99.99
V Residence Co., Ltd.	0105556015847	Hotel and serviced apartment	23rd Floor Bangkok Business Center Building no. 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	1,000.00	1,000.00	99.99

The person with a potential conflict of interest holds shares of a subsidiary or associated company at an amount exceeding 10 percent of the voting shares of such company

-Nil-

Investment policy in subsidiary company

The Company has the policy to invest in the business that has the potential to generate revenue, is feasible with good return and acceptable risk. Such business must support the main business of the Company. To set the 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 policies including good corporate governance policy, risk management policy and anti-corruption, related transaction policy and whistle-blowing for acknowledgment and putting those policies into practice.

1.3.1 Shareholders

The list of top 10 shareholders as of January 27, 2023, were as follows:

Shareholder name	Number of shares (share)	Shareholding (percent)
1. Viddayakorn Group	2,610,200,274	68.53
1.1 Ms. Satita Viddayakorn	1,725,491,745	45.31
1.2 Dr. Satit Viddayakorn	654,999,700	17.20
1.3 Peak Development Holdings Ltd. ^{1/}	157,737,029	4.14
1.4 Ms. Pallapa Viddayakorn	48,986,700	1.29
1.5 Ms. Tanatorn Viddayakorn	22,985,100	0.60
2. RATCH Group Public Company Limited	380,857,051	10.00
3. International Finance Corporation	222,249,300	5.84
4. Ms. Sarinya Apimonbut	100,000,000	2.63
5. Ms. Peechaya Krimwongrat	20,698,000	0.54
6. Mr. Amornwat Thirakritporn	11,960,000	0.31
7. Mr. Peerapol Prasertkul	11,797,000	0.30
8. STATE STREET EUROPE LIMITED	10,025,700	0.26
9. Chaloemlok Co., Ltd.	10,000,000	0.26
10. Gunkul Group Co., Ltd.	8,719,900	0.23
Other shareholders	410,826,745	10.79
Total	3,808,570,502.00	100.00

1.4 Number of registered capital and paid-up capital

As of December 31, 2022, the Company has registered capital of Baht 4,189,427,552 divided into 4,189,427,552 ordinary shares at a par value of Baht 1 per share and paid-up capital of Baht 3,808,570,502 consisting of 3,808,570,502 ordinary shares at a par value of Baht 1 per share.

1.5 Other securities issuance

-Nil-

1.6 Dividend payment policy

Dividend payment policy of the Company

The Company has the policy to pay a 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 is 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.

Dividend payment policy of PRINC's subsidiaries

The dividend payment of the subsidiaries is subject to the Company's Board of Directors' approval, Board of Directors, and/or Shareholders' meeting of each subsidiary by considering net profit after deducting corporate tax and all reserves required by law and each company's regulations. However, such dividend payment may be changed depending on the operating performance, investment plan, liquidity, and other factors as deemed suitable and appropriate by the Board of Directors of the company.

2

Risk Management

2.1 Risk management policy

The company places importance to risk management process starting from finding, identification, risk analysis, risk assessment, risk monitoring, and report by using risk management guidelines based on ISO 31000 standard to develop a framework to control risk that incurs from the uncertainty, change which may be the obstacle to achieve the business targets. The Board of Directors will oversee the overview of risk management and Risk Management Committee will take care of the development of the efficient risk management system and push all levels to co-operate in risk management.

2.2 Risk factors affecting business operations of the Company

2.2.1 Business operation risks

Fraud Risk

The Company is committed to operate with integrity and transparency in accordance with the Corporate Governance Code defined by the Securities and Exchange Commission (SEC). The Company committed to strictly comply with applicable laws and regulations and encourage employees to act with integrity. The Company defined the policy and guideline of this subject under the Corporate Governance Policy, Anti-Fraud and Corruption Policy. Moreover, the Company participate in the Thailand's Private Sector Collective Action against Corruption that shows the commitment to stand against all forms of corruption. Company's commitment to build a better future by fostering an environment that values honesty, transparency, and respect for different opinion through creative communication, leading to the clarification on roles and responsibilities of employees at all levels that followed the Segregation of Duties principle in order to balance the authority, preventing misuse of power for personal benefit.

According to a survey and monitoring of the development on corporate governance of listed companies in Thailand, conducted by the Thai Institute of Directors for the year 2022 (CGR 2022), the Company received an evaluation score of "Very Good". This assessment reflects the company's commitment to good corporate governance.

- **Private hospital business**

Risks from increasing competition

Thai private hospitals will still confront fierce competition from the upgrade service standard and after-hour special clinic of public hospitals and medical colleges such as Siriraj Piyamaharajkarun Hospital of Siriraj Hospital. The expansion of the domestic hospital and the international operator under the healthcare liberalization policy increased the number of hospitals and beds. Hence, there will likely be more intense competition among private hospitals for pricing, promotion packages, and special programs.

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 and Shared Serviced has helped to manage costs down and increased competitiveness.

Risks from COVID-19 outbreak

The outbreak of COVID-19 from 2020 to 2022 affected private hospital business especially the loss of medical tourists so the hospitals with large revenue contributions 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 non-COVID-19 patients decreased, resulting in lower revenue from this group of the patient in 2022. To reduce such risk, each hospital in PRINH network has adjusted the business strategy and found the business alliance. As a result, there will be more service recipients who are not COVID-19 patients in 2022. In addition, digital technology is also used 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' homes. Furthermore, the hospitals in Princ healthcare network also offer COVID-19 screening and accept COVID-19 patients, resulting in an increase in the number of patients and hospital revenue. 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.

Risks associated with hospital business expansion

Principal Healthcare Co., Ltd, a subsidiary company, and Ratch Group Public Company Limited jointly invested in building a new 59-bed hospital in Sakhon Nakorn Province to expand the network to 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 reduce 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.

Risks from shortages of medical personnel

Medical personnel, consisting of physicians, nurses, pharmacist and specialists in various fields, are crucial to hospital business operations. The hospital business has to rely on medical personnel in various fields, 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. Including pharmacists that the law requires pharmacies must have a pharmacist on duty at all times and severe penalties for pharmacists which hangs an operation sign but did not perform the actual duty. Consequently, there is a possibility for competition for medical personnel from all fields. In addition, expansion of the private hospitals in preparation for an aging society and 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 the 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.

Including the announcement of the Ministry of Public Health on the period for licensees to sell modern drugs and those in charge of operations must comply with the Ministerial Regulations on obtaining license application and licensing of modern drug selling., B.E. 2556. By allowing the licensee to sell modern drugs as well as those who have the duty to operate the pharmacy must comply with the requirements by 25 June 2022 that is, provide a pharmacist who are knowledgeable and capable of providing community pharmaceutical services operating within the pharmacy all time of operation if inoperable will be in violation of the law Including may consider not renewing the license to sell drugs. Causing a shortage of pharmacists due to being drawn into the pharmacy business, however, the Company is aware of the impact if there is a shortage of pharmacist positions in hospitals to suit the current economic conditions and compete with other businesses who have a desire to employ such professions as well

In addition, the Personal Data Protection Act B.E. 2562 was issued with the aim to protect the gathering, collection, use and disclosure of personal data of various groups of people, including customers of health care clinics. Such Act has determined the company responsible for controlling personal data to establish appropriate security measures to prevent any losses, accesses, changes, or disclosures of personal data without authority as well as to inform objectives and to request for approval of the data owner in the gathering, collection, use and disclosure of personal data before any of such proceedings can take place, except in the case where the law allows to perform such proceedings without prior approval. Besides, the data owner has the right to request the data controller to proceed with their data according to the law stipulated and if the Company and the hospital are unable to provide safety measures and handle various matters as specified by law, the data owner and government agency may file suit to request for damage fees and fines as a penalty. For the prevention and alleviation of impact arising from the enforcement of the Personal Data Protection Act B.E. 2562, the Company and network hospitals establish the appropriate safety and security measures to protect personal data stored the specification of personal data protection policy which determines details in maintaining, collecting, using and disclosing personal data. Furthermore, such policy also covers the exercising or various rights of the owner of personal data, including the appointment of personnel who will be responsible for personal data protection as specified by relevant law etc. The Company considers that such proceedings may help prevent and lessen potential impacts that may arise from the alterations of related laws and regulations

Risk from cyber threats

The Company relies on information technology systems to collect, use, and store data. Like other companies, the Company is subjected to cybersecurity attacks, one of the significant risks the Company is exposed to. To avoid and protect the Company from cyber threat, the Company outsources reliable service provider to store the critical information and established preventive measures to detect unauthorized accesses. The critical information is also regularly back up off-site. In addition, the Company also communicate to executives and staffs in all levels on the cyber threat which could come in various types to raise awareness and understanding of preventive measures for such threat. The Company defined the Information Technology Security Policy and regularly update such policy and communicate with all staff and related party to put into action.

- **Property Development Business**

Risk from business competition

The hospitality industry in which the Company operates is highly competitive. The Company is competing against international, regional, and local companies running similar businesses. The Company mitigates this risk by entering into agreement (Hotel Management Agreement) with world class international hotel operators, who have high operating standard to manage all the hotels and deliver world-class customer experience with value for the customer money and competitive quality. The Company continuously improves quality of services and facilities for the highest customer satisfaction.

Risk from operational process

Efficiency and effectiveness in operations are vital factors to support the Company sustainable achievement. The Company set its target to develop standard operation processes for all the key business processes, aiming to eliminate unnecessary routine operation, redundant activities, implement a performance tracking dashboard which enable management to analyze and improve operational process to be in line with the change in the environment.

Credit Risk from tenants

The spread of COVID-19 virus has severe impact to a vast number of industries. As a result, the tenants of office building may not be able to pay their rent on time or default on payment affecting the Company's revenue stream. The Company managed the risk by developing suitable supporting scheme for tenants and developing a concise and efficient debt monitoring process enable the Company to collect the past due debt from the tenants. In addition, the Company also implemented Customer Relationship Management Program to maintain quality tenants with the Company.

Risk from the spread of COVID-19 virus

The wide spread of COVID-19 virus has a wide impact both domestically and internationally, and affecting many industries, especially tourism and hotels/serviced apartments. According to the government's measure to control the spread of COVID-19 virus, for example, the international travellers are required to quarantine in the designated place. Such measures have significantly reduced the number of tourists resulting in the decrease in hotel revenue from the substantial drop in occupancy rate. For the serviced apartment business, most of the guests are expatriate who lease for long-term with continuous renewal of lease agreement therefore, the impact from COVID-19 epidemic is less than hotel that provide only short-term accommodation. Moreover, the spread of COVID-19 virus put many companies out of business or downsize. The business has to shift to hybrid-working or working from home practice or work from anywhere in corresponding to the government measures. This resulted in lower demand for office space rental.

The Company gives a priority to the preparation for the spread of COVID-19 virus by strictly monitor COVID-19 epidemic situation for example, COVID-19 screening, social distancing, putting alcohol gel at various places for the guest at the hotel and serviced apartment, the tenants in the office, cleaning the touch point like elevator with the effective antiseptic liquid. Moreover, the Company follow up the situation and analyse the impact to adjust the business strategy to serve the change in consumer needs.

2.2.2 Financial Risk

Risk from non-compliance with financial covenants of financial institutions

In 2022, the Company and subsidiaries had long-term loan from bank of Baht 4,440.60 million. 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 110% and 233%, and
- Adjusted DSCR ratio must not be lower than between 115% and 125%, and
- The ratio of interest-bearing debt to EBITDA must not be more than between 4.75 and 5.50

The Group complied with these covenants throughout the reporting period as at 31 December 2022. However, some entities cannot maintain the ratio of adjusted DSCR. Therefore, these entities received waiver letters from financial institutions.

Liquidity risk

The Company and subsidiaries control liquidity risk by maintaining sufficient cash and cash equivalent for business operation of the Company and procuring back up short-term and long-term credit facilities from the financial institutions to reduce the impact from cash flow volatility.

2.2.3 Risks affecting rights of shareholders

Risks from having major shareholders with more than 50% shareholding

As of January 27, 2023, the major shareholder was Viddayakorn Group, which held 2,610,200,274 shares representing 68.53% of the total issued and paid-up capital. As a result, the Group can control and influence every matter requiring approval by the Shareholder's Meeting including the 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 of 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 four outsiders to be Independent Directors and the Audit Committee Members, out of the ten 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.

3

Sustainability

The mission and determination of the organization is to be a part to create the strong fundamental for the community that is to have good health, align with the UN Sustainable Development Goals: SDGs 3: Good Health and Well-Being. The Company adhere to the sustainable development principle as a core to do the business with cooperation and understanding with all related parties. The Board of Directors and Executive Committee agree to drive the business based on Sustainable Development Policy with 3 following PSARN principles.

PSARN Jai



















1. Develop business growth by expanding the scope of hospital service with good quality at the reasonable price to non-major cities or the area with scarcity of healthcare services (align with UN SDG 3: Good Health and Well Being).
2. Respect and give priority to the prevention of human rights violations, adhere to equal treatment and fairness to employees in term compensation, welfare, safety and hygiene in the workplace, opportunity for career advancement. Provide training to enhance knowledge and skills, as well as create bonding between employees and the organization. Provide educational support to the employee's children, youth in the community and underprivileged people in the society (align with UN SDG 4: Quality Education, SDG 5: Gender Equality, and SDG 8: Decent Work and Economic Growth).
3. Pursue PRINC PSARN Project, Bring Work to the Community, and Bring People Home to be a part to stimulate the economy in the community by promoting local employment, local sourcing, and using geographical indication products in various parts of the operations. Encourage direct and indirect engagement of the employee to create value for the quality of life development to the society within the organization and outside the organization via business operation and activities (align with UN SDG 8: Decent Work and Economic Growth IIa: SDG 11: Sustainable Cities and Communities).



PSAN Rak

4. Give priority to environmental management based upon safety principles by considering the effect that may occur and also use the resources efficiently and save energy (align with UN SDG #6 Clean Water and Sanitation, SDG #7 Affordable and Clean Energy, SDG#12 Responsible Consumption and Production, IIa: SDG #13 Climate Action)
5. Create value and quality of products and services that have a lower effect on the environment and less harm to the consumers to improve the quality of life in corresponding to the consumers' needs (align with UN SDG#12 Responsible Consumption and Production, IIa: SDG #13 Climate Action).

6. Develop the business growth with integrity, good corporate governance, and business ethics by taking the benefits of the stakeholders, society, and environment into account. Manage the stakeholders with fairness. Promote free trade with no conflict of interest, and Be against all forms of corruption (align with UN SDG 16: Peace Justice and Strong Institution).
7. Support and encourage the initiative of the stakeholders and consider business partnership cooperation to develop a new added-value innovation that contributes to the community, society, and environment and the support the sustainable growth of the business (align with UN SDG 17: Partnership for the Goals).

Business operation	Sustainability target of the United Nations	Economic Dimension	Social Dimension	Environmental Dimension
1. Prepare to open 1 new hospital in non-major cities which is Princ Hospital – Sakon Nakhon to provide healthcare services to the community and enhance family institutions by bringing the employee home and enhance local economy by local employment.	 			
2. Expand service to new business with 12 branches of Pewdee aesthetics clinics				
3. Increase capacity to treat COVID-19 patients to more than 100,000 cases				
4. Cooperate with Bumrungrad Hospital to open Pitsanuvej Horizon Cancer Center to increase the potential to provide one-stop treatment to cancer patient in the lower north area				
5. Upgrade medical services with quality certification from domestic and international agencies (HA) ¹				
6. Operate business with transparency and take care of employee guarantee with the award as a				

¹ HA - Hospital Accreditation or healthcare and hospital standard from Healthcare Accreditation Institute.

In 2021, the hospitals in PRINC network with new accreditation and reaccreditation are listed below:

- Step 2 HA standard – Pitsanuvej Phichit Hospital, Princ Hospital Uthaitani, Princ Hospital Paknamo 2, Princ Hospital Lamphun, Sirivej Lamphun Hospital, and Princ Hospital Ubon Ratchathani
- Step 3 HA standard - Princ Hospital Paknamo 1 and Virajsilp Chumphon Hospital
- JCI standard – Pitsanuvej Hospital (maintained)

Business operation	Sustainability target of the United Nations	Economic Dimension	Social Dimension	Environmental Dimension
Distinguish Business in Labor Relation Occupational Health and Workplace ²				
7. Upgrade working standard to be more efficient for the confidence of the stakeholders certified with quality standard ISO 9001:2015 ³				
8. Junior and middle management skill development to prepare for the business expansion ⁴	 			
9. Job creation and career development from "Employment for ducklings" ⁵ project by turning into contract and permanent employee after the project end				
10. Build up PRINC PSARN project with the use of local product or handicrafts, where the hospital is located in the hospital business operation.				
11. Roll out the Care the Whale invisible waste project with the Stock Exchange of Thailand from a model hospital to other hospital in the network and join with other alliance to manage the waste.	  			
12. Solar cell installation and implement carbon footprint for the organization to claim for carbon credit with the aim to achieve net zero goal	 			
13. Initiate a project to reuse treated wastewater for building maintenance ⁶				









² The hospitals with the honor to be a Distinguish Business in Labor Relation are Pitsanuvej Hospital, Pitsanuvej Phichit Hospital, and Princ Hospital Paknambo and another 2 hospitals received the award for the 1st year were Pitsanuvej Uttaradit Hospital and Princ Hospital Uthathani. The hospital with honor to be a Distinguished Business Entity concerning Safely, Occupational Health and Workplace is Pitsanuvej Hospital. The hospital with a Gold level award in the 3rd year from the Zero Accident in the Workplace Campaign is Pitsanuvej Hospital. The hospital with honor to be a Distinguished Business Model for Social Security payment is Princ Hospital Ubonratchathani.

³ The organization with the standard certification of ISO 9001:2015 in 2022 was Principal Healthcare Co., Ltd. and Virajsilp Chumphon Hospital.

⁴ Held the training course for almost 100 Group Head and Managers. Such training course was co-organized with Chula Business School.

⁵ Employment for Duckling Project is a project that provides an opportunity to the local youth and unemployed person to do volunteer work, study tour, and intern at various departments of the hospitals with payment. After the project end, Of 200 persons, 7 persons were employed as a permanent employee and 3 persons were employed as a contract employee.

⁶ The hospital that reuse treated wastewater for building maintenance include Pitsanuvej Hospital, Princ Hospital Ubonratchathani and Princ Hospital Suvarnabhumi.

Business operation	Sustainability target of the United Nations	Economic Dimension	Social Dimension	Environmental Dimension
14. Educate the employee by providing training courses related to Personal Information Protection Act B.E. 2019 that will be effective in 2022. 82.45% of employees were provided with trainings in 2022 and the rest were given knowledge during troop walk and on-the-job training. 100% of newly-hired employees received training during orientation.				
15. Appointment of the Nomination and Remuneration Committee to comply with good corporate governance in senior management selection and remuneration payment to the directors and senior executives with transparency.				
16. Extend Digital Transformation project by establishing PRINC Next-Gen and holding Hackathon activities within the network to find a new product innovation				
17. Provide educational support by giving 422 scholarships to the children of low-income employees.				

Manage Stakeholder Impact and the Value Chain

Caring Social

- Build relationships in the ecosystem
- Engage with local stakeholders
- Initiate business partners with both government sector and private sector
- Embed ESG into business strategies

Caring Service

- Improve service quality driven by innovation and technology
- Provide empathy service and care with efficiency
- Promote service excellence culture
- Promote well-being of the community



Caring Solution

- Analyze and understand the unmet needs regarding health and well-being of the community
- Design the services to be provided based on health profile of the locals
- Design operating processes to avoid or reduce possible negative impacts to all stakeholders
- Aim to create positive impacts to the society

Caring Operation

- Recruit and develop specialized professions and required job functions so that the services delivered can be enhanced
- Setup and enhance workflow to ensure fastness and safety
- Efficiently utilize medical resources and supplies

In 2022, the company identified 10 groups of stakeholders in the value chain of the business, the communication channels, understanding the expectation in various issues of each stakeholder group to respond to their expectations, and also being a part of the strategic plan to better respond to their needs in the next year. The stakeholders were prioritized based on the impact they receive from the operation of the company and the influence they have on the company as well. The top priorities are customers, employees, and specialists. The second priority are given to community, business partners, and regulators. While next on the priority list are shareholders, suppliers, creditors, and society. The details are summarized in the following table.

Stakeholder group	Communication Channel	Expectation and Important issues	Company's Response in 2022 and Plan for the year 2023
Employee	<ul style="list-style-type: none"> Meeting with senior executives of the organization via Town Hall Meeting Monthly/quarterly performance report and Morning Brief meeting Communicate company's news via Line Group and Workplace Annual employee bonding survey Employee health and welfare survey Employee training and development needs survey Conduct workshop organization development Annual performance evaluation and 360-degree survey Talk to CEO Channel Welfare Committee of each hospital 	<ol style="list-style-type: none"> 1. Appropriate remuneration and welfare 2. Career stability and advancement 3. Skill and potential development incessantly 4. Fairness and equal treatment 5. Welfare and safety at work 6. Appropriate headcount 7. Facility and working equipment 8. Good working environment 	<ol style="list-style-type: none"> 1. Increase compensation to the medical personnel who directly take care of COVID-19 patients. 2. Conduct the remuneration survey of the market and adjust the remuneration structure (plan for the year 2022-2023) 3. Adjust the minimum wage effective in October 2022 to comply with the law. 4. Develop an annual training plan for the year and utilize the e-learning platform at all hospital for learning benefits of the employee. 5. Develop the career path, individual career development plan, and communicate such plan with the employee (extended to the year 2023). 6. Inform company's performance to the employee (at least once in every organization in 2022). 7. Procure protection supplies for work and personal use for the employee and survey and improve the working area to comply with hygiene and safety standard. 8. Provide Covid-19 vaccination to the employee and their family. 9. Announce the clear criteria for performance evaluation and annual bonus payment for the year 2022. 10. Adding the headcount and internal rotation within the group to reduce the workload and set up a special business unit as an additional channel for recruitment.

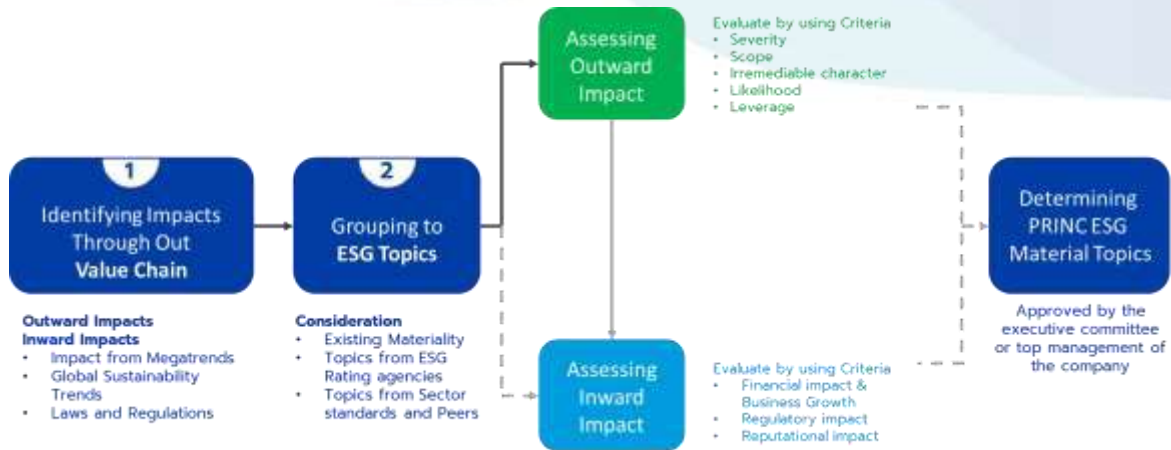
Stakeholder group	Communication Channel	Expectation and Important issues	Company's Response in 2022 and Plan for the year 2023
			11. Conduct organization development to enhance working atmosphere in 6 hospitals in 2022. 12. Open a direct communication channel with CEO (Talk to CEO) and provide QR Code to the employee in every hospital
Supplier	<ul style="list-style-type: none"> Regular meeting with suppliers Annual supplier evaluation and selection Self-evaluation of the supplier 	1. Transparency in supplier selection 2. The payment of goods and services as scheduled 3. Long-term relationship	1. Elaborate auction process with the issuance of TOR in all services procurement. 2. Set the clear payment date 3. Discuss the operation and long-term expectation and various policy that the Company adhere to such as no human rights violation. 4. Provide necessary training to the suppliers.
Specialist	<ul style="list-style-type: none"> Doctors conference Annual specialist survey 	1. Hospital standard 2. Skill development 3. Modern medical tools and equipment.	1. Process hospital accreditation to increase confidence. 2. Arrange the seminar or knowledge exchange regularly and other activities for medical group connection.
Customer or consumer	<ul style="list-style-type: none"> Public relation channels via SMS, social media like Facebook, Line Official Account Poster Customer relationship enhancement activities such as Seminar, sale promotion activities Listen to customer's complaints/comments via Call Center Customer satisfaction survey both internal and external in the form of questionnaire and phone call Corporate customer visit 	1. Appropriate medical fee 2. Good medical treatment quality 3. Variety of services that respond to their needs 4. Good service standard	1. The medical services fee is based on the local living cost and is lower than Bangkok. Room rate will adjusted based on the patient's opinion and economic situation. 2. Having quality control department to monitor and ensure the standard of treatment quality. 3. Conduct the survey and analysis the needs of that locality. 4. Service behavior training and follow up on the complaints regularly.
Community	<ul style="list-style-type: none"> Poster, newsletter, Community radio Community visit Social activities for the community 	1. Provide medical treatment at an affordable price	1. Medical services fee is based on the local living cost and is lower than in Bangkok. 2. Evaluate level of satisfaction and train service behavior.

Stakeholder group	Communication Channel	Expectation and Important issues	Company's Response in 2022 and Plan for the year 2023
		<ol style="list-style-type: none"> 1. Provide better service than a public hospital, higher coverage with good standard 2. Local employment 3. Develop the civilization of the community 4. Having special medical equipment 5. No negative impact to the society and environment in the community 	<ol style="list-style-type: none"> 3. Employ people in local community. 4. Support local business and employment, adopt the local identification product to use in the business 5. Hiring doctors and procure appropriate medical equipment to respond to the local's needs or refer the patients to the hospitals in the network 6. Compliance with wastewater treatment and waste disposal requirements from operations to avoid negative impacts on the community.
Society	<ul style="list-style-type: none"> • Posters, newsletter, community radio • Social activities 	<ol style="list-style-type: none"> 1. Responsibility to the society 2. Responsibility to the environment and the community 	<ol style="list-style-type: none"> 1. Improve service capability with certification standard application regularly to increase the confidence. 2. Monitor and test the wastewater before releasing it to the community and join the Care the Whale Project to improve waste management process and find the alliance to develop zero waste to landfill in the end.
Business partner	<ul style="list-style-type: none"> • Regular meeting (monthly, quarterly, yearly) 	<ol style="list-style-type: none"> 1. Appropriate return within a suitable period. 2. Business integrity 3. Growing together 	<ol style="list-style-type: none"> 1. Arrange the performance report meeting and take the recommendation from the meeting to adjust the strategy. 2. Arrange the business trip for business partners to visit company's business in each province. 3. Find additional business opportunities in the secondary cities and co-develop energy-saving projects.
Creditor	<ul style="list-style-type: none"> • Annual meeting and meetings on occasion 	<ol style="list-style-type: none"> 1. Make loan repayment according to the repayment schedule and comply with the loan agreement. 2. Long-term partnership 	<ol style="list-style-type: none"> 1. Having a clear operational plan and following the plan to achieve the target to be able to perform according to the loan agreement. 2. Discuss investment plan and long-term business expansion.

Stakeholder group	Communication Channel	Expectation and Important issues	Company's Response in 2022 and Plan for the year 2023
Shareholder and Investor	<ul style="list-style-type: none"> • Disclose the company's operating performance on a quarterly and yearly basis as well as management discussion and analysis (MD&A) of the company's performance via the website • Annual report • Annual General Meeting of Shareholders • Information disclosure via SET • Investors and analysts meeting on various occasions. 	<ol style="list-style-type: none"> 1. Dividend and growth in share price from the continued business expansion 2. Good corporate governance 	<ol style="list-style-type: none"> 1. Improve and develop business strategies closely to improve the operating performance to meet the shareholders' expectations. 2. Perform according to corporate governance policy and report the correct and transparent information in One Report. 3. Appoint the Nomination and Remuneration Committee in 2022.
Regulator/ Government authority	<ul style="list-style-type: none"> • Communicate and meet with the regulator regularly. • Prepare report according to the regulation. • Participate in various activities arranged by government authority. 	<ol style="list-style-type: none"> 1. Comply with the law and regulation completely. 2. Co-operate with the regulator or government authority in various activities 	<ol style="list-style-type: none"> 1. Maintain operational standards and always update about the new regulations. 2. Co-operate in various activities for example sending personnel to join National Labour Day.

There are both positive and negative factors affecting hospital and healthcare business in the past year. Planning for sustainable business operation has to consider risk factors and opportunities in every dimension. The following are the procedure to identify the important issues.

1. Identification process of key issues is shown in the following picture.



2. The whole process of value chain will be taken into consideration to identify the impact.
The impact to the stakeholders will be considered in all dimensions.



3. Classification of the key issues. The key issues will be classified into 3 main groups to align with the sustainability issues as follows:



























4. The evaluation of sustainability issue in this year is “double materiality” which include the inside-out perspective and outside-in perspective.































The criteria to evaluate outward impact are as follows:

- Severity of the impact
- Scope of the impact
- The ability to remediate the impact.
- The likelihood of the impact's occurrence
- Impact alleviation

Key issues that the company take into consideration of risk and opportunity are as follows:

Issues	Risk			Opportunity		
	Economic Dimension	Social Dimension	Environmental Dimension	Economic Dimension	Social Dimension	Environmental Dimension
1. Water and effluent						
2. Waste						
3. Climate and emission						
4. Diversity and Inclusion						
5. Employee well-being						
6. Employee development						

Issues	Risk			Opportunity		
	Economic Dimension	Social Dimension	Environmental Dimension	Economic Dimension	Social Dimension	Environmental Dimension
7. Occupational health and safety						
8. Privacy and information security						
9. Service quality						
10. Talent attraction and retention						
11. Patient safety						
12. Access to quality healthcare						
13. Community well-being						

Issues	Risk			Opportunity		
	Economic Dimension	Social Dimension	Environmental Dimension	Economic Dimension	Social Dimension	Environmental Dimension
14. Business integrity						
15. Law and regulatory compliance						
16. Risk and crisis management						
17. Innovation and technology						
18. Digitalization and digital transformation						

In respect to the assessment of impact to the organization, the Company will consider the level of severity that each key issue has impact to the Company in 3 aspects including financial, reputation/trust and regulation. The criteria is aligned with risk assessment criteria of the Company. PRINC Materiality topics from the assessment can be plotted as in the matrix shown below.

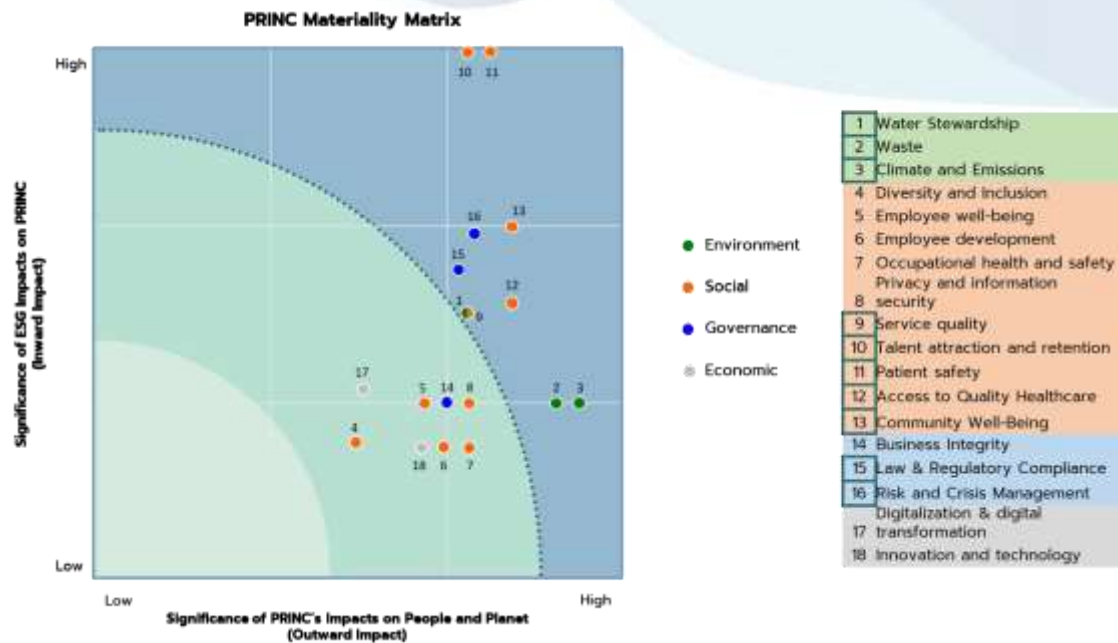
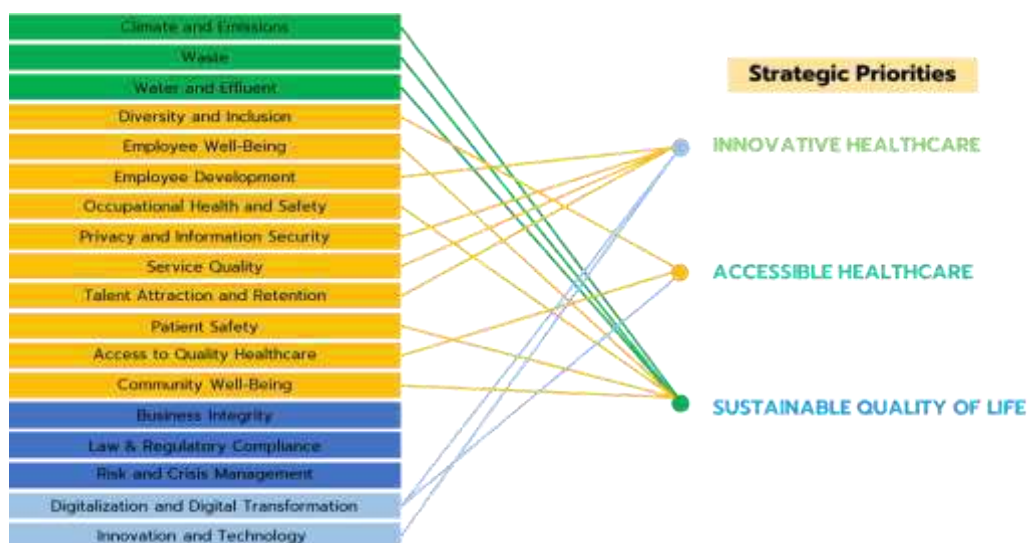


Diagram shows the priorities of key sustainability issues

Sustainability strategy of the Company is classified into 3 main following categories.

1. Innovative healthcare
2. Accessible healthcare
3. Sustainable quality of life





3.1 Sustainability management in environmental dimension

Over the years, the world faces a significant environmental crisis that is climate change.

Although hospital business does not directly release greenhouse gas, it cannot be denied that business activities indirectly release the greenhouse gas from electricity utilization, employee traveling, transportation between the hospital network, etc. Some activities affect the environment, for example, the use of plastic products in business operations, the utilization of water in the dialysis process, and the other cleaning process.

But the mission of the Company is to be an organization that instills givers' consciousness and passes it on to the people in the community and society, "Giving" responsibility to society and environment where the business entities located becomes a target to grow a sustainable business with the community and society.

The Company has determined that its short-term goal on environmental perspective are 1) To raise awareness of this issue among stakeholders of the Company starting with employees which, in 2022, ESG was included as one topic in every orientation and some of the townhall meetings. In 2023, the target is to have ESG communicated to employees in every townhall meeting. 2) ESG environmental indicators must be delivered as targeted. 3) Suppliers and outsources must do the sustainability assessment. For long-term target, the Company aims to be a sustainable hospital and a low carbon hospital, to get ready to move forward to net zero hospital and aligned with the country's goal of being a net zero country in 2065.

All hospitals in the Company's network have a policy and guidelines with environmental consideration and comply with the relevant law, for example, notification of the Ministry of Natural Resource and Environment with respect to the type of building that is a source of pollution with the control to release of the polluted water to the public river or environment, Ministerial regulation regarding the elimination of infectious waste B.E. 2545. The hospitals have relevant regulated processes run by its general support department or maintenance department which coordinate regularly with facility management services division from the center, to ensure the compliance of business operations to the law. Moreover, the key indicators are monitored regularly. If any indicators are shown as abnormal, the Company will take corrective action to be in line with the regulation. Moreover, all PRINC hospitals network are certified the hospital quality standard by the

domestic and international agencies with regular company visits by a government agencies. These can ensure that the Company's business operation complies with the law and regulations related to the environment (except Princ Hospital Sakon Nakhon, which has just opened and is expected to achieve hospital quality accreditation within 2023). 2022 was another year that there was no law violation or environmental impact in the PRINC hospital network.

3.1.1 Water management (GRI 303-2, 303-3)

Running a hospital requires water usage in many processes and unavoidably led to wastewater. Accordingly, the hospitals must have a water management plan and water treatment system to comply with the relevant laws and reduce the risks of water shortage and the risks of conflicts with the communities should there be wastewater leakage to public water sources. Such conflicts could lead to the resistance from the community and affect business expansion plan of the Company so every hospital in the network has to monitor the parameter and analyze the wastewater quality of every building regularly. If the abnormal parameter is found, the examination and corrective action will be taken urgently. The relevant personnel was trained to be water pollution system controllers. The utilization of water increased from 246,925 m³ in 2021 to 277,711 m³ in 2022 due to the substantial increase in the number of patients. Comparing the number of the unit with the number of patients, it was decelerating from 0.34 m³/person in 2021 to 0.25 m³/person in 2022 or decreased by 26.9% better than the target of 10%. In addition, in 2022, some hospitals which is Princ Hospital Ubonratchathani, Pitsanuvej Hospital, and Princ Hospital Suvarnabhumi started to use the treated water in the activities like watering the trees to optimize the utilization of natural resources. The management of water withdrawal and wastewater treatment support the sustainable development goal 6: Clean Water and Sanitation under the target 6.3.

3.1.2 Hazardous and waste management (GRI 306-2, 306-3, 306-4, 306-5)

Hospitals produce waste both hazardous and non-hazardous along their operating cycles which might have an affect to the surrounding communities or even the personnel at work themselves should the waste management system is not properly implemented. The affects could inevitably have a negative impact to the trustworthy of the hospitals. So to ensure the business operation of all hospitals comply with the law, the relevant policy is put in place including garbage and hazardous waste management policy, waste management policy, policy to control infection in the hospital with the target to reduce the contamination of hazardous waste to the environment and community and reduce the waste volume affecting the environment. The Company has aimed for the target of zero waste to landfill and increase the proportion of recycle waste to general waste to not less than 50:50.

In 2021, Princ Hospital Suvarnabhumi, the first hospital in Princ network, participated in Care the Whale, Invisible Waste Project with the Stock Exchange of Thailand to show the determination and intention to better manage waste than before. In 2022, many activities were done as part of the project include the collaboration of the Company with SET, Bang Ka Chao communities, Chak Daeng temple, and other private companies to provide knowledge



to the community and encourage waste segregation. Moreover, the project has been rolled out and implemented in other hospitals in the network as well. The participation led to significant changes as follows:

1. Although last year the number of COVID-19 patients increased by more than 100,000 cases causing an increase in infected waste volume, the general waste per patient declined (from 0.58 kg per patient to 0.38 kg per patient, a decrease of 34%) while the recycled waste per patient increased (from 0.09 kg per patient to 0.15 kg per patient, an increase of 74%). This showed higher efficiency in waste segregation at the origin.
2. Rolled out and implement the Invisible Waste Project at 3 hospitals including Pitsanuvej Hospital, Virajsilp Hospital, and Princ Hospital Sisaket. With recycle waste from 4 hospitals including Pitsanuvej Hospital, Virajsilp Hospital and Princ Hospital Sisaket, and Princ Hospital Suvarnabhumi, the Company was able to reduce greenhouse gas by 541,354 kgCO₂eq which is equivalent to planting 60,157 trees. Educate and co-operate with the people in the community to find the place for various kinds of waste. (Total waste generated in each type is reported in the summary table at the end of this section)
3. The Company joined SCG Packaging Plc., a partner for sustainability, to collect the recycled waste with the waste bank to transform such waste/garbage into a product that can be used in the business operation and start to create Circular Economy in the hospitals.
4. Add the garbage separation point at the hospitals.
5. Hold activities for the hospital personnel especially new staff of Princ Hospital Sakon Nakhon to increase awareness about waste separation. Encourage people to separate waste at the origin to reduce infected waste.
6. Princ Hospital Suvarnabhumi set the target to reduce general waste to landfill to zero by sourcing the contractor who can take such waste to separate and deliver to the incineration plant to produce the energy from the waste (RDF). This project was fully implemented in Q4/2022.
7. Adding drinking water stations for the employee to reduce the purchase of plastic bottled water.
8. Order the uniform Polo shirts and jackets from 100% recycling bottles, which reduce carbon emissions from plastic recycled. 450 polo shirts helped reduce the carbon emission of 55.67 KgCo₂eq which is equivalent to planting 37.8 trees,⁷ 161 jackets helped reduce the carbon emission of 116.4 KgCo₂eq which is equivalent to planting 84.52 trees⁸
9. Activities were launched to raise awareness and encourage employees to act with environmental-friendly mind. The campaign includes, troop walk to promote waste separation, social media contest under the theme “how to do waste segregation in daily life” with the prize being a polo shirt made from recycled materials, encourage bringing of personal bottles to use in the in-house training, using electronic files

⁷ Calculated from recycled of plastic bottles only. The figure will be higher if the calculation of raw material reduction or production of the new fiber is included.

⁸ Calculated from recycled of plastic bottles only. The figure will be higher if the calculation of raw material reduction or production of the new fiber is included.

during training instead of papers, and gifts for speakers were also made from recycled materials, etc.

10. Join Central Group in the Journey to Zero Project to promote waste separation and creates value for plastic waste by making it into blankets to provide to the vulnerable group in the area with cold weather. This also create a job for the community enterprise.

3.1.3 Energy Management

Hospitals operates 24/7 so power consumption continue 24 hours a day to ensure that required systems have the energy they need to maintain the quality and standard for patient safety. Knowing that power consumption link directly to greenhouse gas emission, every hospital has an energy-saving campaign. The construction of the new hospital project will also consider environmental factors and design to be more energy saving. In 2022, the Company cooperated with RATCH Group Public Company Limited, a key business partner, to install the solar cell to produce electricity from renewable energy and reduce greenhouse gas emissions at 2 hospitals; Princ Hospital Lamphun and Princ Hospital Sisaket. Such installation is expected to complete in Q2/2023. Moreover, there is an installation plan that utilize electricity from solar energy at another 7 hospitals.

The Company will procure the analysis tools to improve energy utilization efficiency at the hospitals with no solar cell installation due to non-feasibility with the target to reduce energy usage per patient by 10% from the base year. (from 33.97 kilowatt-hour per patient in 2020 to 31.20 kwh in 2021 and 22.79 kwh in 2022, a 33% decrease from base year)

3.1.4 Reduction of greenhouse gas from operation (GRI 305-1, 305-2, 305-3, 3054)

In 2022, the Company was chosen to be a Model Organization in Carbon Offset to support voluntary Carbon Credit in the 9th year. This enables the Company to obtain advice from the expert in data collection and calculate Carbon Footprint for Organization correctly with the audit and certification from Thailand Greenhouse Gas Management Organization on August 23, 2022. In 2021, the Company release greenhouse gas under scope 1 and 2 totaling 14,917,000 KgCo2eq. The Company offset total carbon credit and received a certification of Carbon Neutral from Thailand Greenhouse Gas Management Organization and is a part to support the greenhouse gas emission reduction project to battle the global warming. This would help Thailand reduce net greenhouse gas emission and step forward to low Carbon society in the future which aligns with Thailand's target to become Carbon Neutral in 2050 and net zero greenhouse gas emission in 2065.

The Company has a target to maintain Carbon Neutral and reduce greenhouse gas emission per user by 5% from base year and start to create a plan and policy to reduce greenhouse gas from the organization activities effectively and efficiently and consider the appropriate channel for carbon offset for the organization. Activities in the past year include using label to identify the appropriate time to switch off the lights, improve efficiency of the air conditioning system via maintenance, better waste management, etc. The result was that the Company was able to reduce the GHG emissions per patient from 0.021 tonCo2eq in 2021 to 0.014 tonCo2eq in 2022.

The Company performed risk assessments on the climate change which might affect the operations of the hospital or the expansion plan of business such as;

- Flood disaster – several of our hospitals locate in the province with high tendency of flood disaster, though no records of damage to the hospital facilities, there are still impact to customers who might not be able to come for the hospital services

and impact to employees who might not be able to travel to work. The Company managed to have preventions and contingency plans which included.

- Preventive design during the construction of new hospital in the risky area
 - Prepare business continuity plan for various situations and scenarios
 - Prepare aides and welfare to help employees and their families who might face difficulties during the disaster. Manpower planning across the network to prepare for shortage in affected areas.
 - Increase the accessibility of hospital services for customers who cannot come to the hospital such as medicine delivery, telemedicine, etc.
- Increase of temperature – Temperature is on the increasing trend which led to the higher usage of air-conditioning system which consequently will lead to higher cost of energy consumption so the Company is in the process of sourcing solutions and consultants to help improve the efficiency of the cooling system and power usage. The project is expected to be piloted at Princ Hospital Suvarnabhumi in 2023.

Topic	Key indicator	unit	2019	2020	2021	2022
Water management plan	Water management plan	have / do not have	There is water treatment plan to comply with relevant law governing hospital business			
Water utilization (GRI 303-3)	Water utilization volume	m ³	232,987.00	210,296.00	246,925.27	277,711
Garbage and waste management plan	Garbage and waste management plan from business operation	have / do not have	There is garbage and waste management plan according to the standard of hospital business and plans to achieve zero waste to landfill in every hospital (Currently this project is implemented at Princ Hospital Suvarnabhumi)			
	Policy and guidelines regarding infectious waste	Have / do not have	The Company has the policy and guidelines on infectious waste, it is part of the waste management policy which separates type of waste into 3 categories; infectious waste (sharps), infectious waste (non-sharps), and fluid infectious waste. Infection control unit or quality center of each hospital is the body that prepares the guidelines in details for front operation to act in compliance with this policy.			
Result of garbage and waste management (GRI 306-3, 306-4)	Garbage and waste from business operation (general waste)	kilogram	238,007.00	240,834.40	415,935.24	421,713.7
	Garbage and waste from business operation (infectious waste)	kilogram	71,694.40	127,755.92	385,088.65	811,803.82
	Garbage and waste from business operation (hazardous waste)	kilogram	2,163.10	4,428.30	7,323.37	7,306.61
	Garbage and waste from business operation (recycle waste)	kilogram	45,682.75	60,386.95	63,678.60	170,630.00
Food waste management	Policy and guidelines regarding food waste	Have / do not have	The Company is in the process of collecting data and preparing a policy. There currently is a general guideline on food waste segregation and how to dispose as part of the waste management program.			
Energy utilization (GRI 302-1)	Electricity utilization volume	KWh	16,086,504.28	18,144,689.22	22,373,976.08	25,115,582
	Electricity utilization per patient	KWh/patient/year	n/a	33.97	31.20	22.79
	Renewable energy utilization volume	KWh	At present, solar cell is under installation process and is expected to complete in the first half of 2023.			
Risks from climate change	Risk assessment regarding climate change and its impact to the business	Have / do not have	The Company has assessed the risk regarding climate change such as risk from flood disaster			

Topic	Key indicator	unit	2019	2020	2021	2022
	Objectives, plans, and measures	Have / do not have	The Company has measures to prevent and guidelines to cope with the disasters and are developing objectives and plans in more details.			
Greenhouse gas management plan	Company's greenhouse gas management plan	have / do not have	Greenhouse gas management plan is put in place with the target to achieve and maintain carbon neutral from the year 2021.			
Greenhouse gas management result	Greenhouse gas emission volume for scope 1 and scope 2	TonCO ₂ eq.	Not start yet		14,917	15,107
(GRI 305-1)	Greenhouse gas emission volume for scope 1	TonCO ₂ eq.	Not start yet		3,671	2,551
(GRI 305-2)	Greenhouse gas emission volume for scope 2	TonCO ₂ eq.	Not start yet		11,246	12,556
(GRI 305-3)	Greenhouse gas emission volume for scope 3	TonCO ₂ eq.	Not start yet		8,636	9,667
(GRI 305-4)	Greenhouse gas emission volume for scope 1 and scope 2 per patient	TonCO ₂ eq. per patient per year	Not start yet		0.021	0.014
Greenhouse gas management result	Greenhouse gas emission volume audited by external agency	have / do not have	Not start yet		Audit by external agency – LRQA (Thailand) Limited	Scheduled to be audited by external agency (April 2023)

3.2 Sustainability management in social dimension

3.2.1 Employment (GRI 405-1)

- Local employment

The Company has a target to bring the staff back to their hometown and to feel the love of their hometown, to take care of local people's health in the secondary provinces or places with medical services scarcity, and also distributes income to the secondary cities, strengthening the local economy. The Company is preparing to open a new hospital which is Princ Hospital Sakhon Nakon. This increased the number of employee by 80 headcounts. (40 headcounts that employment start in 2022). The employment guideline is to consider hometown as a part of selection criteria. 87.5% of the total headcounts are local people. Before the commercial operation of the hospitals, those employees visited the people in the community, educate them about waste separation campaign, listen to their healthcare expectations, join the significant cultural activities in the province, distribute things, and create bonding between employees, organization, and community. The Company also expects the low employee turnover which is targeted at 10% but currently has the average turnover rate of the year 2022 at 12.26%.



- Employment Diversity

The Company has no discrimination policy in terms of gender, age, nationality, handicapped, religion, or any other. In 2022, the Company employs 15 people with disabilities including hearing-impaired and physically impaired at various hospitals. They were assigned to be responsible for administrative work or take care of the meeting room to make them feel valuable.

- Woman's Workforce

The woman's workforce is the main workforce of the healthcare service business. About 79.55% of the Company's personnel are female. The Company supports career advancement with no discrimination. More than half of the total workforce (66.67%) the middle management level or those who are in Manager position to Vice President position are female and 3 females are in the senior executives level representing 18.75% of the total workforce as shown in the following table.

Information as of December 31, 2022	PRINC	
Permanent staff	Male	Female
Staff (O1,O2)		
<25 (Gen Z)	57	303
25-40 (Gen Y)	326	1415
41-55 (Gen X)	81	348

Information as of December 31, 2022	PRINC	
Permanent staff	Male	Female
>55 (BB)	11	29
Supervisor (H1, H2)		
<25 (Gen Z)	0	0
25-40 (Gen Y)	46	99
41-55 (Gen X)	19	55
>55 (BB)	2	4
Manager and Vice President (M1-M4)		
<25 (Gen Z)	0	0
25-40 (Gen Y)	26	35
41-55 (Gen X)	21	61
>55 (BB)	4	6
Senior executive (Higher than Hospital Director) (C1-C4)		
<25 (Gen Z)	0	0
25-40 (Gen Y)	0	0
41-55 (Gen X)	6	3
>55 (BB)	7	0

- Career guidance and promotion

In 2022, the Company extended the employment for the duckling project and 200 persons participated in project by giving an opportunity to the duckling group to join with the company the 10 offered positions were divided into 7 permanent positions and 3 contract positions. Moreover, the hospital extends the short-term internship project for the students who are interested in studying in the health service profession by developing an intensive model course with the American



School of Bangkok, Green Valley branch. It is a 1-month course and a 5-day short course. There were 14 youths from 5 schools attending the course which is considered as a part of professional guidance to give them an understanding of work in each profession and able to

make an appropriate education plan to match their interests. This project is planned to roll out to other hospitals in the network in 2023.



Pitsanuvej Hospital gave a scholarship of Baht 480,000 to the Doctors for the People Foundation given to smart medical students with the good academic results but a lack of financial support.

3.2.2 Personnel Development

- Respect equality and diversity

The Company employs personnel with various religions and nationalities including those who are Buddhist, Christian, and Muslim as well as Myanmar people and Cambodians with the tendency of more nationality diversity after the COVID crisis. In the related meeting, there will be an assigned translator to translate and communicate the information to foreign personnel. The Company has never received any complaints about sensitive issues like unfair treatment or discrimination in terms of religion and nationality.

- Occupational health and safety (GRI 403-1, 403-2, 403-3, 403-6, 403-7, 403-9)

The Company has a policy and guidelines regarding the working environment, occupational health, and safety with the aim to achieve zero Loss Time Injury Frequency Rate (LTIFR). Occupational Health, and Safety Committee of each hospital is responsible to conduct FMS (Facility Management Services) rounds to ensure the accuracy of the related policies and guidelines and the appropriate working environment. Each round will inspect the risks that cover these areas:

- Safety: Risks of injury from the inappropriate environment
- Security: Risks of welfare violated by serious threats, emergency situations, or disasters
- Hazardous materials: Risks of contact with spilled chemical substances or hazardous materials
- Medical equipment: Risks of damages, errors of the medical equipment
- Fire safety: Risks from fire incidents
- Utility: Risks from shortage of electricity/utility system

After the rounding with risk assessment, priorities will be given to each topics, the committee also give targets, indicators, strategic plans, timeline, and responsible person to monitor each topic. Every hospital must have the following activities.

1. Annual health check-up with the checklist based on risk and service points.
2. Training about infection control and protection as well as how to wear the personal protection costume for the related job. The training is provided to personnel of outsources as well.
3. Hold annual activities to educate personnel about occupational health and safety in the workplace.

4. Adding occupational health and security topics in the orientation course for the new employee.
5. Fire training and annual fire drill.
6. Drill on emergency code and how to handle emergency situations.

Various hospitals in PRINC's network received the awards from the Occupational Health and Employee Welfare agency as follows:

1. Pitsanuvej Hospital was awarded as a National Level Distinguished Model Business Establishment for Safety, Occupational Health, and Workplace Environment for the year 2022 (Diamond level) in the 7th year.
2. The hospitals that received a certificate of honor as a Model Business Establishment for Labor Relations and Welfare for the year 2022.
 - a. Pitsanuvej Hospital was awarded in the 12th year
 - b. Princ Hospital Paknampo was awarded in the 4th year
 - c. Pitsanuvej Pichit Hospital was awarded in the 2nd year
 - d. Pitsanuvej Uttaradit Hospital was awarded in the 1st year
 - e. Princ Hospital Uthaithani was awarded in the 1st year
3. Pitsanuvej Hospital received a certificate of honor (Gold Level) that was awarded under the Zero Accident Campaign in the 4th year.
4. Princ Hospital Ubonratchathani was awarded as a Distinguished Model Business of Social Security Fund in the 2nd year.

In 2022, the Company has LTIFR at 4.27, slightly decrease from the rate of 4.47 of previous year. When incidents occur, human resources department and quality center of each hospital will investigate and do root cause analysis, finding solutions and preventive measures, and providing a retrain session to frontline operation.

■ **Employee skill development (GRI 404-1, 404-2, 404-3)**

There were less in-house training during the COVID-19 crisis. As a result, the target of training hours per person per year of 80 hours was not met. In 2022, the training plan started to get back to normal despite the crisis that still continued to be intense during the first half of 2022. This raised the average training hours per person in 2022 to 66 hours, increase from 59 hours in 2021. The trainings provided include a new skill enhancement courses and other required courses such as cyber security and personal data protection or professional course in crisis work like Advanced Cardiovascular Life Support (ACLS) and Pediatric Advanced Life Support (PALS) were conducted. Trauma Care Conference, and Critical Care conference were held so that our 30 clinical professionals get a chance to update knowledge and has an opportunity to build relationships with 200 professionals from other organizations.

Moreover, after the online learning platform namely PRINC Academy was launched in Q4/2021, in 2022 such a platform was rolled out to all hospitals in the network to give the hospital personnel access to the source of knowledge at any time for self-development.

The Company gives priority to developing the personal skill to enable smooth cooperation by providing Collaborative Team and Organization Development training course to 4 hospitals in the network to enhance communication and interpersonal skill to reduce stress and conflict at work.

As the company expands the business continuously, the skill development for the employee at the supervisor level to support business expansion is necessary. In 2022, the following training courses are provided.

1. Essential Leadership Bootcamp– a development course for new-generation supervisors, held in 2 classes with 70 attendees.
2. Essential Manager Bootcamp – a course developed in conjunction with Chula Business School for a manager, held in 1 class with 30 attendees.

Under these bootcamp projects, 47 mini hackathon projects were initiated and are under the process of considering for further implementation, many attendees went back and held the session to share the knowledge with others at their hospitals, and relationships amongst network hospitals were strengthen. The latter is the one of the key factors that help manpower management via staff borrowing during crisis. More importantly, 2 attendees from the program were promoted to manager level.

- **Employee welfare (GRI 401-2)**

- General welfare for the employees includes annual health check-up, medical fee discount for the employees and their family.
- During the 2 years of the COVID-19 outbreak, the hospitals have provided insurance for COVID to the employee as an additional welfare. After the insured period end, the Company set the budget for the employee to cover such disease.
- Visit the sick personnel or child delivery

- **Financial welfare**

- Establish a provident fund to be an alternative of investment for the personal wealth creation for the employee who works for the Company.
- Co-operate with banks to offer special borrowing rate to the employee (currently it is under the process to find a channel to get access to financial service for those who have black list with Credit Bureau and unable to get access to normal financial services channel).
- Provide 422 scholarships worth Baht 766,000 to the children of the employee to relieve the financial burden of the family.
- Severance pay

- **Other welfare**

- Leaves as per labor laws such as vacation leave, sick leave, maternity leave, business leave (provide more than legal requirements)
- Additional leaves benefits such as marriage leave, religious leave, and funeral leave.

- **Organization engagement activities**

- Set up a Town hall meeting at every hospital to provide a channel for the senior executives to communicate the company's direction and operating performance to the employee and give an opportunity to the employee to ask questions.
- Open a channel for employee to communicate directly to CEO or hospital director.
- Point collection program - P-Point will be earned from the good deed and the participation in the activities beyond their normal responsibilities for the success of the organization. The points are collected to exchange for gifts and other privileges.

- Conduct the employee engagement survey using the same surveys for all hospitals to be able to compare and analyze data more thoroughly. With the benchmarking data, strategic actions that yield good results in one hospital can be copy and implement at another hospitals. The target engagement score is at 80 while the average results for 2022 was at 78.35. The key expectation of the employee is the remuneration and welfare. In response to such survey, the Company revised the compensation structure of the whole hospital network which is expected to complete in 2023. Another finding is the pride of self-worth from the group that shares the story of being a giver. The Company encouraged the employee at every hospital to share their stories in 2022.
- Share the giver's mind story of the employee in various ways. This is regarded as appreciating employees and fostering a good culture, helping employees to always connect with the organization's mission. In 2022, more than 260 stories of giving were shared by hospital personnel

Key indicators for social dimension

Issue	Key indicator	Unit	2019	2020	2021	2022
Employment (GRI 405-1)	Number of disabled people and/or underprivileged	person	10	13	13	18
Employee remuneration	Percentage of employee being a member of Provident Fund	percent	29.5	24.8	23.0	20.8
Employee development (GRI 404-1)	Employee development plan and activities	have / do not have	Annual training and development plan was developed based on the information from the training need survey and organization strategy as well as relevant law.			
	Number of average training hour of the employee	Hour/person/year	108	73	59	66
Safety at work (GRI 403-9)	Number of event or serious injury case from work led to the leave from work	Number of cases	3	3	4	4
	Number of event with loss of life due to work	Number of cases	0	0	0	0
Enhance relationship and employee engagement	Employee engagement survey	%	60.60% (4 hospitals)	62.24% (6 hospitals)	58.25% (9 hospitals)	78.35% (11 hospitals)
Enhance relationship and employee engagement	Percent of employee who resigns voluntarily	percentage	11.5	10.3	14.5	12.26
	Newly hired employees (GRI 401-1)	Number of cases	n/a	n/a	512	680
Enhance relationship and employee engagement	Number of major labor dispute in the past year with the handling method	Number of cases	There was no labor dispute in the past 3 years and the Company complied with the regulations under the labor law			
Diversity and inclusion (GRI 405-1, 406-1)	Policy and guidelines regarding diversity and inclusion within the organization and supply chain with no discrimination on gender, age, nationality, disability, religion, or others.	Have / do not have	The Company acted upon its guidelines with respect to diversity and inclusion all these times though written policy was specified with more details in 2022.			
	Employee Profile by gender and nationality	Number	Total		F 1975 : M 596	F 2358 : M 606
			Thai		F 1974 : M 595	F 2355 : M 604
			Myanmar		F 0 : M 1	F 2 : M 0
			Cambodia		F 0 : M 0	F 0 : M 2
			Others		F 1 : M 0	F 1 : M 0
	Number of incidents/complaints regarding violation of human rights, diversity, and inclusion	Number of cases	There were no cases regarding violation of human rights, diversity, and inclusion.			
Women Workforce	Policy and guidelines regarding	Have / do not	The Company has always promote the roles and equality of women			

Issue	Key indicator	Unit	2019	2020	2021	2022
	equality to women workforces	have	in the workplace and specified this into the human rights policy in 2022			
Accessible to quality healthcare	Policy and guidelines regarding accessible to quality healthcare	Have / do not have	The policy to expand healthcare services to non-major provinces across the country has always been the determination of the Company.			
	Projects to enhance accessibility to quality healthcare	Have / do not have	Projects to promote health and increase accessibility to healthcare were implemented in all hospitals in the group for example; a project to do diabetes screening in the community, health checkup for sensitive groups, increase the services to other payment groups so the hospitals can increase population coverage.			

3.2.3 Contribution in community development (GRI 413-1, 413-2)

The Company gives a priority to be a part and growing together with the community so the community caring concept is fostered as a part of the Company's mission with the plan to educate the Company's personnel to have a better understanding about community engagement and consideration of impact to the community. In 2022, the hospitals contributed to the community development through following activities and projects.

- Urgently expand the ward to take care of more than 100,000 COVID-19 patients.
- Provide vaccination to fragile group, the elders, and bedridden patients in many provinces.
- Moderna Vaccine donation to the fragile group and non-accessible to vaccine group.
- Mobile healthcare service such as Cataract test, Liver disease test, Elderly health checkup, Bone mineral density test in every province that located Princ hospital network.
- Join the local cultural activities in the province where each hospital is located for example, Star Parade and Christmas Festival in Sakon Nakhon Province, Chinese New Year in Paknambo, Nakhonsawan Province, Boat Competition Tradition in Chumphon Province.
- Donate medical equipment to the bedridden patients.
- Teach first-aid and Cardiopulmonary Resuscitation (CPR) to the schools and private company in the community of hospital network.
- Blood donation activities to donate blood to Thai Red Cross.
- Assist the community during a crisis. For example, in the flooding crisis in Ubonratchathani Province, the Company, Princ Hospital Ubonratchathani together with business alliances from SET donated survival bags to the flood victims and gave all the proceeds from the sale of shirts made from recycled bottles at auction to the flood victims. Princ Hospital Uthaitani also donated drug kits to the flood victims.
- Open the market for the community to allow the people in the community to sell their products at various hospitals including Princ Hospital Suvarnabhumi, Pitsanuvej Hospital (via Sarapan shop), Princ Hospital Uthaitani.



- Be a place for study tour, organize the academic training to the individual and external organizations
 - Organized a middle-level public health executive course, class 35, for Sirindhorn College of Public Health at Pitsanuvej Hospital.
 - Pitsanuvej Hospital organized an academic training for Trauma Care Conference 2022 with the attendance of more than 300 physicians and personnel within and outside the organization.
 - Pitsanuvej Hospital with Phibunsongkhram Rajabhat University Phitsanulok Provincial Social Development and Human Security Office Organize a training course on caring for the elderly (Caregiver) 420 hours.
- PRINC PSARN Project is another example showing the Company's determination to grow with the community. "PSARN" is compared with the weaving process to make the thread become a piece of cloth which means to combine the expertise and Company's mission with local wisdom to develop the local community. Last year there were projects PSARN with the community as follows:
 - Princ Hospital Paknampo has supported skilled workers who have been laid off to produce breastfeeding pillows sent to the hospital on a monthly basis.
 - Princ Hospital Sakon Nakhon has brought indigo cloth which is a local identity and is considered a geographical indication. (Geographical Indications: GI) of the province was used to make uniforms for staff and brought in indigo fabric with specific patterns from each community to decorate the hospital.



(Please find more details at www.princhealth.com/psarn/ or scan QR Code below).



- Promote Buddhism

With the belief that religion is a part to incubate a good heart, the Company has activities to promote Buddhism regularly. Each hospital will participate in important religious traditions such as the offering of candles. And there is an annual big Kathina merit-making activity at Wat Pa Chaphapanrangsi, Chaigaphum Province to build a place for meditation for the Buddhists and believers. Moreover, the Company also encourages the executives to go for meditation to be able to cope with the crisis and relax stress from work.

In 2022, the Company hired TV Burapha Co., Ltd as an advisor for community engagement and join together to get into the community to find the opportunity to develop the products in 4 provinces and keep doing this project in the year 2023.

Management topic	Indicators	Unit	2019	2020	2021	2022
Monitoring and assessment of impact to community	Monitoring and assessment of impact from the Company's operation to community	Have / do not have	The Company has a monitoring and assessment of impact to the community in various channel such as community visit, and monitoring of its operation to comply with the required standards and maintain no impact to the community.			
	Number of conflicts/cases of community rights violation and remediation methods (GRI 413-2)	Number of cases	0	0	0	0

The Company never had the serious disputes with the community in the past 4 years. In case there is any activities that may affect the community, the Company always co-ordinates with the community to discuss about the impact that may have from the activities before organizing such activities.

3.2.4 Management of the supply chain

Procurement for hospital operations involves sourcing and working with numerous suppliers in order to obtain the ones with acceptable standards, match with our business needs, and can deliver products and services at the level the Company required to ensure quality of services and cares to customers will be maintained at all times. In 2022, the Company aimed to implement the sustainability assessment for suppliers. The assessment covers ESG related topics and include human rights issue. In 2023, the Company plans to close the gaps from the results with a knowledge session, a discussion session, and even sourcing for more new suppliers. Also, 100% of key suppliers are targeted to do the sustainability assessment in 2023.

In 2022, the Company procured more products that are environmental-friendly and have more suppliers that shared the same visions. Also, as with local employment, local procurement policy is what the Company still intent to. For newly opened hospital, Princ Hospital Sakon Nakhon, the procurement team held an event of PRINC meets Suppliers for two days so that local suppliers can understand our visions and they can propose their products and services.

3.2.5 Patient Safety

Healthcare business involves the health and lives of people, thus, adhering to service standards and quality of care are matters at priority of the Company. To make certain that the Company live up to that standards in view of the customers, third parties, and regulators, all hospitals are continually manage to get accreditation from reliable institutions. In 2022, hospitals that received reaccreditations and new accreditations are as follow;

- Hospital Accreditation step 2 from The Healthcare Accreditation Institute (Public Organization) – Pitsanuvej Pichit Hospital, Pitsanuvej Hospital Uttaradit, Princ Hospital Uthaithani, Princ Hospital Paknampo 2, Princ Hospital Lamphum, Sirivej Lamphum Hospital, Princ Hospital Ubonratchathani, and Princ Hospital Sisaket.
- Hospital Accreditation step 3 from The Healthcare Accreditation Institute (Public Organization) – Princ Hospital Paknampo 1, and Virajsilp Hospital
- JCI Accreditation (Joint Commission International) – Pitsanuvej Hospital (accreditation still active)

Princ Hospital Suvarnabhumi currently is in the process of acquiring JCI accreditation (expected to be accredited within 31 March 2023). While Princ Hospital Sakon Nakhon which operation was commenced in the early of 2023 will process for Hospital Accreditation within the first year of operation.

Moreover, the Company has a function to oversee the overview of quality aspect of the group to ensure that operational process is aligned and be of the same standards. Standardization was implemented for several issues in 2022 for example standardization of emergency code to be the same across the network. This is to reduce the confusion among the staff, which lately was borrowed to work for various hospitals in the groups during the time of manpower crisis. Standardization of emergency code led to higher effectiveness, which can have a positive impact to the lives and assets of the customers and stakeholders.

3.2.6 Accessibility to quality healthcare

With the main objective to expand the healthcare business to emerging cities or areas with healthcare demand over supply, in 2022, the Company speed up the construction process of the new hospital in Sakon Nakhon province to be able to provide healthcare services to the community at the soonest. This hospital marks the 13th hospital within the group. In the meantime, the investment team are in the process of doing feasibility study and in-depth discussion for several targeted areas and hospitals to be acquired to reach the target of expanding 20 hospitals within 2024. Besides hospitals, the Company also expand healthcare services under the umbrella of Klaiban Klaijai UC clinic (provide healthcare to those with universal healthcare coverage) to 17 branches in Bangkok which can cover the target population of 50,000 persons. The target for 2023 is to expand to 37 branches and expected to cover additional population of 40,000 – 50,000 persons.

3.3 Sustainability management in economic dimension

There are 2 important issues in sustainability management in economic dimensions as follows:

3.3.1 Cyber Security and Personal Data Protection (GRI 418-1)

A hospital business is a business with important personal data which are illness history and medical treatment records. If there are leakages, the damage it can cause to relevant stakeholders and the Company would be severe. Therefore, the Company places importance on cyber security and personal data protection. With regard to cyber security, currently, firewall and website attack is being monitored regularly. And the Company starts using Huawei's technological structure which has cyber security standard certification such as ISO 27001:2013 Information Technology Security Standard.

ISO 29151:2017 Personal Data Protection Standard

CSA-STAR Security for Cloud System Standard

ISO 22301 Business Contingency Plan Management Standard

ISO 27799 Healthtech Security Standard etc. with strict backup information. The Company never had any damage from cyber-attacks or personal data leaks.

However, with the increase in risk from a cyber-attack in the healthcare business that happened continuously, the Company evaluates risk from time to time and improves cyber security standards to comply with The National Institute of Standards and Technology (NIST) of USA in 2022.

Moreover, the Company is aware that all businesses operated with Cloud Technology. If there is a cyber-attack or any event that causes damage to the operating system, medical services will be affected. Business Contingency Plan (BCP) is created with the BCP test at least once a year to prepare the personnel to be ready to provide services in the unexpected event or the inability to use the operating system.

In respect to Personal Data Protection according to the law, every PRINC hospital has a consent form every time of hiring in order to get permission from the employee for access to their personal data. The employee is required to keep the personal data of the patients according to the hospital standard. In 2021, the Company had online cyber security and personal data protection training course to support the effectiveness of the Personal Data Protection Act on June 1, 2022. Such a course is a compulsory course for all levels of employee. They must pass the test. As of February 28, 2022, 64% of the total employee attended this course.

Key indicator of Cyber security and Personal Data Protection

Key indicator	Unit	2019	2020	2021	2022
Cyber and IT security policy and Personal Data protection	Have/do not have	There is cyber and IT security policy and Personal Data Protection Policy			
Percent of IT structure with certification of cyber security standard like ISO 27001 or other standard	percent	n/a	n/a	37	37
Guideline for the use of personal data	Have/do not have	There is policy and guideline for the data access of Data Platform & BI unit.			

Key indicator	Unit	2019	2020	2021	2022
		There is working procedure for Data Request There is policy and guideline for the access to electronic medical records. There is cyber and IT security policy with personal data protection policy.			
Percent of employee attend the training course about cyber security and the use of personal data	percent	n/a	n/a	64	82.45
Number of cyber-attack case with corrective measures (GRI 418-1)	Number of cases	0	0	0	0

3.3.2 Digital Transformation

The Company determines to create a healthcare network with medical excellence integrate with high technology for the speedy service and safety of the patient. Information technological systems play an important role to realize this target.

In 2022, the Company developed a system to send COVID-19 Testing results to the Hospital with the ability to access such results from the Mobile Application of individual patient to reduce overcrowding during the outbreak and increase the speed of reporting results. In addition, there was efficiency improvement in the system to retrieve reimbursement data of the hospitals, to make it faster and reduce reimbursement time and procedures such as Inpatient Social Security Reimbursement System (SSIP), a new form of reimbursement for the benefits of gold cardholders, Automatic Personal Insurance Claim (API) with many leading insurance companies.

The Company supported the development and application of Electronic Medical Records at the hospitals in the network via Smart Registration and e-Signature to the speedy service, convenience, and fast access to the medical records. The Company added a channel for the user of PRINC Health Mobile Application to verify their identity via Line Application in addition to the verification via OTP and enable to link with Google Calendar of the users to remind the important appointment. Moreover, the users were also able to access the e-commerce system from PRINC Health Mobile Application.

The Company adopted 5G technology and SD-WAN to help in expanding the hospital network and new clinics which enable access to the main information system efficiently with low cost and expenses.

The hospital business is a business that collects, stores and uses personal data which is the medical treatment records and provides 24-hour service. Therefore, cyber security and personal data protection and readiness of information systems is a top priority. As such, there was IT Security system improvement and various threat monitoring continually to support the organization's strategy that aims to upgrade healthcare access with technological driven.

In 2022, in addition to the development of digital products to respond to the users' needs. The Company built on Digital Transformation: Enterprise Blueprint by holding PRINC Next-Gen

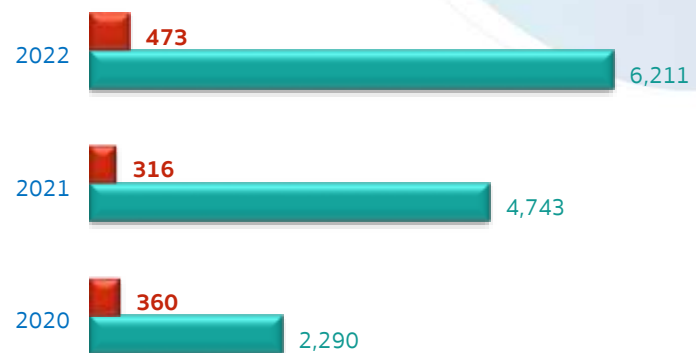
Hackathon for the doctors and hospital personnel to brainstorm, to create a new product and innovation to better serve the clients or the stakeholders. There are 71 projects from such an event. For example, Doctor Specialist Teleport, a system to collect all specialist doctors to serve the users in the area with the scarcity of specialist doctors, ready-to-eat jelly for diabetes patients, and NCD Center team.

Furthermore, the employee is allowed to use such tools to create a business strategy for the year 2023 and drive the organization to sustainability in terms of economic, social, and environment with key support from technology.

Indicators in Governance dimension: Quality of Care Topic (GRI 102-2, 102-9)

Indicators	Unit	2019	2020	2021	2022
Policy and guidelines regarding management of medical records	Have / do not have	The Company makes certain that all hospitals in the group are having policy and guidelines regarding management of medical records to ensure that medical records are maintained properly as per the standards of medical recording, medical records filing, security of medical records, and confidentiality of the medical records. The policy and guidelines of each hospital are complied with the standards of the accreditation that hospital received.			
Management of cost in providing healthcare services	Have / do not have	The Company closely monitors the cost management plan of each hospital on a regular basis (monthly/quarterly) to ensure that each hospital has an effective cost management strategy and plans which can help reduce the cost that, with good management, should not be pass on to the customers.			
Healthcare provider network development plan	Have / do not have	The Company plans to enhance the healthcare provider network by increasing both the volume of physical facilities such as new partners in the ecosystem, and the additional channel to provide services of healthcare using technology such as Telemed.			
Quality management of medicine and medical supply	Have / do not have	The Company closely monitors to assure that all hospitals within the group has a quality management of medicine and medical supply throughout the process from receiving, stock checking, storage, dispense, monitor, and follow up. All the processes are guaranteed of the standard by the third party who perform the survey for hospital accreditation.			
Number of incidents regarding healthcare services and remediation methods	Number of cases	The Company has no major incidents regarding healthcare services. However, for minor cases of complaints or general suggestions, each hospital has the procedure to review the case, do root cause analysis and come up with opportunity for improvement to continuously enhance its service standards and quality.			

Revenue from main business (Baht million)



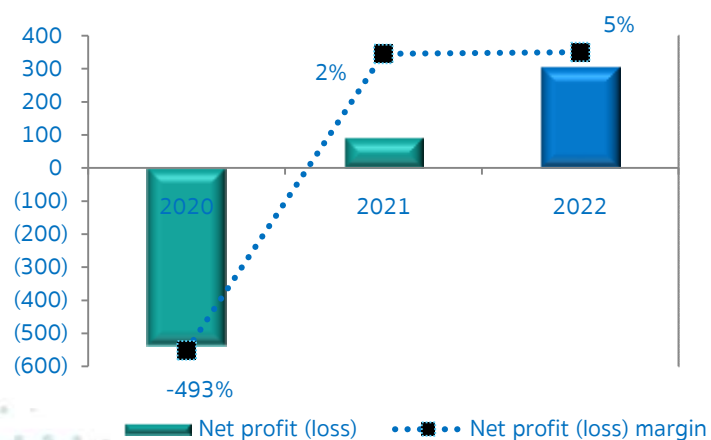
■ Revenue from property business ■ Revenue from hospital business

Total Revenue (Baht million)

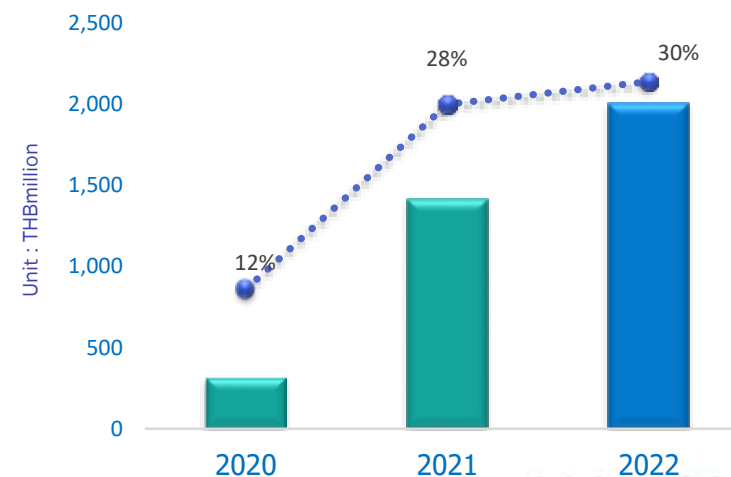


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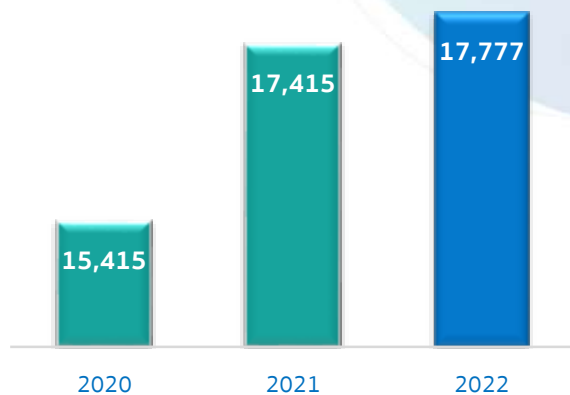
Net profit/(loss)



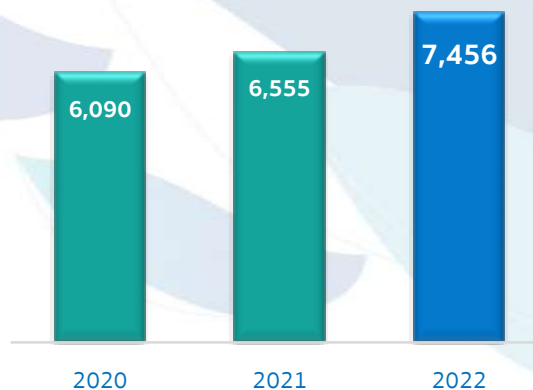
Gross Profit



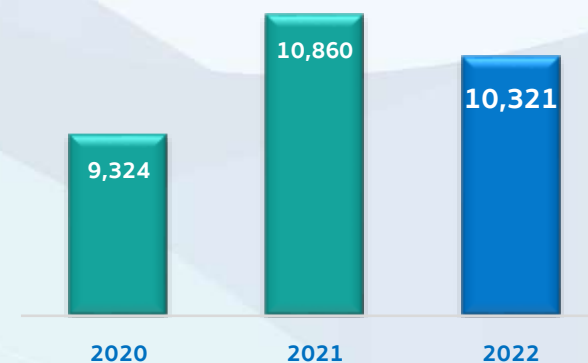
Total Assets (Baht million)



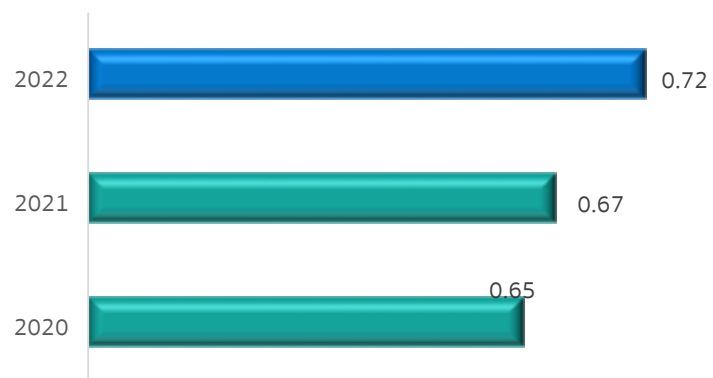
Total Liabilities (Baht million)



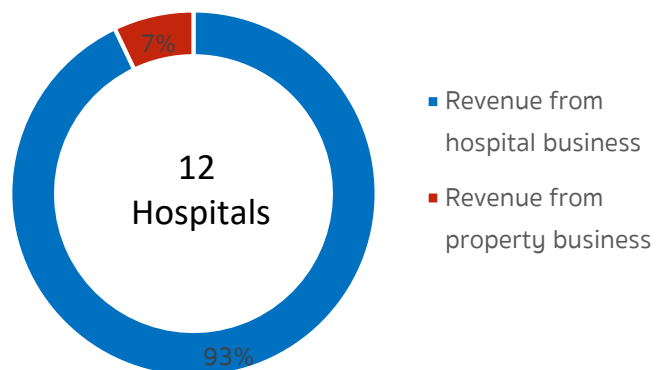
Shareholders' equity (Baht million)



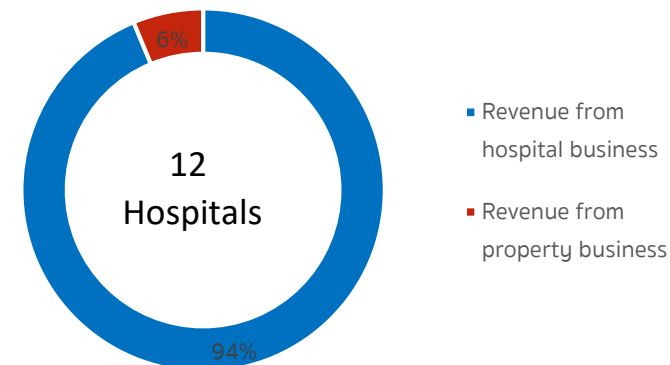
Debt/Equity Ratio



Revenue contribution in 2022



Revenue contribution in 2021



Financial Statements

Significant Financial Ratio

Key Financial Ratio	Unit	Consolidated Financial Statement			Separated Financial Statement		
		2022	2021	2020	2565	2564	2563
Liquidity Ratio							
Current Ratio	Time	0.91	1.62	0.35	0.74	1.06	0.11
Quick Ratio	Time	0.62	0.94	0.28	0.32	0.73	0.08
Activity Ratios							
Total Asset Turnover	Time	0.39	0.31	0.19	0.12	0.11	0.03
Fixed Asset Turnover	Time	0.58	0.45	0.25	0.86	0.78	0.18
AR Turnover	Time	4.92	5.00	9.20	2.49	3.40	7.23
Average Collection Period	Day	74	73	40	146	107	51
Inventory Turnover	Time	35.75	36.30	35.60	58.92	50.92	63.93
Average Sale (Inventory) Period	Day	10	10	10	6	7	6
AP Turnover	Time	6.15	4.41	3.31	7.95	5.73	3.97
Average Payment Period	Day	59	83	110	46	64	92
Cash Cycle	Day	25	0	(60)	107	51	(36)
Leverage Ratios							
Debt /Equity Ratio	Time	0.72	0.60	0.65	0.39	0.33	0.41
Interest coverage Ratio	Time	3.46	2.42	(2.72)	0.81	4.46	4.78
Profitability Ratios							
Gross Profit Margin	%	29.93	27.96	12.02	31.69	39.79	(7.92)
Net Profit Margin	%	4.50	1.81	(19.83)	(1.49)	14.71	93.31
Return on Asset	%	3.19	2.16	(2.40)	0.59	2.80	4.28
Return on Equity	%	2.49	0.90	(5.98)	(0.24)	2.29	4.73

4

Management Discussion and Analysis

Major developments in 2022

In 2022, Principal Healthcare Company Limited (the Company's subsidiary) aim to develop the potential in Procedures and Complex Disease Treatment to supporting the growing demand for medical services in provincial areas in brain diseases, bones, cancer, heart, etc., such as Electrophysiology Study at Pitsanuvej Hospital, Breast Clinic at PRINC Hospital Paknampo, and Gynecologic Oncology at PRINC Hospital Suvarnabhumi, also Small Incision Surgery, Hip & Joint Replacement and Cataract Surgery at PRINC Hospital Lamphun, and an Emergency Center at PRINC Hospital Sisaket, etc. In addition, planning to develop the hospital network's potential in referring and treating patients more comprehensively, especially for patients with complex diseases and emergency patients by piloting the use of 5G Ambulance in PRINC Hospital Suvarnabhumi and increasing the potential of the ICU. Moreover, focusing on Laboratory Development, opening Lab IUI (Intra-Uterine Insemination) services and providing IUI services to treat infertility at PRINC Hospital Uthai - Thani Hospital, laboratory development for chemotherapy at PRINC Hospital Paknampo.

Along with preparing for the opening of the country in 2022, the PRINC International Office has been opened to facilitate customers from Laos, Cambodia, Myanmar, India and China for PRINC Hospital Ubonratchathani, PRINC Hospital Sisaket, PRINC Hospital Lamphun and PRINC Hospital Suvarnabhumi.

In addition, 2022 is the year of expanding the health care business covering Esthetics and Wellness business. On 14 March 2022, Principal Healthcare Company Limited (the Company's subsidiary) acquired ordinary shares of Pewdee Clinic Esthetics Company Limited. Total investment value THB 302.5 million by acquiring the ordinary shares from Sellers in the total amount of THB 252.5 million and subscribe for new ordinary shares of Pewdee Clinic in the total amount of THB 50 million to expand business to providing Skin, Surgery and Wellness. On 15 July 2022, there was an opening ceremony for Pewdee Clinic the 11th branch located on the 2nd floor at PRINC Hospital Suvarnabhumi. There is also a planning to expanding more branches both in the hospital network and in potential areas. This is an important step in business development towards a comprehensive Esthetic & Wellness business.

Moreover, Principal Healthcare Company Limited has increased its shareholding in a subsidiary on 21 September 2022, by acquiring the ordinary shares of Pitsanuloke Medical Company Limited of 125,000 shares at THB 8,200 per share, amounting to THB 1,025 million from the group of existing shareholders. As a result, the shareholding in the said company increased from 60% to 85%. Including an increase in the same proportion of equity of the other 2 subsidiaries (Union Pichit Doctors Company Limited and Pitsanuvej Uttaradit Hospital Pitsanuloke Medical Company) in which Pitsanuloke Medical Company holds 100% of the shares, aiming to expand the business. both the construction of the patient building Investing in medical services specialized for complex diseases to accommodate the number of patients that are likely to increase.

For the Property Business, on 28 February 2022, the Company and V Residence Company Limited. (Ownership interests of SEB and the Company's subsidiary) participated in the Asset Warehousing program with Bank of Ayudhya Public Company Limited ("transferee"), the measures

to support the entrepreneurs affected by COVID - 19, to improve the debt structuring of the Company, by transferring the ownership interests in 4 buildings of SEB to transferee for debt payment according to the Program, and transferee have an option for the company and owner to buy back the assets in 3 years. The total value of consideration is amounting to THB 1,500 million.

Variety of challenges facing the healthcare industry, be it laws and regulations, newcomers, or scarcity of health-related professions, all lead to an inevitably higher cost of operation. While shift in people's behavior after Covid 19 pandemic and illnesses arising from climate change are opportunities should we cope with them rightly and in a timely manner. Thus, apart from the expansion of healthcare units to increase health accessibility in the non-major city which we aim to keep the foundation of the community strong and able to make a sustainable impact to their community. The Company is determined to do business with a sustainability framework embedded.

Environmental-wise, the Company has implemented the carbon footprint for the organization (for 2021) to be a baseline in setting a net zero goal, to align with the country policy. According to that, we have started the solar rooftop project across our hospital network in order to partially switch to renewable energy and have several initiatives regarding waste management and circular economy.

Bring People Home Policy is still our strong determination. Under PSARN Project, we continue to adopt this policy when recruiting for the latest hospital in our group, PRINC Hospital Sakon Nakhon, as well as local sourcing and using geographical indication products in many aspects of our operations. People development, especially for new and middle management, is a crucial strategy for our objectives since business expansion requires experienced management and familiarization with PRINC shared services system. A new and network-wide compensation structure will also be developed to increase our competitive capability.

2022 was another year that we consistently maintain good corporate governance. Quality standards for hospitals were newly accredited, re-accredited, or in the process to get accredited for most of our hospitals, make certain that health accessibility comes with quality. Not only clinical standards but other accreditations were achieved to ensure our corporate governance and anti-corruption determinations were in place for the benefit of all stakeholders. Laws and regulations, such as PDPA act or the minimum wage from the Ministry of Labor, were closely monitored so that operations can comply correctly and avoid avoidable risks. Moreover, we communicate and assess our vendors, partners, and outsources, to make sure that our value chain operates under good governance as well.

The economic and industrial situations affecting the operation and business policies, strategies and decisions

During the first 3 quarters of 2022, the overall revenue of the Hospital business continued to grow from 2021 as a result of the treatment of patients infected with COVID - 19. In addition, the number of inpatients and outpatients from general diseases gradually returned to hospitals after the COVID - 19 situation eased, including the country's full opening to foreign tourists resulting in more foreign patients returning to use the service for patients who had previously postponed treatment during COVID - 19 and medical tourists. While in the last quarter of the year, revenue from COVID - 19 treatment drops, but general disease revenue increases from the gradual economic recovery from the announcement of COVID - 19 is a contagious disease (Since 1 October 2022), it

has resulted in people gradually back to normal life. As a result, the total revenue of all affiliated hospitals higher than the previous year THB 1,271.6 million (27.2%), while revenue from Clinics and other healthcare related businesses increased by THB 197.2 million (272.6%).

In 2023, for the Hospital Business, revenue is expected to continue to improve from the factor that the demand for services tends to increase from the aging population of Thailand that continues to increase

Therefore, the need for medical services is increasing and complex. Including the return of domestic patients and foreign patients returning to economic and social activities. Also from the recovery of medical tourists, especially foreign patients from ASEAN, China, Russia, Japan and the Middle East. Which large private hospitals must continually prepare to accommodate patients and providing services in highly specialized fields. In addition, a network of branches and business alliances will help to expand the scope of services to more specific customers, broaden the income base. For the Hospital Business in 2023, there will be openings for Specialist Clinics, including a Comprehensive Heart Center, Surgical Oncology Center, Neurological and Brain Center, Minimal Invasive Surgery center. and Senior Medical Care. To support the treatment of elderly people who tend to grow according to the aging society in Thailand and renovating the premium patient rooms to accommodate the group of patients with high purchasing power

In 2022, the Hotel Business has continued to recover from 2021, with the main contributing factor from the opening of the country on 1 July 2022, causing more foreign tourists to travel to Thailand. In addition, countries Relaxation of strict travel regulations as the vaccination rate is more comprehensive, resulting in the confidence of tourists. Moreover, the last quarter of the year is the high season of tourism, causing the increase of foreign tourists to be much higher. As a result, the total revenue of the Hotel business increased to THB 165.9 million or 84.0% compared to the previous year. But overall in 2022, the business has not fully recovered. This is because foreign tourists, especially from China, still face obstacles from the Zero - Covid policy, together with the global economic slowdown caused by the Russo-Ukrainian War.

The trend of Hotel Business in 2023 tends to improve. The number of foreign tourists is expected to grow at an accelerated rate and will recover back to a level close to that of before COVID - 19. Especially from China's tourists, which is the most important tourism market in Thailand, have begun to travel normally in the first quarter of 2023. The Hotel Business in all areas is still highly competitive due to the oversupply situation. Both from the same business and other accommodation business. For the Hotel Business, it is expected that the revenue in 2023 will be able to return to income similar to the year 2019 (before COVID - 19), with the focusing on increasing the occupancy rate and adjust room rates in line with the needs of tourists to increase the ability to make more profits by emphasizing the strengths of each hotel, and also focuses on organizing activities, seminars and other events.

However, the company remains aware of the risks from various factors that will have a negative impact on both businesses such as the persistent risks of COVID - 19 are travel restrictions for some tourists, the risk

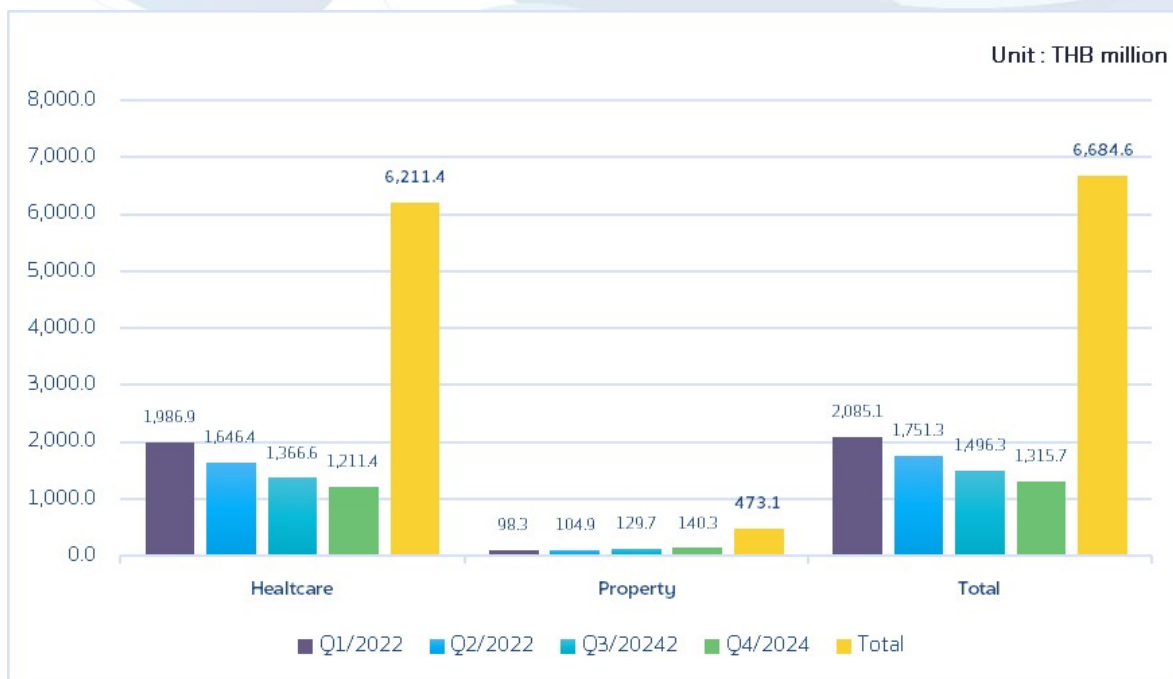
of a recession in the world's major economies, rising inflation, volatile and rising energy costs, rising interest rates, etc. Therefore, the company tries to control spending, adjust business strategies as well as various investments of all subsidiaries.

Operating results for Year 2022:

Consolidated	Year 2022	Year 2021	Increase (decrease)	Change
Unit: THB million				
Revenues from healthcare services	6,211.4	4,742.7	1,468.7	31.0%
Revenues from sales and services	473.1	316.1	157.0	49.7%
Costs of healthcare services	4,398.9	3,389.3	1,009.6	29.8%
Costs of sales and services	<u>284.8</u>	<u>254.9</u>	<u>30.0</u>	<u>11.8%</u>
Gross Profit	2,000.8	1,414.6	586.2	41.4%
Other income	120.2	61.9	58.3	94.2%
Selling and Administrative expenses	1,559.6	1,121.4	438.2	39.1%
Finance costs	<u>162.5</u>	<u>146.6</u>	<u>15.8</u>	<u>10.8%</u>
Profit before income tax expense	398.9	208.6	190.3	91.2%
Income tax expense	<u>92.6</u>	<u>115.7</u>	<u>(23.2)</u>	<u>-20.0%</u>
Profit for the year	306.3	92.9	213.4	229.8%
Other comprehensive income	<u>7.2</u>	<u>10.6</u>	<u>(3.3)</u>	<u>-31.5%</u>
Total comprehensive income for the year	<u>313.5</u>	<u>103.4</u>	<u>210.1</u>	<u>203.1%</u>
Profit attributable to owner of the parent	240.0	81.2	158.8	195.5%

In 2022, in line with the increasing of revenue, cost of sales including additional expenses increased in a lower proportion. As a result, Profit for the year was THB 306.3 million that was THB 213.4 million or 229.8 % higher than the previous year. The Company had other comprehensive income from remeasurements of employee benefit obligations at THB 7.2 million, from the decrease of remeasurements of employee benefit obligations in some subsidiaries, based on actuarial calculations. As a result, in 2022, total comprehensive income was THB 313.5 million, was THB 210.1 million or 203.1 % higher than in the previous (In 2021, total comprehensive income was THB 103.4 million).

For profit attributable to owner of the parent was THB 240.0 million that was higher from prior year by THB 158.8 million (195.5%)



In 2022, the Company had total revenue at THB 6,684.6 million. For the healthcare services, it can be seen that revenue in the first half of the year was high due to the outbreak of COVID-19, causing high revenue related to providing COVID-19 services. During the second half of the year, the outbreak declined. Although the number of patients who came for regular treatment increased, it can't compensate for the declining income of COVID-19 related services. For the Property business, the revenue will continue to grow from the first quarter due to government measures that have resulted in increased tourist arrivals both in the part of customers who travel for business and others purposes.

Operating results by business group for Year 2022 are as follows:

Consolidated	Year 2022	Year 2021	Increase (decrease)	Change
Unit: THB million				
<u>Hospital business</u>				
- Existing Hospitals	5,754.4	4,546.6	1,207.8	26.6%
- New Hospitals	187.5	123.7	63.8	51.6%
<u>Clinics and other healthcare related businesses</u>	269.5	72.3	197.2	272.6%
<u>Property business</u>	473.1	316.1	157.0	49.7%
Total Revenues	6,684.6	5,058.8	1,625.8	32.1%

The Company and its subsidiaries had Total Revenues of THB 6,684.6 million, which was an increase of THB 1,625.8 million or 32.1 % resulted from the following;

- Hospital Business had total revenue THB 5,941.9 million, consists of 61.2% of non-COVID-19 related service revenue, 27.2% of COVID-19 related service revenue, 10.4% of COVID-19 vaccine revenue, and 1.2% of other revenues as following;

- Existing Hospitals: Revenue increased by THB 1,207.8 million (26.6%) from all Hospitals especially for Pitsanuvej Hospital which was increase THB 344.7 million (29.4%), PRINC Hospital Suvarnabhumi which was increase THB 210.3 million (15.4%), and PRINC Hospital Lamphun which was increase THB 201.4 million (81.1%). The main revenue increase came from customers who visited for testing and treatment for COVID-19 both in Hospitals and Hospitals, and income from sales and vaccination services
- New Hospitals: PRINC Hospital Sisaket had income from the sale of vaccination services and non-COVID-19 related income.
- Clinics and other healthcare related businesses: Klai Baan Klai Jai Clinic had revenue of THB 148.7 million, was THB 76.8 million or 106.8 % higher than the previous year, from COVID-19 related service. Pewdee Clinic, which began to recognize revenue on April 1, 2022 onwards, had an income of THB 116.8 million.
- Property business: had higher revenue by THB 157.0 million (49.7 %) as follows;
 - The Marriott Executive Apartment Sathorn Vista – Bangkok, had a revenue increasing THB 103.7 million (136.0%) from the occupancy Rate, which was increase from 41.4 % in 2021 to 74.6 %. In December 2022, the occupancy rate was as high as 93.1%. And average revenue per room (ADR) was also higher from THB 2,775 to THB 3,693. In December 2022, the average revenue per room (ADR) was peak as THB 4,748.
 - The Somerset Ekamai Bangkok, had increasing revenue of THB 62.2 million (51.3%) from the occupancy Rate, which was increase from 49.9% in 2021 to 77.5 % because of higher long-term customers (Service Apartment) and also more short stay customers in tower A, while
 - Bangkok Business Center office building, had decreasing revenue by THB 7.8 million (6.9 %) from the occupancy rate decreased from 80.4% to 71.1% according to the change in trend of working of various companies that still have policies for their employees to work from any location (Remote Working), both WFH and Hybrid working. As a result, the demand for office rentals slowed down. causing some requests to continuously reduce or return rental spaces.

Gross Profit:

Consolidated	Year 2022	Year 2021	Increase	Change
Unit: THB million			(decrease)	
<u>Hospital business</u>				
- Existing Hospitals	1,681.4	1,303.5	377.9	29.0%
- New Hospitals	40.6	31.8	8.8	27.7%
<u>Clinics and other healthcare related businesses</u>	90.6	18.1	72.5	400.2%
<u>Property business</u>	188.3	61.2	127.1	207.4%
Total Gross Profit	2,000.8	1,414.6	586.2	41.4%
Gross Profit Margin	29.9%	28.0%		

The Company and its subsidiaries had gross profit of THB 2,000.8 million, increasing THB 586.2 million or 41.4 % from prior year as follows;

- The Hospital business:
 - Existing Hospitals: The gross profit increased by THB 377.9 million (29.0%) from all hospitals, except for, PRINC Hospital Suvarnabhumi has gross profit decreasing by THB 62.4 million (11.0 %) and Virajsilp Hospital that has gross profit decreasing of THB 12.9 million (6.4%) from discontinuation of treatment at Hospitals and Field Hospitals. In addition, income from providing treatment services for COVID-19 decreased in the second half of the year.
 - New Hospitals: The gross profit increased as well.
- Clinics and other healthcare related businesses: The gross profit was THB 90.6 million, higher than the previous year by THB 72.5 million, from Klai Baan Klai Jai Clinic THB 43.1 million and Pewdee Clinic of THB 28.2 million.
- Property business has increasing gross profit of THB 127.1 million (207.4%) due to the higher revenues of The Marriott Executive Apartment Sathorn Vista – Bangkok and Somerset Ekamai Bangkok.

Gross profit margin of the Company was 29.9 %, higher than the previous year of 28.0 % as a result of the increase in the ratio of revenue from all businesses higher than the increase in cost ratio. Except for the newly opened hospital business, the income is still unable to cover the costs incurred.

Other income: In 2022, the Company had other income increased by THB 58.3 million from the gain from adjustment for changes of net book value of loan which modified the terms of loan agreement condition by THB 56.1 million (from the Asset Warehousing transaction), as one-time item.

Selling and administrative expenses:

<u>Consolidated</u>	Year 2022	Year 2021	Increase	Change
Unit: THB million			(decrease)	
<u>Hospital business</u>				
- Existing Hospitals	1,268.8	890.9	377.9	42.4%
- New Hospitals	51.6	23.1	28.5	123.7%
<u>Clinics and other healthcare related businesses</u>	40.8	11.8	29.0	245.4%
<u>Property business</u>	198.4	195.6	2.8	1.5%
Total Selling and administrative expenses	1,559.6	1,121.4	438.2	39.1%
% Total Selling and administrative expenses	23.3%	22.2%		

Total Selling and administrative expenses was THB 1,559.6 million, increased by THB 438.2 million (39.1%) from existing hospitals with higher staff expenses, marketing expenses, utility expenses and various costs of operation as well as the written-off of obsolete COVID-19 vaccine and donating vaccines to various organizations totaling THB 219.2 million, which is an one-time transaction. The new hospital (PRINC Hospital Sakon Nakhon) had operating expenses at THB 4.8 million. Klai Baan Klai Jai Clinic and Pewdee Clinic had selling and administrative expenses increased by THB 27.3 million. The Property business expenses increased THB 2.8 million from the previous

year because the subsidiary had a write-off assets transaction by THB 43.3 million. (as one-time item). While in 2022. The expenses increased THB 46.1 million from the increase of revenues.

Selling and administrative expenses ratio to revenues was 23.3%, increased from 22.2 % as a result of written-off of obsolete COVID-19 vaccine and one-time donation of vaccines to various organizations, which if excluding one-time transaction, the ratio of selling and administrative expenses for the year 2022 will be 20.1%, which is lower than the previous year.

EBITDA:

<u>Consolidated</u>	Year 2022	Year 2021	Increase	Change
Unit: THB million			(decrease)	
EBITDA	1,218.2	954.8	263.4	27.6
Finance costs	162.5	146.6	15.8	10.8
Depreciation and amortization	656.8	599.5	57.3	9.6
Income tax expense	92.6	115.7	(23.2)	-20.0
Profit for the year	306.3	92.9	213.4	229.8
Other comprehensive income	7.2	10.6	(3.3)	-31.5
Total comprehensive income for the year	313.5	103.5	210.1	203.1

EBITDA for 2022 was THB 1,218.2 million, THB 263.4 million higher than the previous year (the previous year EBITDA was THB 954.8 million) or 27.6 % from the revenue increasing in the existing and new hospitals. Finance costs were THB 162.5 million, increasing THB 15.8 million (10.8 %) due to an increase in short-term and long-term borrowing from financial institutions. Depreciation was THB 656.8 million, increasing THB 57.3 million from Pewdee Clinic that was added in the year in the amount of THB 14.9 million. And from the purchase of Pewdee Clinic caused an addition of intangible assets and amortization of THB 7.8 million. Subsequently, the Company Profit for the year was THB 306.3 million.

Total comprehensive income for the year: The Company and its subsidiaries had a total comprehensive income of THB 313.5 million, higher than the previous year by THB 210.1 million. Excluding the one-time items mentioned above, the Company and its subsidiaries' total comprehensive income for the year will be THB 476.6 million.

Financial Position:

<u>Consolidated</u>	31 December	31 December	Increase	Change
Unit: THB million	2022	2021	(decrease)	
Total assets	17,777.4	17,415.3	362.0	2.1%
Total liabilities	7,456.4	6,554.9	901.6	13.8%
Total equity	10,320.9	10,860.5	(539.5)	-5.0%

As of 31 December 2022, the Company and its subsidiaries had total assets of THB 17,777.4 million, increasing THB 362.0 million, compared to total assets as at 31 December 2021, resulting from;

- Property, plant and equipment increased by THB 353.9 million from PRINC Hospital Sakon Nakhon (new hospital) by THB 435.0 million, the purchase of new assets in various hospitals and from the calculation of depreciation incurred during the year.
- Goodwill increased by THB 185.0 from the acquired of subsidiary company (Pewdee Clinic Esthetics Company Limited)
- Financial assets measured at Fair Value through Profit or Loss increased by THB 181.5 million from short-term investments in mutual funds that the Company used to hold excess cash.
- Other non-current assets increased by THB 130.1 million from corporate income tax receivables from the Revenue Department, while
- Trade receivables and other receivables decreased by THB 642.3 million from the advances for goods and service-vaccine of THB 631.7 million.

As of 31 December 2022, the Company and its subsidiaries had total liabilities of THB 7,456.4. million, increasing THB 901.6 million, compared to total liabilities as at 31 December 2021, resulting from;

- Short-term borrowings from financial institutions increased by THB 1,024.6 million from borrowing to buy increased shares for investment in Pitsanuvej Hospital in Q3.
- Long-term borrowings from financial institutions increased by THB 601.6 million resulting from increase in loan drawdown of the subsidiary to be used for investment in various projects
- Advances received from customers decreased by THB 581.7 million from the advances received for vaccine THB 614.4 million.
- Short-term borrowings from related parties decreased by THB 287.3 million from repayment of subsidiaries in Q4.

Statement of Cash Flows:

Unit: THB million	Year 2022	Year 2021
Cash Flows from Operating Activities	772.8	63.1
Cash Flows from Investing Activities	(965.9)	(1,175.6)
Cash Flows from Financing Activities	213.8	1,424.8
Cash and cash equivalents Increase	20.7	312.3
Cash and cash equivalents, Beginning Balance	488.6	176.3
Cash and cash equivalents, Ending Balance	509.4	488.6

In 2022, the Company had Cash Flows from Operating Activities by THB 772.8 million as a result of earnings before income tax and an increase in operating profit before changes in operating assets and liabilities, plus a decrease in advance payments for vaccines. offset by the decrease in advance payments from customers. The Company had Cash Flows from Operating Activities by THB 965.9 million from cash paid for the purchase of land New hospital buildings and equipment and

existing hospitals in the amount of THB 610.0 million and cash paid for investment in subsidiaries, Pewdee Clinic Esthetics Company Limited in the amount of THB 150.6 million. The Company had Cash Flows from Financing Activities by THB 213.8 million from cash received from loans from financial institutions in the amount of THB 2,858.4 million, while there was cash paid to borrow from financial institutions in the amount of THB 1,188.3 million and cash paid for the purchase of interest in a subsidiary, Pitsanuvej Company Limited, in the amount of THB 1,025.3 million. In the year 2021 has cash flow from financing activities in the amount of THB 1,424.8 million from cash received from the increase of ordinary shares (Ratch Group Public Company Limited) in the amount of THB 1,416.1 million. From the above, the company has cash and cash equivalents as of at 31 December 31 2022 and 2021 in the amount of THB 509.4 million and THB 488.6 million, respectively.

In 2022, the liquidity ratio decreased from 1.62 to 0.91 and the quick ratio decreased from 0.94 to 0.62 compared to the year 2021. Due to short-term loans from financial institutions that have increased in the year 2022 in the amount of THB 1,025 million to invest in increasing the shareholding of a subsidiary, shareholding percentage of Pitsanuvej Company Limited increasing from the 65 to 85 percent, which the loan term is 6 months from the borrowing date which due in Q1/2023. The Company is considering the renewal of such loan or converting into long-term loans instead. Another main reason is the decline in trade and other receivables from the previous year, from the advance payment for the vaccine in the amount of THB 631.7 million and the classification of non-current assets held for sale in the amount of THB 1,010.8 million. However, the Company still has investments in real estate investment, the Bangkok Business Center Building, which can be considered and sold to REIT to enhance liquidity for the business in case of necessity. need to reserve additional working capital The estimated trading value is THB 1,550 million.

Efficiency Ratio

Total asset turnover and the turnover rate of fixed assets is slightly better than 2021, but still at not high level. In 2022, the subsidiary, Principal Healthcare - Sakon Nakhon Company Limited, was under construction. As a result, the total assets increased by THB 531.1 million while there was no income (The hospital operate in the first quarter of 2023). In 2023, both ratios are expected to increase from revenue coming in to compensate for higher total assets. The cash turnover period was 25 days, higher than last year from the collection period that was close to the previous year. Holding period stays the same, while the payment period is reduced, from the average payment period decreased caused by an increase in the cost of services that increase according to revenue. Most of the costs are expenses for medical personnel who do not have a credit term. As a result, the calculation of the average repayment period ratio decreased compared to the previous year. Although the period of cash flow is higher, the company has no problem with working capital. Because there is still cash from normal operations that can still be used. It can be seen that the collection period is 74 days, quite a lot higher than the period that the Company gives credit to debtors (Normal credit is 30-45 days) from the age of trade accounts receivable shown in the financial statements. Accounts receivable between 6-12 months and over 12 months, as of 31 December 2022, the total amount was THB 536.7 million, which was THB 321.4 million higher than the amount of receivables as of December 31, 2021 of the same age. Most of them are government debtors. As a result, the debt collection period has increased. If in 2023, the Company receives the

full amount of money from government debtors, the Company expects that the period of cash flow will be improved.

Leverage Ratio

In 2022, the Debt to Equity ratio increase from 0.60 to 0.74 compared to the year 2021 from increased liabilities. During the year, there were short-term loans from the financial institutions increased by THB 1,025 million and long-term loans from the financial institutions increased by THB 621.6 million, from the increase in borrowings of subsidiaries and gradually withdrawing additional loans for the construction of new hospitals and renovate the existing hospital. While the shareholders' equity was decrease from the change in the investment proportion of the additionally acquired subsidiary during the year. However, the overall debt to equity ratio is still at a low level and sufficient to provide financial support to the affiliated companies especially the hospital business which most financial institutions have terms and conditions in order to maintain the ratio of debt to equity not more than 2 times for projects with credit. As for the ability to pay interest, it was quite a lot higher than in 2021, from 2.42 to 3.46 from higher profits from operations in 2022, giving the company a good ability to pay interest.

Profitability Ratio

In 2022, Net profit was THB 306.3 million or 230% higher than in the previous. As a result, the Gross profit margin, Net profit margin, Return On Assets and Return On Equity quite a lot higher than last year

5

General Information and other important information

5.1 General information of the Company

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 location	35/2 Moo 12 Bangna-Trad Road, Bangkaew, Bangplee, SamutPrakan 10540
Business Registration Number	0107547000869 (formerly 0107574700864)
Registered capital	Baht 4,189,427,552.00 consisting of 4,189,427,552 common shares at par value of Baht 1 per share
Paid-up capital	Baht 3,808,570,502.00 consisting of 3,808,570,502.00 common shares at par value of Baht 1 per share
Website	http://www.principalcapital.co.th
Telephone	02-009-2015

5.2 Other References

1) Registrar	Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Dindaeng, Bangkok 10400 Telephone : 02 009 9000 Fax : 02 009 9991
2) Auditor	Miss Sanisa Akarakittilarp CPA No. 8470 PricewaterhouseCoopers ABAS Company Limited 179/74-80 South Sathorn Road, Sathorn, Bangkok 10120 Tel. 02 344 1000 02 824 5000 Fax 02-286-5050

5.3 Legal Dispute

- None -

CORPORATE GOVERNANCE

2

Service with compassion



6

Corporate Governance

6.1 Overview of Corporate Governance Policy

The Company has recognized the importance of good corporate governance that it would enhance the Company's operational efficiency. The 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 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 on November 26, 2015, and the amendment issue was effective on July 24, 2018 and March 15, 2023. It was posted publicly for the shareholders and outsiders on the Company's website. The Board of Directors has communicated such policy inside the organization via the intranet, leaflet and corporate campaign etc. to enhance the understanding in the 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 before the meeting day and disclose such information on the Company's website in Thai and English at least 30 days in advance before the meeting date to ensure that the shareholders receive adequate, correct, complete, and transparent information for decision making, and those who are unable to attend the meeting can appoint a representative to act as proxy at the meeting.

2. The Company has a policy to encourage and facilitate the shareholders, including institutional investors to attend the shareholders' meeting by setting the suitable date, time, and venue of the shareholders' meeting. The venue capacity must be sufficient to accommodate the shareholders who attend the meeting, with 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 the general meeting of shareholders in newspapers in both Thai and English for 3 consecutive days at least 3 days in advance before 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' meetings, shareholders have the right to ask questions and express their opinions related to the meeting agenda, and 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 the 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 the appropriation of profit from the previous year's 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 the 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 at least 1 months every year and not less than 3 months prior to the meeting day by mailing to the corporate secretary as per the details notified on 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 minutes, 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 an 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 an equitable and fair treatment policy for major and minor shareholders to protect shareholder's rights 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 the 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 <http://www.principalcapital.co.th>. Shareholders shall send the information to the Company for at least 1 month period of every year not less than 3 months prior to the shareholders' meeting day by sending the original letter by mail to the corporate secretary according to the details shown on 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 right 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 the right to receive the background and personal information of each independent director for their consideration.
4. In the election of directors, the Board of Directors allows shareholders to vote for the 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 a 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 decide 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 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 the 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 commits 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 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 standards 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.

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 must 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 can 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 regularly regardless of the 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 the misunderstanding. In addition, the 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 the 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 on any changes in securities holdings by directors and executives of the Company following 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.

6.2 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 transparency and placed the importance of the customers responsibility to the community and environment, respect the law, political neutrality, considering all stakeholders, respect human rights, anti-corruption, caring for the company's assets, maintain confidential information, not using inside information for personal benefits, giving or acceptance of gifts, not violate intelligence properties, disclose information equally and fairly. The company distributes this manual to the directors, executives and employee of the company in order to communicate and create the awareness. The details are disclosed in the corporate governance policy.

In 2022, no violation in code of business ethics.

6.3 Significant Change and Development of Policy, Practices and System of Corporate Governance in the Previous Year

In 2022, the company continuously adhered to corporate governance by creating awareness through various channels and documents and by organizing a training on how to use the corporate governance manual for employees at all levels to move towards in the same direction. Additionally, the company received good co-operation from directors, employees at all levels and management has reviewed governance policy. In accordance with internal regulations and proposed to the Board of Directors for approval.

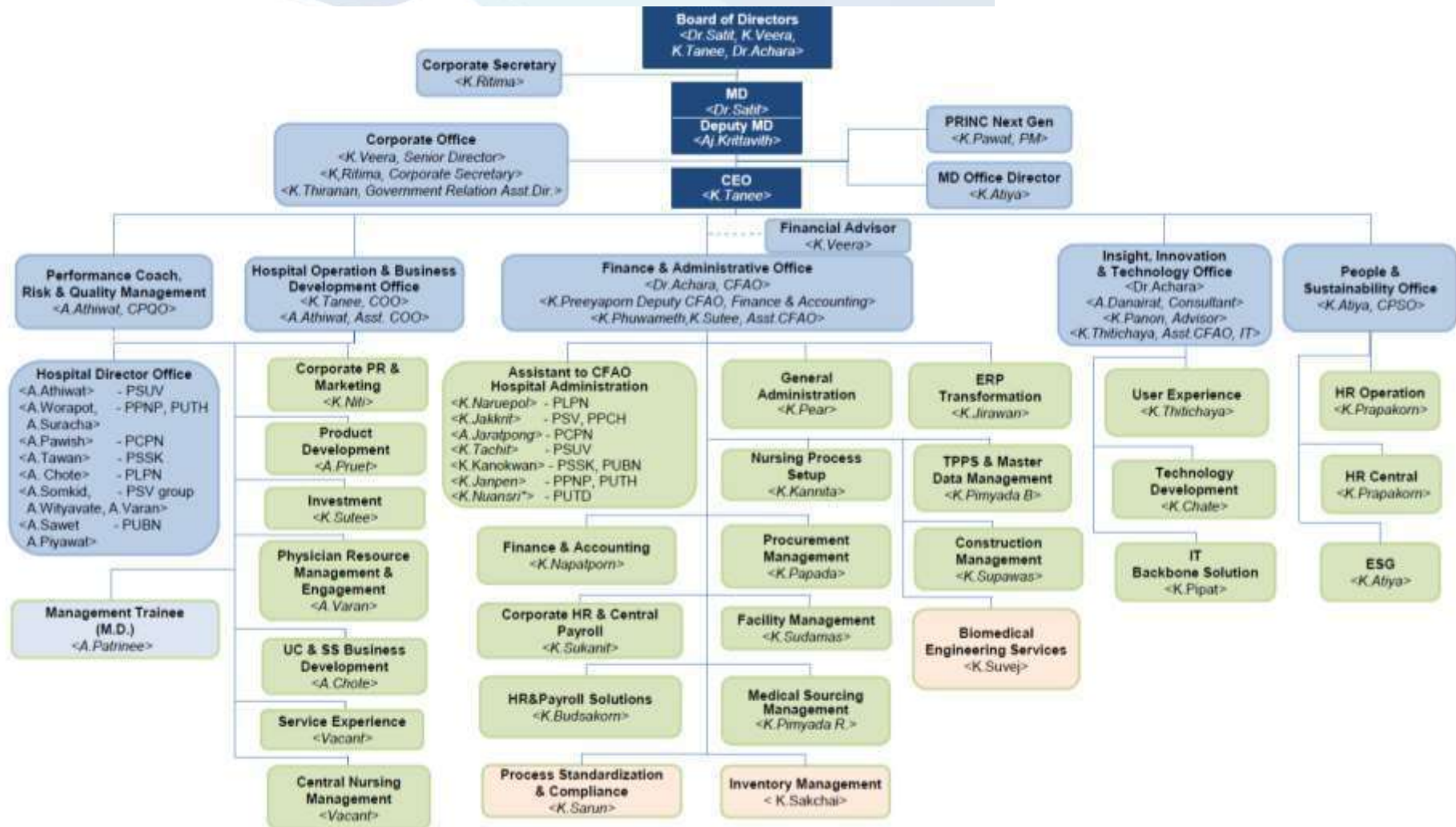
In the past year, the Company appointed a Nomination and Remuneration Committee to nominate a knowledgeable and capable person to be a director, set the performance evaluation criteria and the remuneration package for the director as well as the Company's executives. The investors can obtain more details on corporate governance information in Enclosure no.5

The unapplied topic according to the Corporate Governance Code of the listed company 2017 (CG code) is as follows;

Code No. 3.2.1 Chairman should be an Independent Director. Reason: Chairman should be knowledgeable, capable, experienced, and have expertise in the medical field. Although the Chairman of the Company is not an Independent Director, the Board of Directors set clear roles and responsibilities of the Chairman, there is a balance of power focusing on the benefits of the Company, shareholders, and all stakeholders and encourages all directors to freely discuss and make the suggestion at the meeting.

7 Management Structure/Director, Sub-committee, Management, Employee and other information

7.1 Management Structure as of December 31, 2022



7.2 Information of the Board of Directors

As of December 31, 2022, the Company's Board of Directors consist of 11 members with 3 female directors as follows:

1. Executive Director 4 persons
2. Non-Executive Directors 7 persons as follows:
 - Independent Directors 4 persons (accounted for 36.36% of total number of Board members)
 - Non-executive Directors 3 persons (accounted for 27.27% of total number of Board members)

Definition

Executive Directors: The directors hold a position in the management and are involved in the day-to-day operations of the organization.

Non-Executive Directors: The directors who do not hold a position in the management, may or may not be independent directors and are not involved in the day-to-day operations of the organization.

Independent Directors: Independent or outside directors who are not engaged in the day-to-day management of the organization and are not major shareholders. Furthermore, independent directors must have no such connection with a major shareholder, group of major shareholders, or other stakeholders.

Qualifications of Independent Director

The independent director shall be the person who has knowledge and ability in compliance with the minimum requirements of the Securities Exchange of Thailand (SET) and Securities and Exchange Commission (SEC)'s regulations as follows:

1. He/she holds not more than 1 percent of the voting shares of the Company.
2. He/she is not, nor used to be an executive director, employee, staff, salaried consultant or controlling person of the Company, its subsidiaries, affiliates, controlling person, unless such status has ended no less than 2 years prior to the appointment, except the independent director who used to be a government officer or a consultant of the government sector which is a major shareholder or the controlling person of the Company.
3. He/she is not related, whether by means of descent or legal registration, as father, mother, spouse, sibling and child, including spouse of children, with the other directors, executives, major shareholders, controlling persons, or those who will be nominated as a director.
4. He/she does not have/has not had any business relationship with the Company, major shareholders or controlling person in a manner that may hinder one's independent judgment with transaction value more than Baht 20 million or 3% of Net Tangible Assets whichever is lower unless such status has ended no less than 2 years prior to the appointment.
5. He/she is not/has not been an auditor of the Company, the parent company, subsidiaries, affiliates, major shareholders or controlling person of the Company and is not a significant shareholder, controlling person unless such status has ended no less than 2 years prior to the appointment.
6. He/she is not/has not been any professional service providers who receives service fees exceeding Baht 2 million per year from the Company, and is not a significant shareholder,

controlling person or partner of the professional advisor unless such status has ended no less than 2 years prior to the appointment.

To appoint a person who lacks qualification in no.4 and no. 6 as an Independent Director, the Board of Directors must take the criteria under Section 89/7 into consideration and prove that it will not affect his/her duty to provide independent opinion and disclose this information in the invitation to the Annual General Meeting of shareholders.

7. He/she is not a director appointed as a representative of the Company's director, major shareholders, or shareholder who is related to major shareholders.

8. He/she does not undertake any business in the same nature and in competition to the business of the Company, or its subsidiaries or holds shares exceeding 1 percent of the total voting shares of companies or being the executive director, employee, staff, salaried advisor, or salaried consultant or controlling person of the company which undertakes business in the same nature and in competition to the business of the Company or its subsidiaries

9. He/she does not possess any other characteristics that deter the ability to express independent opinions with regard to the Company's operations.

10. The Independent Director of the Company can be an Independent Director of other companies in the group but Audit Committee is not allowed to be nominated as a director of the parent company, subsidiary or the same-level subsidiary which is listed in SET.

11. After he/she is appointed as an Independent Director, such directors may have been authorized by the Board of Directors to make a collective decision in business operation of the Company, parent company, subsidiaries, affiliates, major shareholders, or the controlling persons. But the Audit Committee is not allowed to make decision in business operation.

7.2.1 Composition of the Board of Directors

1. The Board of Directors consists of at least 5 Directors and at least half of the total number of Directors must reside within the Kingdom of Thailand and the directors must have qualifications as specified by laws.

2. The Directors of the Company are appointed and must possess the complete qualifications as well as do not possess any disqualifications as specified by the Public Company Act and the Stock Exchange of Thailand. Directors must possess the knowledge, capabilities, extensive expertise, and experience that will be genuinely beneficial for the Company. They must also be a person with good moral and ethical standards and have a good track record and possess the dedication and be able to devote much time in genuinely discharging their required duties in accordance with their assigned responsibilities.

In terms of Board Diversity, Board members have diverse skills in line with the corporate business strategy shown in the Board Skill Matrix. Moreover, there is a diversity in educational background and experience according to the details of the Board of Directors in Enclosure no. 1.

Board Members		Skills and experience									
First Name	Last Name	Health care	Audit and Accounting	Finance	Legal	Business Administration	IT	Engineering	Organization Development	ESG	Marketing
John Lee	Kohshun	1				1					
Unakorn	Phruithithada		1	1		1	1				
Anuphan	Kitnitchiva				1	1					
Sillapaporn	Srijunpetch		1			1					
Jutamas	Ingpochai			1		1					
Nattawuth	Prasertsiripong	1				1					
Sakarin	Tangkavachiranon					1		1			
Satit	Viddayakorn	1				1		1	1		
Veera	Srichanachaichok		1	1		1					
Tanee	Maneenut	1				1		1			
Achara	Ratanaphunsri	1		1		1	1		1		
		5	3	4	1	11	2	3	2	0	0

3. The Company's Independent Director must qualify as specified in the definition of Independent Director of the Company which complies with the announcement of the Securities Exchange and Commission and relevant rules and regulations of the Stock Exchange of Thailand.

4. The Chairman of the Board shall not be a part of management team and not the same person as the Chairman of the Executive Committee.

5. The Board of Directors of the Company has appointed a Company Secretary and has disclosed details regarding the appointment of the Corporate Secretary in Enclosure no. 1. The Secretary is responsible for advising the directors and the Company on conducts and relevant laws and regulations that they must comply with, arranging the Board of Directors meetings and the Annual General Meeting of Shareholders; liaising with regulatory agencies and overseeing information disclosure and reporting to the regulatory agencies and general public correctly and completely according to the laws.

7.2.2 Information of the Board of Directors and the Controlling Person

As of December 31, 2022, name list of 11 directors who are Board members and member of Sub-Committee are as follows:

Name	Position
1. Mr. John Lee KohShun	Chairman of the Board
2. Mrs. Unakorn Phruithithada	Independent Director and Chairman of the Audit Committee
3. Dr. Anuphan Kitnitchiva ^{1/}	Independent Director/Chairman of Nomination and Remuneration Committee
4. Associate Professor Dr.Sillapaporn Srijunpetch	Independent Director and Member of the Audit Committee
5. Dr. Jutamas Ingpochai	Independent Director/Member of the Audit Committee/Member of Nomination and Remuneration Committee
6. Mr. Sakarin Tangkavavachiranon	Director
7. Mr. Nattawuth Prasertsiripong	Director
8. Dr. Satit Viddayakorn	Director/Managing Director/Chairman of the Executive Committee/Chairman of the Risk Management Committee and Secretary of Nomination and Remuneration Committee
9. Mr. Veera Srichanachaichok	Director/Executive Director/Member of Risk Management Committee
10. Mr. Tane Maneenut ^{2/}	Director/Executive Director/Member of Risk Management Committee
11. Dr. Achara Ratanaphunsri	Director/Executive Director/Member of Risk Management Committee

Remark : Director no. 2-4 are authorized directors

- 1/ Dr. Anuphan Kitnitchiva was appointed as a director on April 25, 2022 and was appointed as a Chairman of Nomination and Remuneration Committee effective on May 11, 2022.
- 2/ Mr. Tane Maneenut was appointed as a director effective on April 25, 2022.

Authorized Directors: Mr. Satit Viddayakorn or Mr. Veera Srichanachaichok or Mr. Tane Maneenut or Mrs. Achara Rattanaphunsri, 2 of 4 directors co-sign with company's seal affixed. The investor can find more details of components, qualifications, period in the position, roles and responsibilities of the Board of Directors which is specified under the topic of composition and qualifications of the Board of Directors in Corporate Governance Policy in the Enclosure no. 5.

Segregation of role and responsibilities between Board of Directors and management team

The Company clearly segregates duties and responsibilities between the Board of Directors and the management team.

- The Board of Directors has a duty to set the Company's policy and supervise the operations of the executives at the policy level.
- The management team is responsible for managing the Company's operations in various aspects, having the Managing Director as a leader of the Company's management team in managing the business operation to comply with the policies set by the Board of Directors.

Roles and responsibilities of Chairman of the Board

Chairman of the Board of Directors and Chairman of the Executive Committee shall not be the same person. The Chairman of the Board of Directors has the following roles and responsibilities:

- 1) To call the Board of Directors meeting and acting as the Chairman of the Board and Chairman of the shareholders' meeting. Participate in setting meeting agenda with the Board of Directors and Chief Executive Officer.
- 2) To effectively control the Board of Directors and shareholders' meeting to comply with the Company's rules and regulations.

- 3) To support and give an opportunity to the Company's directors to show their opinions independently and equally.
- 4) To support and encourage the Board of Directors to perform their duties to their full capacity based on the scope of responsibilities in good corporate governance principle.
- 5) To monitor and follow up the Board of Directors' work as well as Sub-Committee's work to achieve the Company's objectives.
- 6) In case there is a vote by the Board of Directors and the votes are equal, the Chairman of the Board shall vote as an additional vote and be deemed to be a decisive vote.

Roles and responsibilities of Managing Director

- 1) Implement the policies set by the Board of Directors to achieve the good operating result.
- 2) Manage and control general business operation of the Company to comply with the objective, policy, rule and regulation of the Company.
- 3) Consider a business investment plan and propose to the Executive Committee and Board of Directors for approval.
- 4) Enter into a legally binding transaction within the scope as specified in the Company's policy relating to authorization procedures.
- 5) Other duties delegated by the Board of Directors' meeting resolution and/or Shareholders' meeting resolution of the Company.

The delegation of authority to the Managing Director will not be a delegation of authority that enables the Managing Director to approve the transaction that he/she has a conflict of interest with the Company or the subsidiaries except the approval of transaction that complies with the Company's policy and the criteria approved by the Board of Directors. Such transaction must be proposed to the Board of Directors' meeting and/or shareholders' meeting for approval in accordance with the relevant law and regulation set by the Stock Exchange Commission.

The Board of Directors' Meeting

The schedule for the Board of Directors' meeting shall be set in advance in January of every year. The secretary shall send the meeting agenda to each director in advance so that directors can manage time to attend the meeting. However, the meeting date and time can be changed as appropriate depending on the agenda.

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.

7.3 Information of Sub-Committees

The 4 Sub-committees under the Board of Directors include audit committee, nomination and remuneration committee, executive committee and risk management committee.

1. 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 following 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 as well as risk management system, selecting the Company's external auditors, considering conflict of interest issues, and risk management. Discuss with the independent external auditor about their comments of the financial statements.

As of December 31, 2022, the list of Audit Committee members is as follows:

Name	Position
1. Mrs. Unakorn Phruithithada	Chairman of Audit Committee
2. Associate Professor Dr. Sillapaporn Srijunpetch	Member of Audit Committee
3. Dr. Jutamas Ingpochai	Member of Audit Committee
4. Miss. Ritima Jirasuradate	Secretary of the Audit Committee

Please find the additional information regarding composition, qualifications, period in the position, roles and responsibilities of the Audit Committee which are specified in the Charters of the Audit Committee in the Enclosure no. 5 and the report of the Audit Committee is in the Enclosure no. 6.

2. Nomination and Remuneration Committee

As of December 31, 2022 the list of Nomination and Remuneration Committee consist of 3 members as follows:

Name	Position
1. Dr. Anuphan Kitnitchiva ^{1/}	Chairman of Nomination and Remuneration Committee
2. Dr. Jutamas Ingpochai ^{1/}	Member of Nomination and Remuneration Committee
3. Dr. Satit Viddayakorn,	Member of Nomination and Remuneration Committee

Remark: 1/ Being an Independent Director

Please find the additional information regarding composition, qualifications, period in the position, roles and responsibilities of the Nomination and Remuneration Committee in the Enclosure no. 5 and the report of the Nomination and Remuneration Committee is in the Enclosure no. 6.

3. Executive Committee

Executive Committee is appointed by the Company's Board of Directors to support the Board of Directors to manage the day-to-day operation in compliance with the business policy and target under the authority assigned by the Board of Directors. As of December 31, 2022, the list of Executive Committee was as follows:

Name	Position
1. Dr. Satit Viddayakorn	Chairman of the Executive Committee
2. Dr. Kittavith Lertutsahakul ^{1/} , M.D.	Executive Director
3. Mr. Veera Srichanachaichok	Executive Director
4. Mr. Tanee Maneenut	Executive Director
5. Dr. Achara Ratanaphunsri	Executive Director
6. Dr. Athiwat Noiprasit, M.D.	Executive Director
7. Miss Atiya Awachanakarn ^{2/}	Executive Director
8. Miss Preeyaporn Apiwathwittaya	Executive Director
9. Miss Ritima Jirasuradate	Executive Director and Secretary of the Executive Committee

Remark : 1/ Dr. Kittavith Lertutsahakul, M.D. was appointed as an Executive Committee member on November 9, 2022

2/ Miss Atiya Awachanakarn was appointed as an Executive Committee member on November 9, 2022

3/ Mr.Jatuphol Chavapatanakul was appointed as an Executive Committee member on October 20, 2022

Please find the details of authorities and responsibilities of the Executive Committee in the Enclosure no. 5.

4. Risk Management Committee

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, 2022, there were 9 members of Risk Management Committee consisting of

Name	Position
1. Dr. Satit Viddayakorn	Chairman of Risk Management Committee
2. Mr. Veera Srichanachaichok	Member of Risk Management Committee
3. Mr. Tanee Maneenut	Member of Risk Management Committee
4. Miss Preeyaporn Apiwathwittaya	Member of Risk Management Committee
5. Dr. Achara Ratanaphunsri	Member of Risk Management Committee
6. Miss Atiya Awachanakarn	Member of Risk Management Committee
7. Dr. Athiwat Noiprasit, M.D.	Member of Risk Management Committee
8. Miss Ritima Jirasuradate	Member of Risk Management Committee and Secretary of Risk Management Committee

Remark : Mr.Jatuphol Chavapatanakul was appointed as an Executive Committee member on October 20, 2022

Please find the additional information regarding composition, qualifications, period in the position, authorities and responsibilities of Risk Management Committee which are specified in the Charters of the Risk Management Committee in the Enclosure no. 5 and Report of Nomination and Remuneration Committee in the Enclosure no. 6.

7.4 Information of the Executives

- The list of Company's executives on December 31, 2022 is as follows:

Name	Position
1. Dr. Satit Viddayakorn	Managing Director
2. Dr. Kittavith Lertutsahakul, M.D.	Deputy Managing Director
3. Mr. Tanee Maneenut	Chief Executive Officer
4. Dr. Achara Ratanaphunsri	Chief Finance and Administrative Officer
5. Dr. Athiwat Noiprasit, M.D.	Chief Performance Coach, Risk & Quality Management
6. Miss Atiya Awachanakarn	Chief People & Sustainability Office

- List of the executives of the subsidiaries that operate main business

Principal Healthcare Co., Ltd. (PRINH)

List of PRINH's executives as of December 31, 2022 is as follows:

Name	Position
1. Dr. Satit Viddayakorn	Managing Director
2. Dr. Kittavith Lertutsahakul, M.D.	Deputy Managing Director
3. Mr. Tanee Maneenut	Chief Executive Officer
4. Dr. Achara Ratanaphunsri	Chief Finance and Administrative Officer
5. Dr. Athiwat Noiprasit, M.D.	Chief Performance Coach, Risk & Quality Management

Name	Position
6. Miss Atiya Awachanakarn	Chief People & Sustainability Office

The remuneration package for the executive of the Company will be based on the experience, responsibilities and individual performance in the level that can motivate and retain good quality executives. It also takes the Company's performance into consideration and comparing with the remuneration of other companies in the same industry.

1) Monetary remuneration

In 2022, the Company paid the remuneration consisting of salary and bonus to 6 executives of the Company and its subsidiaries total amounting to Baht 38,555,429.

The 2022 monetary remuneration of the Managing Director is about 8.09 times of average remuneration of all staffs (include all staffs exclude managing director).

2) Other remuneration

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.

7.5 Information of Personnel

1. Number of employee

In 2020-2022, the number of employee of Company and subsidiaries are summarized as follows:

Company name	2020		2022		2022	
	Operational Level (person)	Executive Level (person)	Operational Level (person)	Executive Level (person)	Operational Level (person)	Executive Level (person)
Principal Capital PCL.	193	20	239	21	281	26
Principal Healthcare Co., Ltd.	181	62	224	87	318	96
Pitsanuloke Medical Co., Ltd.	627	15	622	15	686	13
Union Pichit Doctors Co., Ltd.	322	2	157	2	167	1
Pitsanuvej Uttaradit Hospital Co., Ltd.	107	2	112	2	103	2
Paknam Hospital Co., Ltd.	380	12	409	10	456	9
Principal Healthcare – Uthai Co., Ltd.	63	3	68	1	79	2
Principal Healthcare – Lamphun Co., Ltd.	116	7	206	8	256	7
Principal Healthcare – Chumphon Co., Ltd.	232	3	228	5	267	3
Principal Healthcare – Ubonratchathani Co., Ltd.	58	2	87	4	109	4
Principal Healthcare – Sisaket Co., Ltd.	2	-	75	2	96	3
Principal Healthcare – Sakon Nakhon Co., Ltd.	-	-	-	-	37	1
V Residence Co., Ltd.	55	1	49	1	46	5
VMEA Co.,Ltd.	123	13	120	13	127	14
Klaiban Klaijai Co., Ltd.	-	-	76	19	96	22
PNKG Co., Ltd.	-	-	-	-	13	1
Pewdee Clinic Esthetics Co., Ltd.	-	-	-	-	50	-
Total	2,459	142	2,672	190	3,089	307

2. Employee Remuneration

The remuneration to the employee include salary, overtime, bonus, social security and other employee welfare etc.

	2020	2021	2022
Salary, bonus and other benefits	906.20	1,246.25	1,645.50

7.6 Other Important Information

7.6.1 Information of Chief Accountant, Company Secretary, Head of Internal Audit and Head of Compliance

Chief Accountant

Miss Preeyaporn Aphiwarthwittaya, Chief Accountant had been appointed as the person supervising accounting of the Company since November 1, 2013. The details of the Chief Accountant is shown in the Enclosure no. 1.

Company Secretary and Head of Compliance

The Board of Directors appointed Miss Ritima Jirasuradate as a Company Secretary with the duties to prepare the Invitation to Board of Directors' meeting, minutes of the Board of Directors' meetings, annual report, Invitation to the shareholders' meetings, minutes of the shareholders' meetings. Not only being a Company Secretary, but she is also Head of Compliance. The details of a Company Secretary and Head of Compliance is shown in the Enclosure no.1.

Head of Internal Audit

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 details of Head of Internal Audit is shown in the Enclosure no. 3.

7.6.2 Head of Investor Relations

Mr. Suthee Pongsapas acts as Head of Investor Relations of the Company, who is a central resources for the important information disclosure to the investors, including the financial information and keys operating performance together with quarterly Management Discussion and Analysis: MD&A every quarter via Stock Exchange of Thailand website and the Company's website, holding press conferences for analysts, investors and general public during the year. The activities of the Company's investor relation in 2022, included holding two analyst meetings, participate in SET opportunity day twice, holding two investor meetings, two retail investor meetings and 15 phone interviews.

The investors can contact the Company to request information about the Company via website, telephone, fax, email or access the Company's information through the Company's website

<http://www.principalcapital.co.th/investor> or contact to request for information from the Company's Investor Relation Department as follows:

Telephone : 02-009-2015
Fax : 02-714-2185
ทางอีเมล : ir@principalcapital.co.th

7.6.3 Audit Fee

1. Audit fee

In 2022, the Company paid the audit fee to PricewaterhouseCoopers ABAS Co., Ltd. for the auditing and reviewing financial statement of the Company amounting to Baht 2,802,000 and for the 16 subsidiaries of Baht 11,558,350 totalling Baht 14,360,350.

2. Other non-audit service

For the fiscal year ended December 31, 2022, the Company paid non-audit fee for the Company and its subsidiaries amounting to Baht 538,731

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Corporate Governance Report

8. Corporate Governance Report

8.1 Summary of the Performance of the Board of Directors

8.1.1 Nomination, Development, Performance Evaluation of the Board of Directors

- Appointment of the Board members

In respect to the appointment of Board members, the Nomination and Remuneration Committee will be responsible for selecting and screening the qualified persons according to the Company's Articles of Association and no prohibited characteristics as specified in relevant laws and regulations. The independent director must have knowledge and ability in compliance with the requirements of the Securities and Exchange Commission (SEC). The suitable candidate will be proposed to the Board of Directors 'approval in order to propose the short-listed to the Annual General Meeting of the Shareholders to cast their votes according to the established criteria. The Nomination and Remuneration Committee will consider nature of business, future direction and consider a director who have knowledge, experience in related industry and using the Board Skill Matrix as a tool to consider the qualification and required skill of the director.

- Selection Senior Executives

In respect to the selection of senior executives, the Board of Directors assigns the Managing Director and Chairman of the Executive Committee to be responsible for the selection of senior executives. The Nomination and Remuneration Committee will review the candidate's qualifications in terms of knowledge, experiences, skills, and attitude that would be beneficial to the Company's business operation and drive the organization in the direction to achieve the Company's goal.

- Directors and Management Training

Knowledge and understanding to perform the duty

When there is an appointment of a new director, the Nomination and Remuneration Committee will assign the corporate secretary to deliver the Company's Charter, Corporate Governance Policy to a new director and introduce the role and responsibilities of directors and coordinate for new director's orientation from the management and ensure that he/she receives the documents which have the details about company's nature of business operations, corporate mission, and business direction.

In addition, the Nomination and Remuneration Committee also assigns the corporate secretary to inform the new director about the information about the necessary training course to enable him/her to perform the duty perfectly with transparency according to the Corporate Governance Code and able to maintain the benefits for all stakeholders.

In case there is a new executive joining the Company, The Company will hold an in-depth orientation for new senior executives to learn about the nature of company's business, corporate mission and business direction also get the information about the scope of work from the major departments in order to see an overview of the organization.

Succession Plan

The Nomination and Remuneration Committee will follow up and assign the management to plan for the development and succession of high-level executives to ensure the ongoing of the

business by participating in the selection and screening qualifications of the senior executive's candidate to ensure that he/she is qualified in term of educational background, experience and attitude and in compliance with the relevant law and regulations.

Director Training

The Company encourages and facilitates training related to corporate governance for directors to enable them to improve their performance continuously. In addition, all members of the Board passed DCP course from Thai Institute of Director Association (IOD) and other relevant training programs like Role of the Chairman Program (RCP), Advanced Audit Committee Program (AACP), Director Accreditation Program 2006 (DAP), Strategic Board Master Class and Executive Development Program (EDP) etc.

Executive Training

The Company encourages the executives to attend training courses every year and accommodating by sourcing for the external training course, and holding the in-house training course to enhance the executives' knowledge in various aspects like good corporate governance, sustainable business growth, and other skills enhancement, as well as encourage the exchange of idea and experiences between each other, which will lead to potential and operational efficiency enhancement for the organization.

– **Performance evaluation of the Board of Directors, Sub-Committee and Senior executives**

Performance evaluation of the Board of Directors and Sub-Committee

The Nomination and Remuneration Committee considers the self-evaluation guideline of the IOD and allows the Board of Directors and Sub-Committee to regular evaluate the operation performance at least once a year. The topics for the performance evaluation of each Committee are as follows:

- 1) Structure and qualification of the Committee
- 2) Roles, duty and responsibilities of the Committee
- 3) Committee Meeting
- 4) Dynamics of the performance of the Committee
- 5) Relationship with management team
- 6) Director development
- 7) Report of the Committee (for Sub-Committee)

Topics for performance evaluation of each director are as follows:

- 1) Personal qualification
- 2) Readiness for the duty
- 3) Participation in the meeting
- 4) Roles, duty and responsibilities
- 5) Relationship with the Committee and management team

Performance evaluation processes are as follows:

1. The corporate secretary will dispatch each director a Committee evaluation form and the self-evaluation form.
2. The corporate secretary will collect and submit the evaluation forms to the Nomination and Remuneration Committee.

3. The Nomination and Remuneration Committee will summarize the results and propose the improvement efficiency method to the Board of Directors for the highest benefit of all stakeholders according to the good corporate governance principle.

In respect to the result of performance evaluation of Board of Directors, Sub-Committee in term of each Committee and individual director for the year 2022 turned out to be favourable.

Performance evaluation of Senior Executive

The Nomination and Remuneration Committee evaluate the senior executives (C-Level and the executive with direct report to Managing Director) include Managing Director, Deputy Managing Director, Chief Executive Officer, Senior Vice President, and Chief Officer in various departments by using the tools called OKR or Objectives and Key Results. The evaluation criteria are as follows:

1. The senior executive will set his/her own goals and the key performance indicators (KPI) which must be in line with the Company's vision, mission, and objectives.
2. The Nomination and Remuneration Committee will consider and review the goals and individual KPIs and give recommendation to ensure that the goals and action plans of all senior executives cover key aspects like numerical performance target, business expansion target, quality improvement target, sustainable business operation and able to drive the organization efficiently and effectively.

The evaluation procedures with OKR tools are as follows:

1. At the beginning of each quarter, the senior executives must set his/her individual goal and KPIs present to the Nomination and Remuneration Committee and his/her supervisor in line of command for the comment, recommendation and add the missing goals and KPIs to cover the key aspects and in line with the Company's goals.
2. The secretary of the Nomination and Remuneration Committee will collect the reviewed OKR of all senior executives.
3. The senior executives will report his/her performance based on the goal and individual KPIs on a quarterly basis to conclude and present to the Board of Directors to discuss the challenge and review relevant strategies.
4. The performance evaluation results will be taken into consideration the appropriateness of the remuneration adjustment and annual bonus payment rate.

The performance evaluation and the key indicators of the senior executives in all department as well as the Company's operating performance in 2022 was favorable and has been reported to the Board of Directors in the Board of Directors Meeting no. 1/2023 dated February 24, 2023 for acknowledgment. In 2023, the Board of Directors, the Nomination and Remuneration Committee and management team are aware of the challenge faced by the Company. The goals and KPIs for this year have been set to cope with the challenge and generate the good operating performance.

8.1.2 Meeting Attendance and Remuneration of Each Director

The Board of Directors set the policy regarding the minimum quorum. To cast the vote in Board of Directors Meeting, at least two-thirds of total directors must attend the meeting. In case of casting the vote of non-conflict of interest directors only, at least two-thirds of total non-conflict of interest directors must attend the meeting. There must be a non-executive director meeting with no attendance of management team at least once a year. The corporate secretary will be responsible for meeting arrangement and sending meeting agenda to the directors at least 7 days prior to the meeting date to allow them to study, consider and make decision as well as able to manage their time to attend the meeting.

Director name	Position	Number of attendance/Number of meetings						Shareholder's Meeting	Reason for absence
		The Board of Directors	Executive Committee	Risk Management Committee	Audit Committee	Nomination & Remuneration Committee			
- Mr. John Lee KohShun	- Chairman of The Board	7/7					1/1	-	
- Mrs. Unakorn Phruithithada	- Independent Director - Chairman of Audit Committee	7/7			5/5		1/1	-	
- Dr. Anuphan Kitnitchiva, Ph. D. ^{2/}	- Independent Director - Chairman of Nomination and Remuneration Committee	5/7					1/1	Please see remark no. 2	
- Associate Prof. Dr. Sillapaorn Srijunpetch Ph. D.	- Independent Director - Member of Audit Committee	7/7			5/5		1/1	-	
- Dr. Jutamas Ingpochai, Ph. D.	- Independent Director - Member of Audit Committee - Member of Nomination and Remuneration Committee	7/7			5/5	1/1	1/1	-	
- Mr. Sakarin Tangkavachiranon	- Director	7/7					1/1	-	
- Dr. Nattawuth Prasertsiripong, M.D	- Director	7/7					1/1	-	
- Dr. Satit Viddayakorn Ph. D. ^{3/}	- Director - Managing Director - Chairman of Executive Committee - Chairman of Risk Management Committee - Member and Secretary of Nomination and Remuneration Committee	6/7	10/12	4/4		1/1	1/1	Please see remark no. 3	
- Dr. Kittavith Lertutsahakul, M.D. ^{1/}	- Deputy Managing Director - Executive Director		2/7				1/1	Please see remark no. 1	
- Mr. Veera Srichanachaichok	- Director - Executive Director - Member of Risk Management Committee	7/7	12/12	4/4			1/1	-	
- Mr. Tanee Maneenut ^{4/}	- Director - Executive Director - Member of Risk Management Committee	5/7	12/12	4/4				Please see remark no. 4	
- Dr. Achara Ratanaphunsri, Ph. D.	- Director - Executive Director - Member of Risk Management Committee	7/7	12/12	4/4			1/1	-	
- Dr. Athiwat Noiprasit, M.D.	- Executive Director - Member of Risk Management Committee		11/12	4/4				-	
- Miss Atiya Awachanakarn ^{6/}	- Executive Director - Member of Risk Management Committee		2/12	4/4		1/1		Please see remark no. 6	

Director name	Position	Number of attendance/Number of meetings						
		The Board of Directors	Executive Committee	Risk Management Committee	Audit Committee	Nomination & Remuneration Committee	Shareholders Meeting	Reason for absence
	- Assistant to secretary of Nomination and Remuneration Committee							
- Miss Preeyaporn Aphiwattwittaya	- Executive Director - Member of Risk Management Committee		12/12	4/4				-
- Mr. Sirichai Towiriyawate	- Member of Risk Management Committee			4/4				-
- Miss Ritima Jirasuradate	- Executive Director and secretary of Executive Director - Secretary of Risk Management Committee - Secretary of The Audit Committee - Corporate Secretary	7/7	12/12	4/4	5/5		1/1	

Remark :
 1/ Dr. Kittavith Lertutsahakul, M.D. was appointed as an executive director effective on November 9, 2022.
 2/ Dr. Satit Viddayakorn, Ph.D. was absent due to on duty
 3/ Dr. Anuphan Kitnitchiva, Ph.D. was appointed as a director effective on April 25, 2022.
 4/ Mr. Tanee Maneenut was appointed as a director effective on April 25, 2022.
 5/ Mr. Jatupol Chavapatanakul resigned from executive director position effective on October 20, 2022.
 6/ Ms. Atiya Awachanakarn was appointed as an executive director effective on November 9, 2022.

Remuneration for the Board of Directors and Sub-committee

1) Monetary remuneration

In 2022, the company held a total of 7 Board of Director's Meeting, 5 Audit Committee Meetings, 1 Nomination and Remuneration Committee Meeting, 12 Executive Committee Meetings and 4 Risk Management Committee Meetings. Total meeting allowances for the Board of Director's Meeting and Sub-committees amounted to THB 590,000. Also paid an annual bonus to all directors and a monthly allowance totaling THB 2,845,833.33 and THB 3,160,000 respectively. In addition, the Company paid a medical allowance amounting to THB 319,798.35 The total remuneration for the year was THB 6,915,631.68.

Name of directors	Meeting allowance for Board of Directors, Subcommittee (THB)	Annual bonus for directors (THB)	Monthly Allowance (THB)	Medical Allowance (THB)	Total (THB)
1. Mr. John Lee Kohshun	-	450,000	-	152,292.35	602,292.35
2. Mrs. Unakorn Phruithithada	142,500.00	298,924.73	600,000.00	-	1,041,424.73
3. Dr. Anuphan Kitnitchiva, Ph.D.	112,500.00	-	400,000.00	1,159.00	513,659.00
4. Dr. Sillapaorn Srijunpetch, Ph.D.	95,000.00	204,166.67	540,000.00	-	839,166.67
5. Dr. Jutamas Ingpochai, Ph.D.	100,000.00	300,000	540,000.00	-	940,000.00
6. Mr. Sakarin Tangkavachiranon	70,000.00	150,833.33	540,000.00	-	760,833.33
7. Dr. Nattawuth Prasertsiripong, M.D.	70,000.00	13,709.68	540,000.00	-	623,709.68
8. Dr. Satit Viddayakorn, Ph.D.	-	300,000	-	52,373.05	352,373.05
9. Mr. Veera Srichanachaichok	-	300,000	-	95,251.90	395,251.90
10. Dr. Achara Ratanaphunsri, Ph.D.	-	300,000	-	4,550.30	304,550.30
11. Mr. Tanee Maneenut	-	-	-	14,171.75	14,171.75

Name of directors	Meeting allowance for Board of Directors, Subcommittee (THB)	Annual bonus for directors (THB)	Monthly Allowance (THB)	Medical Allowance (THB)	Total (THB)
12. Dr. Pongsak Viddayakorn, M.D. ^{1/}	-	286,290.32	-	-	286,290.32
13. Mr. Yarnsak Manomaiphiboon ^{2/}	-	196,908.60	-	-	196,908.60
14. Miss Aranya Chalernpornvarodom ^{3/}	-	45,000.00	-	-	45,000.00
Total	590,000.00	2,845,833.33	3,160,000.00	319,798.35	6,915,631.68

Remark : The bonus of directors was derived from the operating performance for the year 2021 and recorded as expenses in 2022.

1/ Dr. Pongsak Viddayakorn resigned from the director position effective on December 15, 2021.

2/ Mr. Yarnsak Manomaiphiboon resigned from the director position effective on June 20, 2021.

3/ Miss Aranya Chalernpornvarodom resigned by rotation from the director position effective on April 28, 2021.

2) Other remuneration

Medical allowance and Annual Health Check-up

The Company's director and the directors of PRINC's wholly-owned subsidiaries will obtain a medical allowance of Baht 1,000,000 per person per year at Princ Hospital Suvarnabhumi.

Discount medical fee

- 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 30% for medical expenses at Princ Hospital Suvarnabhumi along the period that they are in the director position.

Insured amount

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.

8.1.3 Corporate Governance of Subsidiary Companies and Associated Companies

The Company's Board of Directors has determined the operating framework for the corporate governance of the subsidiary companies and the joint venture in which the company invested in to be at an appropriate level to protect the overall interest of the Company's investment by:

- Assigning persons as representatives of the Company to be Board Directors, senior Management or a party with controlling power over the companies. This will be based on the percentage shareholding held by the Company and with the concurrence of the Board of Directors' meeting.
- Determining the clear scope of authority, duties and responsibility of the Directors or senior Management members who have been assigned to be representatives of the Company.
- Establishing the operating mechanisms to oversee the required disclosures of information relating to the financial status and operating performance of these organizations, the related transactions with connected parties, the acquisition or disposal of assets, or any other important transactions undertaken by these companies. This is so that these transactions are

important transactions undertaken by these companies. This is so that these transactions are undertaken in a correct and comprehensive manner, based on the same principles of information disclosures of the Company that are to be made through a central unit involving the finance and accounting departments to enable using the relevant information in preparing the financial statements of the Company in accordance with the established standards and required time frame of the Security and Exchange Commission and the Stock Exchange of Thailand.

4. Establishing the appropriate and adequate internal control systems which enable to process the transaction in compliance to the law and related regulation whereby the internal control system shall be reviewed and audited by the internal audit unit of the Group.

8.1.4 Monitoring Compliance with the Corporate Governance Policy and Practices

The Company places an importance to the good corporate governance by setting the policy and relevant guidelines as well as business ethics, also train and communicate such information to the employee. The Company encourage them to put into action to enhance all stakeholders' confidence. The 4 monitoring issues to ensure the good corporate governance practice are as follows:

(1) Prevention of Conflict of Interest

The Company has in place a policy to prevent conflict of interest based on prudence, honesty, rationale, and independence within the ethical framework for the Company's interests. The policy stipulates that a person who may have conflict of interest and/or a connected person as well as related parties involving in a transaction who discloses the information on the interests of his/her own and related parties' to the Company for acknowledgement and have no authority to approve the transaction in which he/she has interests.

The Company has a policy to do connected party transaction and the transactions with conflict of interests according to the law and regulation of SEC and also disclose such transaction in the annual report.

(2) Misuse of inside information for personal benefits

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 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 the 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:

2.1) 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 the Securities and Exchange Act B.E 2535 and the requirements of the Stock Exchange of Thailand.

2.2) Designate the executives to report the movement of their securities holdings 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 the

belief that they are illegal by laws, regulations, and governmental instructions, the Company shall submit the case to state authorities for further action.

Directors' and executive's securities holding

Directors name	Number of shares					Increase/ Decrease	% shareholdin g
	As of Dec. 31, 2021		As of Dec. 31, 2022				
	Direct	Indirect	Direct	Indirect			
Mr. John Lee KohShun	-	-	-	-	-	-	
Mrs. Unakorn Phruithithada	-	-	-	-	-	-	
Dr. Anuphan Kitnitchiva, Ph.D.	-	-	-	-	-	-	
Dr. Satit Viddayakorn, Ph.D.	828,786,600	-	54,999,700	-	(173,786,900)	17.20%	
Associate Prof. Dr. Sillapaorn Srijunpetch, Ph.D.	-	-	-	-	-	-	
Dr. Jutamas Ingpochai, Ph.D.	-	-	-	-	-	-	
Mr. Veera Srichanachaichok	1,500,000	5,000,000	-	1,300,000	(5,200,000)	0.03%	
Dr. Achara Ratanaphunsri, Ph.D.	5,120,000	1,021,100	400,000	1,021,100	(4,720,000)	0.01%	
Dr. Achara Ratanaphunsri, Ph.D.	-	-	-	-	-	-	
Dr. Nattawuth Prasertsiripong, M.D.	-	-	-	-	-	-	
Mr. Tanee Maneenut	-	-	-	-	-	-	
Dr. Athiwat Noiprasit, Ph.D.	2,446,500	-	1,036,200	-	(1,410,300)	0.03%	
Miss Atiya Awachanakarn	158,200	220,000	134,500	220,000	(23,700)	0.01%	
Dr. Kittavith Lertutsahakul, M.D.	-	-					
Total	838,011,300	6,241,100	656,570,400	2,541,100	(185,140,900)	17.31%	

(3) 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” on June 7, 2018 and Re-Accreditation on June 30, 2021 to show its intention and determination against all forms of corruption with the following policy.

3.1) 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.

3.2) The Company adopts a political neutrality policy and shall not participate in any activities that might bring the understanding that the Company has a relationship with or provide political contribution to any political party or a 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.

3.3) 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.

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

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

3.6) The Company shall arrange the training 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, to promote their integrity and responsibilities on duties as well as to be acknowledged on the Company's intention.

Fraud and Corruption Prevention

Fraud and Corruption Prevention helps reduce the risk from corruption in the organization therefore, the appropriate internal control and create the awareness and value against the corruption to the personnel in the organization is important to prevent the corruption in the organization. Fraud and corruption prevention measures consists of 5 activities as follows:

1. Corruption risk assessment

The corruption risk assessment has an objective to enable all business units to actively identify, evaluate and review corruption risk of the organization and build the awareness of the risk that may incur and the effect to the organization to ensure that the risk from corruption is managed immediately. There are 4 risk assessment processes as follows:

Step 1: Determine the criteria to assess the impact and opportunity to incur and also determine the acceptable risk level.

Step 2: Identify corruption risk, major cause and impact as well as analyse the severity and opportunity to incur before considering the existing internal control system.

Step 3: Evaluate existing internal control system analyse the severity and opportunity to incur after having the internal control system.

Step 4: Determine the measures to reduce risk to the acceptable level in case the existing internal control measures is not adequate to protect the corruption risk.

2. Set the related anti-corruption policy

The Company has set a policy, manual and measure against the fraud and corruption, anti-corruption risk management manual, good corporate governance and business ethics, guideline to support the politic, guideline for donation and business sponsor, accept and give the present etc. for the Company's personnel to understand the ethics and good conduct to create awareness and value against the fraud and corruption to the personnel of the organization.

However, the related policy must be approved by the Company's Board of the Directors. In addition, the Company shall review and improve the policy, and related manual every

2 years to ensure that risk from fraud and corruption is manageable and having appropriate legal coverage.

3. Communication and Training

The communication and training is important to prevent fraud and corruption in order to understand and aware of the importance to follow the guideline and related anti-fraud and corruption manual as well as the anti-corruption measures and also encourage the employee to participate in corruption and fraud risk management of the organization and being a part to prevent and notify the corruption event in the organization and to show the determination against fraud and corruption and transparent business operation of the Company. Therefore, Human Resource department will prepare the written anti-corruption policy and the communication plan to the company's personnel and relevant stakeholders via various channels including Company's newsletter, training, Company's intranet and website etc. as appropriate. The communication plan and communication channel must be reviewed and approved by the Chairman of Executive Committee on annual basis. Also, such plan must be reviewed and evaluated the internal control system by the Internal Audit Department.

4. Review the personal record of personnel and stakeholders

To review personal data of the personnel and relevant stakeholders is major factor to prevent fraud effectively. The Company assigns Human Resources Department to review personal data of the prospective employee before the employment or promotion. Purchasing Department is also responsible for reviewing the personal data of the supplier before entering into the agreement or doing related transactions. The review is allowed with the consent from those persons or related stakeholders as follows:

- Review person data of the applicant before the employment to ensure the suitability of the applicants in term of qualification and experiences.
- Review person data of the candidate before the appointment of a significant position in the Company. For example, Board of Directors, Senior executives, personnel in the finance department etc. to check the qualifications, experiences and reliability, reference person or conflict of interest that may incur from being in a new position.
- Review personal data of other stakeholders especially suppliers, contractors and service providers to the Company to be able to check the reliability, financial status, reputation and qualification related to the products and services of such stakeholders as well as director, executives and personnel who are in the significant position.

Human Resources and other related party will report the conflict of interest that may incur to the Chairman of Executive Committee and Board of Directors annually and during the year in case of change that causes the conflict of interest. The Company will not allow those who have conflict of interest in the procurement process and will punish those who do not report the conflict of interest immediately.

5. Internal Control and Monitoring

The Company place an importance on the internal control which is set by Board of Directors, executives and personnel at all level to ensure that the operation guideline would help the company to achieve its target. The executives in each department will design appropriate controlling measures to match with their scope of work. The written internal control procedures for every department must be put in place for the review and approval by the Company's executive to

ensure the transparent, independent operation and prevent the corruption. In addition, the Company will monitor, investigate fraud transaction, error and misconduct to reduce risk and bring in the technology to investigate corruption. The internal auditor will be responsible to check and review the operating procedure on a yearly basis to ensure that it complies with the guideline and make sure that the Company has sufficient and effective internal control system to control corruption risk that may incur and report to the Audit Committee.

(4) Whistleblowing

The Company has the reliable and independent channels to report corruption clue and provide an opportunity to everyone including Company's personnel and the outsiders to report corruption clue without disclosing his/her identity and having protection measure to protect the corruption reporter from hitting or threatening. This will increase the confidence and safety for those who report the fraud and corruption event.

The company's personnel can report doubts of corruption through the channels set by the Company. The punishment will be made to those who know the corruption information and those who intentionally inform untrue corruption information.

Currently there are several reporting channels. The outsiders can send their complaints and recommendations via the following channels:

1. By mail
Corporate Secretary
Principal Capital Public Company Limited
23rd floor Bangkok Business Center Building
29 Sukhumvit 63, Klongton Nua, Wattana, Bangkok 10110
2. Website : www.principalcapital.co.th
3. Email : Secretarywhistle@principalcapital.co.th
4. Telephone : +66 (2) 009-2015

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

The condition and process to consider the complaints and opinions are disclosed in details in the "Corporate Governance Policy" and the Company's website that can be accessible by the Company's personnel and the outsiders.

8.2 Performance Report of the Audit Committee during the past year

8.2.1 Number of Meeting Attendance

The number of meeting attendance of the Audit Committee is shown in 8.1.2

8.2.2 Explanation of Performance Results of the Audit Committee

(Appear in Enclosure no. 6 : Audit Committee Report)

8.3 Performance summary of Other Committee

8.3.1 Number of Meeting Attendance of other Committee

- Risk Management Committee

The number of meeting attendance of the Risk Management Committee is shown in 8.1.2

- Nomination and Remuneration Committee

The number of meeting attendance of the Nomination and Remuneration Committee is shown in 8.1.2

8.3.2 Report of other Sub-committee

- Risk Management Committee

(Please see the Report of Risk Management Committee in Enclosure no. 6)

- Nomination and Remuneration Committee

(Please see the Report of Nomination and Remuneration Committee in Enclosure no. 6)

9

Internal Control and Related Party Transaction

9.1 Internal Control

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 Kantima Kongsomyuti is the main responsible person in internal auditing of the Company and its subsidiaries. The internal control guidelines are as follows:

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.

9.2 Related Party Transaction

As of December 31, 2022, there was no related party transaction with possible conflict of interest. There were only normal business transactions between the Company and its subsidiaries that have been disclosed in the notes to financial statement for the year 2022.

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 a 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 the Audit Committee has no expertise in considering the 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 a related party transaction. However, the approval on entering into the 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 the related party transaction, the Company shall process to approve such transaction without the involvement of those who may have a conflict of interest. As such, the Audit Committee is responsible for giving an opinion regarding the entering into such 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.

For the related party transaction in due course of business, management team of the Company will report such transactions and inform Audit Committee for their acknowledgement.

Service with compassion

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022

3

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 2022, 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 2022;
- 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 including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matter

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Goodwill impairment assessment. The matter was 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 matter.

Key audit matter	How my audit addressed the key audit matter
<i>Goodwill impairment assessment</i> <p>Refer to Note 7 to the financial statements for critical estimates, assumptions and judgements and Note 19 to the financial statements for goodwill.</p> <p>According to Thai Accounting Standards, TAS 36 - Impairment of assets, the Group shall test the impairment of goodwill annually.</p> <p>Goodwill of the Group was allocated to cash generating units (CGUs) identified according to hospital segment by management. The goodwill had a book value of Baht 2,009 million.</p> <p>The management determined the recoverable amount for the CGUs based on their fair value less costs of disposal 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.</p> <p>In this regard, the Group considered there was no need to set up an allowance for goodwill impairment allocated to 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 management determined 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.</p>	<p>I obtained information about the forecasted future cash flows of the CGUs provided by the Group's management and gained an understanding of the procedures used to prepare the forecast.</p> <p>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.</p> <p>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.</p> <p>From the procedures performed above, I found that the recoverable amount assessment and management's key assumptions were within the acceptable range.</p>

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 judgement 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.

Sanicha Akarakittilap

Certified Public Accountant (Thailand) No. 8470

Bangkok

24 February 2023

Principal Capital Public Company Limited

Statement of Financial Position

As at 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	9	514,206,776	488,647,627	48,976,454	164,043,605
Financial assets measured at fair value					
through profit or loss	6	581,994,284	400,466,134	581,986,286	400,458,166
Short-term fixed deposits		3,428,903	1,404,843	-	-
Restricted deposits at financial institutions - current	14	-	360,000	-	-
Trade receivables, other receivables					
and prepayments, net	11	1,038,418,708	1,680,693,992	532,964,805	792,736,650
Current portion of lease receivables, net		-	-	1,795,446	1,731,469
Short-term loans to subsidiaries	34	-	-	129,306,646	-
Current portion of long-term loans to a subsidiary	34	-	-	23,841,849	-
Inventories, net	13	133,123,310	128,867,848	10,510,328	27,807,000
Other current assets		5,957,870	12,705,368	632,834	2,892,354
Non-current assets held-for-sale	10	-	1,010,754,130	-	-
Total current assets		2,277,129,851	3,723,899,942	1,330,014,648	1,389,669,244
Non-current assets					
Restricted deposits at financial institutions	14	5,065,561	2,804,444	-	-
Lease receivables, net		-	-	1,546,910	3,342,356
Investment in an associate		244,747	372,995	-	-
Investments in subsidiaries	15	-	-	10,283,803,197	8,012,155,283
Financial assets measured at fair value					
through profit or loss	6	330,000	330,000	330,000	330,000
Long-term loans to a subsidiary	34	-	-	1,090,372,876	2,821,572,651
Investment property, net	16	1,127,532,373	136,472,488	-	-
Property, plant and equipment, net	17	11,412,617,322	11,058,733,437	1,840,258,260	1,882,101,139
Intangible assets, net	20	265,942,481	245,676,447	3,222,223	3,778,288
Right-of-use assets, net	18	474,327,748	347,076,608	123,336,390	98,777,415
Goodwill	19	2,008,997,018	1,823,978,253	-	-
Deferred tax assets	21	12,447,488	13,383,284	-	-
Other non-current assets		192,746,898	62,622,725	71,237,248	6,352,574
Total non-current assets		15,500,251,636	13,691,450,681	13,414,107,104	12,828,409,706
Total assets		17,777,381,487	17,415,350,623	14,744,121,752	14,218,078,950

Director _____ Director _____

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

Principal Capital Public Company Limited

Statement of Financial Position (Cont'd)

As at 31 December 2022

		Consolidated financial statements		Separate financial statements	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
Notes					
Liabilities and equity					
Current liabilities					
Bank overdrafts from a financial institution		4,844,763	-	-	-
Short-term borrowings from financial institutions	22	1,024,635,815	-	1,024,635,815	-
Trade and other payables	23	794,468,476	729,768,798	83,520,192	200,505,165
Advances received from customers	24	75,765,352	657,501,562	12,004,074	210,109,443
Short-term borrowings from related parties	22, 34	-	287,270,815	515,553,647	520,132,119
Current portion of lease liabilities	22	131,494,322	84,471,255	40,165,847	34,593,821
Current portion of long-term borrowings from financial institutions	22	327,936,055	328,105,067	113,561,103	274,156,362
Current portion of long-term borrowings from a subsidiary	22, 34	-	-	4,844,178	-
Income tax payable		32,641,685	76,164,402	-	52,100,495
Deposits received from customers - current		20,061,709	45,441,843	-	-
Other current liabilities		86,801,060	95,034,551	8,717,895	22,615,138
Total current liabilities		2,498,649,237	2,303,758,293	1,803,002,751	1,314,212,543
Non-current liabilities					
Lease liabilities	22	213,701,965	164,275,247	53,296,120	49,585,330
Long-term borrowings from financial institutions	22	4,112,668,360	3,490,899,214	579,082,143	2,012,778,184
Long-term borrowings from from a subsidiary	22, 34	-	-	1,500,000,000	-
Deposits received from customers		22,972,980	-	-	-
Deferred tax liabilities	21	386,401,962	371,648,703	154,690,383	156,677,335
Employee benefit obligations	25	159,045,061	151,642,574	19,964,983	23,980,043
Hospital acquisition payables		47,791,166	53,735,061	-	-
Other non-current liabilities		15,215,311	18,936,518	112,481	1,492,823
Total non-current liabilities		4,957,796,805	4,251,137,317	2,307,146,110	2,244,513,715
Total liabilities		7,456,446,042	6,554,895,610	4,110,148,861	3,558,726,258

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

Principal Capital Public Company Limited

Statement of Financial Position (Cont'd)

As at 31 December 2022

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	26				
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	3,808,570,502	3,808,570,502
Issued and paid-up share capital					
3,808,570,502 paid-up ordinary shares at a par value of Baht 1 each		3,808,570,502	3,808,570,502	3,808,570,502	3,808,570,502
Premium on paid-up share capital		6,233,379,469	6,233,379,469	6,233,379,469	6,233,379,469
Retained earnings (deficits)					
Appropriated - legal reserve		73,001,321	73,001,321	73,001,321	73,001,321
Unappropriated		(829,872,931)	(1,076,663,397)	519,021,599	544,401,400
Other components of equity		220,041,103	769,889,936	-	-
Equity attributable to owners of the parent		9,505,119,464	9,808,177,831	10,633,972,891	10,659,352,692
Non-controlling interests		815,815,981	1,052,277,182	-	-
Total equity		10,320,935,445	10,860,455,013	10,633,972,891	10,659,352,692
Total liabilities and equity		17,777,381,487	17,415,350,623	14,744,121,752	14,218,078,950

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

Principal Capital Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Revenues from healthcare services	8	6,211,425,294	4,742,677,789	1,578,635,889	1,370,517,567
Revenues from sales and services	8	473,134,197	316,097,834	73,980,000	59,490,000
Costs of healthcare services		(4,398,878,147)	(3,389,283,415)	(1,079,995,266)	(821,272,171)
Costs of sales and services		(284,838,777)	(254,853,299)	(48,886,480)	(39,698,690)
Gross profit		2,000,842,567	1,414,638,909	523,734,143	569,036,706
Other income		120,237,470	61,904,181	47,330,179	101,193,042
Selling expenses		(85,996,840)	(61,655,538)	(10,492,428)	(11,658,595)
Administrative expenses		(1,453,892,357)	(1,044,685,570)	(471,122,681)	(281,887,040)
Other expenses		(19,707,664)	(15,010,878)	(3,538,482)	-
Finance costs	29	(162,462,602)	(146,637,646)	(105,929,567)	(84,437,640)
Share of profit (loss) from an associate		(128,248)	73,486	-	-
Profit (loss) before income tax expense		398,892,326	208,626,944	(20,018,836)	292,246,473
Income tax expense	31	(92,585,683)	(115,748,297)	(5,360,965)	(66,937,530)
Profit (loss) for the year		306,306,643	92,878,647	(25,379,801)	225,308,943
Other comprehensive income (expense) :					
Items that will not be reclassified to profit or loss					
Remeasurements of employee benefit obligations	25	9,039,260	13,203,966	-	-
Deferred income tax on remeasurements of employee benefit obligations	21	(1,807,852)	(2,640,793)	-	-
Total items that will not be reclassified to profit or loss		7,231,408	10,563,173	-	-
Other comprehensive income for the year, net of tax		7,231,408	10,563,173	-	-
Total comprehensive income (expense) for the year		313,538,051	103,441,820	(25,379,801)	225,308,943

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

Principal Capital Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2022

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Profit (loss) attributable to:					
Owner of the parent		240,000,486	81,217,433	(25,379,801)	225,308,943
Non-controlling interests		66,306,157	11,661,214	-	-
		<u>306,306,643</u>	<u>92,878,647</u>	<u>(25,379,801)</u>	<u>225,308,943</u>
Total comprehensive income (expense) attributable to:					
Owner of the parent		246,790,466	89,939,418	(25,379,801)	225,308,943
Non-controlling interests		66,747,585	13,502,402	-	-
		<u>313,538,051</u>	<u>103,441,820</u>	<u>(25,379,801)</u>	<u>225,308,943</u>
Profit (loss) per share	32				
Basic profit (loss) per share		<u>0.063</u>	<u>0.022</u>	<u>(0.007)</u>	<u>0.061</u>

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

Principal Capital Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2022

Consolidated financial statements										
Attributable to owners of the parent										
Note	Retained earnings (deficits)				Other components			Total owners of the parent	Non-controlling interests	Total equity
	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			
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2021	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
Legal reserve	-	-	11,265,447	(11,265,447)	-	-	-	-	-	-
Proceeds from share issuance	346,233,682	1,069,862,077	-	-	-	-	-	1,416,095,759	-	1,416,095,759
Proceeds from ordinary shares issued of a subsidiary	-	-	-	-	-	-	-	-	60,000,000	60,000,000
Change in ownership interest in subsidiaries	-	-	-	-	-	5,016,763	5,016,763	5,016,763	(49,016,763)	(44,000,000)
Total comprehensive income for the year	-	-	-	89,939,418	-	-	-	89,939,418	13,502,402	103,441,820
Closing balance as at 31 December 2021	<u>3,808,570,502</u>	<u>6,233,379,469</u>	<u>73,001,321</u>	<u>(1,076,663,397)</u>	<u>764,129,669</u>	<u>5,760,267</u>	<u>769,889,936</u>	<u>9,808,177,831</u>	<u>1,052,277,182</u>	<u>10,860,455,013</u>
Opening balance as at 1 January 2022	3,808,570,502	6,233,379,469	73,001,321	(1,076,663,397)	764,129,669	5,760,267	769,889,936	9,808,177,831	1,052,277,182	10,860,455,013
Business combination	-	-	-	-	-	-	-	-	93,188,309	93,188,309
Dividend paid	-	-	-	-	-	-	-	-	(4,941,628)	(4,941,628)
Change in ownership interest in subsidiaries	-	-	-	-	-	(549,848,833)	(549,848,833)	(549,848,833)	(391,455,467)	(941,304,300)
Total comprehensive income for the year	-	-	-	246,790,466	-	-	-	246,790,466	66,747,585	313,538,051
Closing balance as at 31 December 2022	<u>3,808,570,502</u>	<u>6,233,379,469</u>	<u>73,001,321</u>	<u>(829,872,931)</u>	<u>764,129,669</u>	<u>(544,088,566)</u>	<u>220,041,103</u>	<u>9,505,119,464</u>	<u>815,815,981</u>	<u>10,320,935,445</u>

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

Principal Capital Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2022

	Separate financial statements				Total equity Baht
	Issued and paid-up share capital Baht	Premium on paid-up capital Baht	Retained earnings (deficits)		
			Appropriated - legal reserve Baht	Unappropriated Baht	
Opening balance as at 1 January 2021	3,462,336,820	5,163,517,392	61,735,874	330,357,904	9,017,947,990
Legal reserve	-	-	11,265,447	(11,265,447)	-
Proceeds from share issuance	346,233,682	1,069,862,077	-	-	1,416,095,759
Total comprehensive income for the year	-	-	-	225,308,943	225,308,943
Closing balance as at 31 December 2021	3,808,570,502	6,233,379,469	73,001,321	544,401,400	10,659,352,692
Opening balance as at 1 January 2022	3,808,570,502	6,233,379,469	73,001,321	544,401,400	10,659,352,692
Total comprehensive expense for the year	-	-	-	(25,379,801)	(25,379,801)
Closing balance as at 31 December 2022	3,808,570,502	6,233,379,469	73,001,321	519,021,599	10,633,972,891

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

Principal Capital Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit (loss) before income tax expense		398,892,326	208,626,944	(20,018,836)	292,246,473
Adjustments for:					
Depreciation and amortisation	30	656,828,124	599,532,743	106,428,619	99,528,577
Allowance for expected credit losses					
- trade and other receivables		20,640,740	4,648,326	14,716,630	1,638,569
Receivables written off		(4,608,164)	-	-	-
Unused loss allowances amount reversed		(41,844)	-	-	-
Allowance for (reversal of)					
inventories obsolescence		1,774,642	(83,975)	1,801,888	-
Write-offs withholding tax receivables		3,374,138	14,775,270	2,972,750	1,223,286
Realised gains on disposals of financial assets					
measured at fair value through profit or loss	12.2	(1,574,516)	(458,014)	(1,574,516)	(29,822)
Unrealised gains on changes in financial assets					
measured at fair value through profit or loss	12.2	(825,659)	(458,203)	(825,628)	(458,166)
Gain on loan modification		(56,060,947)	-	-	-
Gain on reversal of deposit		(15,000,000)	-	-	-
Loss on write-offs of inventories		275,513,139	-	145,502,813	-
(Gain) loss on disposals of equipment		4,309,433	(2,863,497)	3,538,482	(2,655,514)
Loss on write-offs right-of-use assets	18	-	41,936,231	-	-
Loss on write-offs building under construction		-	2,524,492	-	-
Loss on write-offs of intangible assets		789,304	199,349	-	-
Loss on liquidation of a subsidiary		-	-	48,764,558	-
Loss on impairment of investment in a subsidiary		-	-	-	698,057
Employee benefit expenses	25	35,614,892	25,425,346	3,121,283	2,901,211
Interest income		(1,597,503)	(882,167)	(24,918,485)	(88,972,885)
Finance costs	29	162,462,602	146,637,646	105,929,567	84,437,640
Share of profit (loss) from an associate		128,248	(73,486)	-	-
Profit from operating activities before changes					
in operating assets and liabilities		1,480,618,955	1,039,487,005	385,439,125	390,557,426
Trade and other receivables		634,502,638	(1,402,547,678)	245,055,215	(744,862,787)
Inventories		(276,943,647)	(56,880,339)	(130,008,029)	(21,794,148)
Other current assets		(5,372,880)	2,879,843	783,779	(1,629,565)
Other non-current assets		(83,396,549)	(22,753,426)	(31,852,006)	(2,941,802)
Trade and other payables		(22,507,304)	69,319,677	(99,453,787)	155,031,892
Advances received from customers		(609,146,206)	622,619,498	(198,105,369)	208,263,056
Deposits received from customers		(2,407,154)	(3,072,168)	-	-
Other current liabilities		(8,571,773)	2,438,815	(13,897,243)	4,483,282
Employee benefits paid	25	(19,932,886)	(5,164,729)	(7,136,343)	-
Other non-current liabilities		(3,939,207)	2,287,916	(1,380,342)	(5,801,750)
Cash generated from (used in) operations		1,082,903,987	248,614,414	149,445,000	(18,694,396)
Interest paid		(151,205,846)	(140,424,074)	(87,751,499)	(80,757,702)
Income tax paid		(158,908,009)	(45,105,353)	(93,978,089)	(11,137,978)
Net cash generated from (used in)					
operating activities		772,790,132	63,084,987	(32,284,588)	(110,590,076)

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

Principal Capital Public Company Limited

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Proceeds from disposals of					
short-term investments		2,025,872,024	1,434,457,408	2,025,872,024	368,029,501
Purchases of short-term fixed deposits		(2,024,060)	-	-	
Purchases of short-term investments		(2,205,000,000)	(1,800,017,189)	(2,205,000,000)	(750,000,000)
(Increase) decrease in restricted deposits					
at financial institutions		(1,901,117)	4,638,884	-	5,000,000
Cash received from short-term loans to subsidiaries	34	-	-	117,329,607	20,000,000
Cash received from long-term loans to a subsidiary	34	-	-	4,411,500,000	2,017,000,000
Payments of short-term loans to subsidiaries	34	-	-	(246,342,655)	(20,000,000)
Payments of long-term loans to a subsidiary	34	-	-	(2,698,991,800)	(2,170,000,000)
Payments for investment in subsidiaries		(150,621,864)	-	(2,400,000,000)	(40,000,000)
Proceeds from ordinary shares reduction					
of investment in subsidiary		-	-	53,352,094	-
Cash received from lease receivables		-	-	1,731,469	1,669,941
Cash received from interest income		1,884,316	882,167	19,474,612	49,707,055
Proceeds from partial disposal of investment in a subsidiary		-	-	-	4,000,000
Proceeds from liquidation of a subsidiary		-	-	11,235,435	-
Proceeds from disposals of equipment		4,456,711	10,269,243	2,301,683	6,464,668
Purchases of investment property		(551,310)	(777,662)	-	-
Purchases of property, plant and equipment		(610,035,715)	(811,817,957)	(48,237,376)	(169,225,579)
Purchases of intangible assets		(27,929,641)	(13,233,518)	(390,695)	(1,512,924)
Net cash used in investing activities		(965,850,656)	(1,175,598,624)	(956,165,602)	(678,867,338)
Cash flows from financing activities					
Payments for financing fee		(1,025,000)	(100,000)	(1,025,000)	-
Proceeds from borrowings from financial institutions		2,858,401,800	1,200,674,962	2,024,991,800	129,984,962
Repayments of borrowings from financial institutions		(1,188,309,016)	(1,062,430,194)	(2,595,375,016)	(196,192,680)
Proceeds from borrowings from related parties	34	-	-	2,350,573,598	682,000,000
Repayments of borrowings from related parties	34	(265,000,000)	(120,441,750)	(866,733,228)	(1,065,232,481)
Payments of lease liabilities		(120,642,498)	(84,956,131)	(39,049,115)	(34,013,510)
Dividends paid to non-controlling interests		(4,941,628)	-	-	-
Payments for acquisition in					
subsidiaries' ownership interest		(1,148,708,748)	-	-	-
Proceeds from share issuance	26	-	1,416,095,759	-	1,416,095,759
Proceeds from subsidiaries' ordinary shares issued		-	60,000,000	-	-
Proceeds from partial disposal of investment in subsidiaries		84,000,000	16,000,000	-	-
Net cash from financing activities		213,774,910	1,424,842,646	873,383,039	932,642,050
Net increase (decrease) in cash and cash equivalents		20,714,386	312,329,009	(115,067,151)	143,184,636
Cash and cash equivalents at					
the beginning of the year, net		488,647,627	176,318,618	164,043,605	20,858,969
Cash and cash equivalents at the end of the year		509,362,013	488,647,627	48,976,454	164,043,605

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

Principal Capital Public Company Limited

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2022

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Cash and cash equivalents include the following for the purposes of the statement of cash flows:				
Cash and cash equivalents	514,206,776	488,647,627	48,976,454	164,043,605
Bank overdrafts from a financial institution	(4,844,763)	-	-	-
	509,362,013	488,647,627	48,976,454	164,043,605
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	186,503,061	44,894,579	2,020,424	4,551,610
Purchases of equipment under lease contracts	217,092,283	31,735,741	48,331,931	3,720,535
Subsidiary's shares acquisition payables	47,791,166	-	-	-

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

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.

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

These consolidated and separate financial statements are presented in Thai Baht and rounded to the nearest thousand, unless otherwise stated.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 24 February 2023.

2 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 7.

Comparative figures have been adjusted to conform with changes in presentation in the current year.

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.

3 New and amended financial reporting standards

Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 and have significant impacts to the Group

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Group. The Company has assessed the impact of the new and revised financial reporting standards and found that there are no significant impact on the entity.

- a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) **Amendment to TFRS 3 - Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- c) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

4 Accounting policies

4.1 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.

4.2 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.

4.3 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.

4.4 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.

4.5 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 assets.

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 5.1.2 b).

4.6 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.

4.7 Financial assets

a) Classification

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

The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, which applies lifetime expected credit loss, from initial recognition, for all 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 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 credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

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.

4.8 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 to 20 years
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4.9 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 to 40 years
Furniture, fixtures and office equipment	3 to 5 years
Medical equipment	3 to 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.

4.10 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.

4.11 Intangible assets

Acquired intangible assets

Separately acquired intangible assets such as trademark, customer relationships, know-how 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	5 and 20 years
Customer relationships	4 and 10 years
Know-How	10 years
Computer software	3 to 10 years

4.12 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.

4.13 Leases

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, small items of office furniture 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.

4.14 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.

4.15 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.

4.16 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 substantially 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.

4.17 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.

4.18 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.

4.19 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.

4.20 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 healthcare services

Revenues from healthcare services 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.

4.21 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.

4.22 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.

5 Financial risk management

5.1 Financial risk factors

The Group exposes to a variety of financial risks: market risk (fair value risk, price risk and currency 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.

Risk management committee and 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 interest rate risk, credit risk, liquidity risk and foreign exchange risk.

5.1.1 Market risk

a) 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			
	2022		2021	
	Thousand Baht	% of total loans	Thousand Baht	% of total loans
Variable rate borrowings	2,451,024	45	3,819,004	93
	Separate financial statements			
	2022		2021	
	Thousand Baht	% of total loans	Thousand Baht	% of total loans
Variable rate borrowings	692,643	31	2,286,935	81

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 5.1.3.

b) Foreign exchange risk

The Group is exposed to foreign currency risks, primarily the US Dollar from consulting fees and expenses under the serviced apartment management agreements that are denominated in foreign currencies. However, the Group does not apply hedge accounting as the management believes that the circumstances of foreign exchange risk does not affect operational results of the Group.

5.1.2 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.

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 3 types of financial assets that are subject to the expected credit loss model:

- Trade and other receivables
- Contract assets
- Debt investments carried at amortised cost

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 - 48 months before 31 December 2022 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.

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On that basis, the loss allowance was determined as follows for both trade receivables and contract assets

	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 2022						
Gross carrying amount (Note 11.1)						
- trade receivables						
- third parties	149,884	171,163	125,105	382,373	154,280	982,805
- trade receivables - related parties	230	-	-	-	-	230
- contract assets	30,945	-	-	-	-	30,945
Loss allowance	716	2,159	3,881	14,074	11,819	32,649
As of 31 December 2021						
Gross carrying amount (Note 11.1)						
- trade receivables						
- third parties	141,052	424,797	162,325	174,995	40,289	943,458
- trade receivables - related parties	232	-	-	-	-	232
- contract assets	61,665	-	-	-	-	61,665
Loss allowance	933	2,497	623	1,088	11,517	16,658
	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 2022						
Gross carrying amount (Note 11.1)						
- trade receivables						
- third parties	21,650	39,389	80,693	264,083	112,277	518,092
- trade receivables - related parties	6,758	323	-	357	-	7,438
- contract assets	5,242	-	-	-	-	5,242
Loss allowance	47	768	3,740	10,271	6,718	21,544
As of 31 December 2021						
Gross carrying amount (Note 11.1)						
- trade receivables						
- third parties	10,126	170,567	150,540	168,846	6,877	506,956
- trade receivables - related parties	14,568	2,581	1	45	-	17,195
- contract assets	18,167	-	-	-	-	18,167
Loss allowance	86	449	460	524	5,308	6,827

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The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	Consolidated financial statements	
	Trade receivables	
	2022 Thousand Baht	2021 Thousand Baht
Opening loss allowance at 1 January	16,658	12,010
Increase in loss allowance recognised in profit or loss during the year	20,641	8,310
Receivables written off during the year as uncollectible	(4,608)	(3,617)
Unused amount reversed	(42)	(45)
Closing loss allowance at 31 December	32,649	16,658

	Separate financial statements	
	Trade receivables	
	2022 Thousand Baht	2021 Thousand Baht
Opening loss allowance at 1 January	6,827	5,188
Increase in loss allowance recognised in profit or loss during the year	14,717	5,008
Receivables written off during the year as uncollectible	-	(3,369)
Closing loss allowance at 31 December	21,544	6,827

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 within profit before finance costs and income taxes. The repayment will be a reversal transaction of the loss.

Debt investments

Debt investments measured at amortised cost include other receivables and loans to related parties.

All of the debt investments at amortised cost and FVOCI, except loans to related parties, are considered to 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 listed 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 in the near term.

Certain loans to related parties are considered have low default rate. Therefore, management did not record expected credit losses for the current year.

5.1.3 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 and debt investments at call of Baht 514.2 million and Baht 582.0 million, respectively (2021: Baht 488.6 million and Baht 400.5 million, respectively) 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	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Floating rate				
Expiring within one year				
- bank overdraft and bill facility	15,000	250,000	-	-
Expiring beyond one year				
- bank overdraft and bill facility	215,000	-	-	-
- bank loans	210,000	309,260	-	180,850
	440,000	559,260	-	180,850

The Group currently has short-term loans from financial institutions because the interest rate is relatively low. Management is considering changing these loans to long-term loans from a financial institution with a credit line of approximately Baht 1,025.0 million.

b) Maturity of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table 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					
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Book Value Thousand Baht
As at 31 December 2022						
Bank overdrafts from a financial institution	4,845	-	-	-	4,845	4,845
Short-term borrowings from financial institutions	-	1,024,636	-	-	1,024,636	1,024,636
Trade and other payables	-	741,998	-	-	741,998	740,733
Other current liabilities	-	57,880	-	-	57,880	57,880
Lease liabilities	-	139,866	157,994	194,454	492,314	345,196
Long-term borrowings from financial institutions	-	442,303	3,592,072	899,383	4,933,758	4,440,604
Deposits received from customers	-	20,062	22,973	-	43,035	43,035
Hospital acquisition payables	-	-	50,500	-	50,500	47,791
Other non-current liabilities	-	-	18,937	-	18,937	18,937
Total	4,845	2,426,745	3,842,476	1,093,837	7,367,903	6,723,657
	Consolidated 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 Thousand Baht
As at 31 December 2021						
Trade and other payables	-	731,615	-	-	731,615	729,769
Short-term borrowings from related parties	-	287,271	-	-	287,271	287,271
Other current liabilities	-	74,740	-	-	74,740	74,740
Lease liabilities	-	90,181	142,520	104,048	336,749	248,747
Long-term borrowings from financial institutions	-	329,182	2,773,718	719,900	3,822,800	3,819,004
Deposits received from customers	-	45,442	-	-	45,442	45,442
Hospital acquisition payables	-	-	55,000	-	55,000	53,735
Other non-current liabilities	-	-	18,937	-	18,937	18,937
Total	-	1,558,431	2,990,175	823,948	5,372,554	5,277,645

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	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 Thousand Baht
As at 31 December 2022						
Trade and other payables	-	83,520	-	-	83,520	83,520
Short-term borrowings from related parties	-	515,554	-	-	515,554	515,554
Other current liabilities	-	1,825	-	-	1,825	1,825
Lease liabilities	-	42,200	55,728	-	97,928	93,462
Long-term borrowings from financial institutions	-	136,369	615,074	-	751,443	692,643
Other non-current liabilities	-	-	112	-	112	112
Total	-	779,468	670,914	-	1,450,382	1,387,116
	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 Thousand Baht
As at 31 December 2021						
Trade and other payables	-	200,505	-	-	200,505	200,505
Short-term borrowings from related parties	-	520,132	-	-	520,132	520,132
Other current liabilities	-	17,288	-	-	17,288	17,288
Lease liabilities	-	34,594	50,937	-	85,531	84,179
Long-term borrowings from financial institutions	-	274,702	1,882,877	131,023	2,288,602	2,286,935
Other non-current liabilities	-	-	1,493	-	1,493	1,493
Total	-	1,047,221	1,935,307	131,023	3,113,551	3,110,532

5.2 Capital management

5.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue 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.

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Consistent with others in the industry, the Group monitors capital based on the basis of the following gearing ratio and net debt from financial institutions to equity ratio.

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Net debt	4,719,080	3,465,908	3,200,176	2,326,744
Total equity (including non-controlling interests)	10,320,935	10,860,455	10,633,973	10,659,353
Net debt to equity ratio	46%	32%	30%	22%

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Net debt from financial institutions	5,470,085	3,819,004	1,717,279	2,286,935
Total equity (including non-controlling interests)	10,320,935	10,860,455	10,633,973	10,659,353
Net debt from financial institutions to equity ratio	53%	35%	16%	21%

The net debt to equity ratio and net debt from financial institutions to equity ratio increased from 32% to 46% and from 35% to 53% respectively. The increase resulted from the Group has financed to expand the hospital business in the current year.

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 110% and 233%, and
- the ratio of adjusted DSCR must be not lower than between 115% and 125%, and
- the ratio of interest bearing debt to EBITDA must be not more than between 4.75 and 5.50

The Group has complied with these covenants throughout the reporting period as at 31 December 2022. However, some entities can not maintain the ratio of adjusted DSCR. Therefore, these entities received waiver letters from financial institutions.

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6 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		
2022	2021	2022	2021	2022	2021	2022	2021	
Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Assets								
Financial assets at fair value through profit or loss								
Debt investments (Note 12)	-	-	581,994	400,466	-	-	581,994	400,466
Equity investments (Note 12)	-	-	-	-	330	330	330	330
Separate financial statements								
Level 1		Level 2		Level 3		Total		
31 December		31 December		31 December		31 December		
2022	2021	2022	2021	2022	2021	2022	2021	
Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Assets								
Financial assets at fair value through profit or loss								
Debt investments (Note 12)	-	-	581,986	400,458	-	-	581,986	400,458
Equity investments (Note 12)	-	-	-	-	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 4.7.

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 2 is calculated from fund's net asset value by reference to the asset management company.

7 Critical estimates assumptions and judgements

Estimates assumptions 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 fair value less costs of disposal calculations. The calculations use cash flow projections based on financial budget approved by management covering a 5 year period.

Cash flows beyond the 5th year period are extrapolated using the estimated average revenue growth rates stated in note 19. 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	5 and 20 years
Customer relationships	4 and 10 years
Know-How	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 25.

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.

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8 Segment information

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

	Healthcare services business		Property development and rental business		Eliminations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Revenues from sales and services								
External customers	6,211.4	4,742.7	473.1	316.1	-	-	6,684.5	5,058.8
Inter-segment	409.4	307.3	85.4	60.3	(494.8)	(367.6)	-	-
Total	6,620.8	5,050.0	558.5	376.4	(494.8)	(367.6)	6,684.5	5,058.8
Timing of revenue recognition:								
At a point in time	4,752.6	3,595.3	14.7	6.6	(430.7)	(50.1)	4,336.6	3,551.8
Over time	1,868.2	1,454.7	543.8	369.8	(64.1)	(317.5)	2,347.9	1,507.0
Total	6,620.8	5,050.0	558.5	376.4	(494.8)	(367.6)	6,684.5	5,058.8
Gross profit (loss)	2,210.2	1,660.0	243.5	81.6	(452.9)	(327.0)	2,000.8	1,414.6
Selling and administrative expenses	(1,655.1)	(1,190.9)	(296.0)	(319.5)	411.2	404.0	(1,539.9)	(1,106.4)
Profit (loss) before income tax expense	455.1	327.6	(59.7)	1,282.8	3.5	(1,401.8)	398.9	208.6
Income tax (expense) income	(87.3)	(119.7)	0.3	(8.7)	(5.6)	12.7	(92.6)	(115.7)
Profit (loss) for the year	368.1	207.9	(59.5)	1,274.1	(2.3)	(1,389.1)	306.3	92.9
Non-current asset held-for-sales	-	-	-	1,010.8	-	-	-	1,010.8
Investment property, net	14.5	15.6	1,113.0	120.9	-	-	1,127.5	136.5
Property, plant and equipment, net	8,057.0	7,617.3	3,355.6	3,441.4	-	-	11,412.6	11,058.7
Goodwill	2,009.0	1,824.0	-	-	-	-	2,009.0	1,824.0
Total assets	13,350.5	12,382.4	8,942.4	11,732.6	(4,515.5)	(6,699.6)	17,777.4	17,415.4

9 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Cash at bank and on hand	514,207	486,641	48,976	164,044
Short-term bank deposits	-	2,007	-	-
Total	514,207	488,648	48,976	164,044

10 Non-current assets held-for-sale

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Investment property (Note 16)	-	1,009,666	-	-
Property, plant and equipment (Note 17)	-	1,088	-	-
Total assets	-	1,010,754	-	-

On 17 March 2021, at the Company's Board of Directors' meeting No.3/2021, the Company approved to dispose land and office building for rent owned by a subsidiary to a trust with investment objectives in office leasehold. This transaction had been approved from Trust Unitholders' meeting on 27 April 2021. Consequently, the Group classified land and office building as assets held-for-sale, during the first quarter of 2021. However, on 9 August 2022, the Board of Directors meeting approved postponing the sale of land and buildings of the Group's subsidiary to a leasehold real estate investment trust. The Group considered this to be a significant change of plan. Therefore, the Group classified non-current assets held-for-sale as investment property worth Baht 1,009.7 million and property, plant and equipment worth Baht 1.1 million for the current year.

11 Trade receivables, other receivables and prepayments, net

11.1 Trade and others receivable

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade receivables - third parties	982,805	943,458	518,092	506,956
Trade receivables - related parties (Note 34 b)	230	232	7,438	17,195
Accrued income	30,945	61,665	5,242	18,167
<u>Less</u> Allowance for expected credit losses (Note 5.1.2)	(32,649)	(16,658)	(21,544)	(6,827)
Trade receivables, net	981,331	988,697	509,228	535,491
Prepaid expenses	22,866	30,549	4,091	6,952
Advance expenses	8,742	5,059	4,978	2,575
Advances for goods and service-vaccine	-	631,655	-	243,054
Other receivables - related parties (Note 34 b)	1,006	1,914	-	-
Other receivables - third parties	24,474	22,820	14,668	4,665
	1,038,419	1,680,694	532,965	792,737

11.2 Impairments of trade receivables and financial assets

Information about the impairment of trade and financial assets is disclosed in note 5.1.2 b).

12 Financial assets and liabilities

The Group's financial assets and financial liabilities are as follows:

	Consolidated financial statements		Seperate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents	514,207	488,648	48,976	164,044
Short-term fixed deposits	3,429	1,405	-	-
Restricted deposits at financial institutions - current	-	360	-	-
Trade receivables, other receivables and prepayments, net	1,005,172	1,013,431	523,896	540,156
Current portion of lease receivables, net	-	-	1,795	1,731
Short-term loans to subsidiaries	-	-	129,307	-
Other current assets	4,246	12,705	633	2,892
Restricted deposits at financial institutions	5,066	2,804	-	-
Lease receivables, net	-	-	1,547	3,342
Long-term loans to subsidiaries	-	-	1,114,215	2,821,573
Other non-current assets	147,696	62,623	54,340	6,353
Debt investments measured at fair value through profit or loss	581,994	400,466	581,986	400,458
Equity investments measured at fair value through profit or loss	330	330	330	330
Financial liabilities				
Financial liabilities at amortised cost				
Bank overdrafts from a financial institution	4,845	-	-	-
Short-term borrowings from financial institutions	1,024,636	-	1,024,636	-
Trade and other payables	794,468	729,769	83,520	200,505
Short-term borrowings from related parties	-	287,271	515,554	520,132
Current portion of lease liabilities	131,494	84,471	40,166	34,594
Current portion of long-term borrowings from financial institutions	327,936	328,105	113,561	274,156
Deposits received from customers - current	20,062	45,442	-	-
Other current liabilities	57,880	74,740	1,825	17,288
Lease liabilities	213,702	164,275	53,296	49,585
Long-term borrowings from financial institutions	4,112,668	3,490,899	579,082	2,012,778
Long-term borrowings from related parties	-	-	1,504,844	-
Deposits received from customers	22,973	-	-	-
Hospital acquisition payables	47,791	53,735	-	-
Other non-current liabilities	15,215	18,937	112	1,493

12.1 Other financial assets at amortised cost

a) Classification of financial assets at amortised cost

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

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 2022 long-term loans to a subsidiary at a carrying amount of Baht 1,114.2 million (2021: Baht 2,821.6 million) have a fair value of Baht 1,028.0 million (2021: Baht 2,393.4 million). 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 5.1.2.

12.2 Financial assets at fair value through profit or loss

a) Classification of financial assets at fair value through profit or loss

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	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Fair value gains on debt instruments at FVPL recognised in other gains/(losses)	2,400	916	2,400	488

13 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Medicines	75,459	75,681	7,052	15,000
Medical supplies	55,799	52,280	5,260	12,807
General supplies	3,448	820	-	-
Food and beverage	265	160	-	-
	134,971	128,941	12,312	27,807
<u>Less</u> Allowance for inventories obsolescence	(1,848)	(73)	(1,802)	-
	133,123	128,868	10,510	27,807

The Group and the Company recognised loss from allowance for inventories obsolescence amounting to Baht 139.8 million and Baht 61.4 million as cost and recognised amounting to Baht 135.7 million and Baht 84.1 million as administrative expenses respectively. These expenses recognised in profit and loss for the current year.

During the year ended 2022 and 2021, amounts recognised as cost of sales in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Inventories recognised as cost of sales	1,184,753	832,789	316,294	211,897
Write-down of inventories to net realisable value	1,774	-	1,802	-
Reversal of write-down inventories to net realisable value	-	(84)	-	-

14 Restricted bank deposits

As at 31 December 2022, the Group's restricted deposits represents savings and fixed deposits totalling Baht 5.1 million with the interest rate of 0.20% to 0.40% per annum (2021: Baht 3.2 million with the interest rates of 0.20% to 0.38% per annum) pledged as collateral for letters of guarantee (Note 35).

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15 Investments in subsidiaries

As at 31 December 2022, 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	
			2022 Percent	2021 Percent	2022 Percent	2021 Percent
Direct: Subsidiaries under Principal Capital Public Company Limited						
Klai Baan Klai Jai Co., Ltd.	Thailand	Medical services	92.00	92.00	8.00	8.00
Bangkok Center District Co., Ltd.	Thailand	Property development	-	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	51.00	49.00	49.00
Indirect: Subsidiaries under V Brilliant Group Holding Co., Ltd.						
V Residence Co., Ltd.	Thailand	Service apartment rental	99.99	99.99	-	-
Ban Chang Business District Co., Ltd.	Thailand	Property development	99.99	99.99	-	-
VMEA Co., Ltd.	Thailand	Service apartment rental	99.99	99.99	-	-
Indirect: Subsidiaries under Principal Healthcare Co., Ltd.						
Pitsanuloke Medical Co., Ltd.	Thailand	Hospital	85.00	60.00	15.00	40.00
Paknam Hospital Co., Ltd.	Thailand	Hospital	91.56	91.53	8.44	8.47
Principal Healthcare - Uthai Co., Ltd.	Thailand	Hospital	99.99	99.99	-	-
Principal Healthcare - Lamphun Co., Ltd.	Thailand	Hospital	86.67	86.67	13.33	13.33
Principal Healthcare - Sisaket Co., Ltd.	Thailand	Hospital	60.00	60.00	40.00	40.00
Principal Healthcare - Chumphon Co., Ltd.	Thailand	Hospital	90.00	90.00	10.00	10.00
Principal Healthcare - Ubon Ratchathani Co., Ltd.	Thailand	Hospital	80.00	80.00	20.00	20.00
Principal Healthcare - Sakonnakhon Co., Ltd.	Thailand	Hospital	72.00	99.99	28.00	-
Pewdee Clinic Esthetics Co., Ltd.	Thailand	Aesthetic clinic	55.00	-	45.00	-
Indirect: Subsidiaries under Pitsanuloke Medical Co., Ltd.						
Union Pichit Doctors Co., Ltd.	Thailand	Hospital	85.00	60.00	15.00	40.00
Pitsanuvej Uttaradit Hospital Co., Ltd.	Thailand	Hospital	85.00	60.00	15.00	40.00

Movement of investments in subsidiaries for the year ended 31 December was as follows:

	Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht
As at 1 January	8,012,155	7,976,853
Additions	2,400,000	40,000
Liquidation of a subsidiary	(75,000)	-
Disposal of investment	-	(4,000)
Capital repayment	(53,352)	-
Loss on impairment	-	(698)
As at 31 December	10,283,803	8,012,155

Capital increase

At the Extraordinary General meeting of Principal Healthcare Co., Ltd. held on 4 January 2022, the shareholders have passed a resolution to approve increase its authorised share capital from 267,003,000 ordinary shares of par Baht 10 each to be 507,003,000 ordinary shares of par Baht 10 each. The subsidiary registered the increased share capital with the Ministry of Commerce on 18 January 2022 and received all called share subscription on 7 February 2022.

At the Extraordinary General meeting of Principal Healthcare - Sakonnakhon Co., Ltd. held on 12 January 2022, the shareholders have passed a resolution to approve increase its authorised share capital from 100,000 ordinary shares of par Baht 10 each to be 30,000,000 ordinary shares of par Baht 10 each. The subsidiary received all called share subscription on 24 January 2022 and registered the increased share capital with the Ministry of Commerce on 25 January 2022.

Capital decrease

At the Extraordinary General meeting of Principal Healthcare Co., Ltd. held on 1 March 2022, the shareholders have passed a resolution to approve decrease its authorised share capital 507,003,000 ordinary shares and 1,372,000 preferred shares of par Baht 10 each to be 459,000,000 ordinary shares of par Baht 10 each to compensate the deficit in retained earnings. The subsidiary registered the decreased share capital with the Ministry of Commerce on 20 May 2022.

The company liquidation

At the Extraordinary General meeting of Bangkok Center District Co., Ltd. held on 1 September 2021, the shareholders have passed a resolution to register for the dissolution with the Ministry of Commerce on 2 September 2021 and the process of the subsidiary's liquidation was completed on 28 February 2022.

Share purchase

On 14 March 2022, Principal Healthcare Co., Ltd. entered into a share purchase agreement with a group of companies to buy 55.00% of Pewdee Clinic Esthetics Co., Ltd.'s registered ordinary shares at Baht 5,000 per share. The 50,500 ordinary shares were held by the contract party, which represents 45.91% of the total shares and 10,000 shares were newly issued ordinary shares, representing 9.09% of the total shares. The subsidiary partially paid for the shares, amounting to Baht 226.8 million and amounting to Baht 25.3 million on 14 March 2022 and 30 August 2022, respectively.

On 16 September 2022, Principal Healthcare Co., Ltd. entered into a share purchase agreement with a group of companies to buy 25% of Pitsanuloke Medical Co., Ltd.'s registered ordinary shares, representing 124,999 ordinary shares which were held by the contract party at Baht 8,200 per share. The subsidiary fully paid for the shares on 21 September 2022.

Sale of shares

According to an agreement between the shareholders of Principal Healthcare - Sakonnakhon Co., Ltd. dated 28 March 2022, Principal Healthcare Co., Ltd. agreed to sell 25.00% and 5.00% of the total shares held in Principal Healthcare - Sakonnakhon Co., Ltd. to RATCH Group Public Company Limited and the external individual, respectively. On 7 April 2022, Principal Healthcare Co., Ltd. made a memorandum of agreement to amend the contract that changed the amount of shares to be sold to the external individual from 5.00% to 3.00% of the shares held by the subsidiary. Principal Healthcare Co., Ltd. transferred 7,500,000 shares and 900,000 shares to RATCH Group Public Company Limited and the external individual on 5 April 2022 and 7 April 2022, respectively.

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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

	As at 31 December									
	Pitsanuloke Medical Co., Ltd.		Paknampo Hospital Co., Ltd.		Union Pichit Doctors Co., Ltd.		Pitsanuvej Uttaradit Co., Ltd.		Principal Healthcare-Ubon Ratchathani Co., Ltd.	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Current assets	556,997	504,665	213,856	243,166	48,784	54,741	33,820	62,130	204,531	312,204
Current liabilities	(219,912)	(299,088)	(176,082)	(170,948)	(85,543)	(89,470)	(238,870)	(230,887)	(106,215)	(180,684)
Total net current assets	337,085	205,577	37,774	72,218	(36,759)	(34,729)	(205,050)	(168,757)	98,316	131,520
Non-current assets	1,409,534	1,371,240	1,585,069	1,596,867	168,081	174,551	505,497	531,577	507,401	508,618
Non-current liabilities	(170,153)	(195,396)	(732,837)	(811,129)	(18,208)	(44,217)	(200,017)	(245,433)	(301,724)	(307,555)
Total net non-current assets	1,239,381	1,175,844	852,232	785,738	149,873	130,334	305,480	286,144	205,677	201,063
Net assets	1,576,466	1,381,421	890,006	857,956	113,114	95,605	100,430	117,387	303,993	332,583
Non-controlling assets	236,470	552,568	75,117	72,669	16,967	38,242	15,065	46,955	60,799	66,517

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Summarised statement of comprehensive income

	For the year ended 31 December									
	Pitsanuloke Medical Co., Ltd.		Paknampo Hospital Co., Ltd.		Union Pichit Doctors Co., Ltd.		Pitsanuvej Uttaradit Co., Ltd.		Principal Healthcare - Ubon Ratchathani Co., Ltd.	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Revenue	1,522,832	1,177,493	832,454	704,883	238,640	171,045	257,460	162,107	274,579	173,374
Profit (loss)	194,193	100,445	47,331	12,225	17,510	(15,489)	(16,956)	(49,750)	(28,020)	(15,271)
Other comprehensive income	852	3,590	(3,667)	1,476	-	-	-	-	(570)	-
Total comprehensive income (expense)	195,045	104,035	43,664	13,701	17,510	(15,489)	(16,956)	(49,750)	(28,590)	(15,271)
Profit (loss) allocated to non-controlling interests	29,257	41,614	3,685	1,160	2,627	(6,196)	(2,543)	(19,900)	(5,718)	(3,054)
Dividends paid to non-controlling interests	-	-	984	-	-	-	-	-	-	-

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Summarised statement of cash flows

	For the year ended 31 December									
	Pitsanuloke Medical Co., Ltd.		Paknampo Hospital Co., Ltd		Union Pichit Doctors Co., Ltd		Pitsanuvej Uttaradit Co., Ltd.		Principal Healthcare - Ubon Ratchathani Co., Ltd.	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Net cash generated from (used in) operating activities	239,708	165,355	165,982	(14,110)	(2,850)	5,719	8,345	(1,051)	3,457	(8,889)
Net cash flow generated from (used in) investing activities	(150,622)	(131,703)	(126,381)	(30,978)	(2,293)	(2,431)	(4,652)	4,612	(67,583)	(50,699)
Net cash flow generated from (used in) financing activities	(27,967)	(36,751)	(39,304)	46,874	7,931	(5,138)	4,129	(12,745)	(35,320)	159,691
Increase (decrease) in cash and cash equivalents	61,119	(3,099)	297	1,786	2,788	(1,850)	7,822	(9,184)	(99,446)	100,103
Cash and cash equivalents at the beginning of the year	15,086	23,724	5,263	3,477	9,867	11,716	2,643	8,681	100,411	309
Cash and cash equivalents at the ending of the year	76,205	20,625	5,560	5,263	12,655	9,866	10,465	(503)	965	100,412

16 Investment property, net

	Consolidated financial statements		
	Land Thousand Baht	Building and improvements Thousand Baht	Total Thousand Baht
As at 1 January 2021			
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
For the year ended 31 December 2021			
Opening net book amount	602,666	552,389	1,155,055
Reclassified as non-current asset held-for-sales (Note 10)	(482,166)	(527,500)	(1,009,666)
Additions	-	777	777
Depreciation charges	-	(9,694)	(9,694)
Closing net book amount	120,500	15,972	136,472
As at 31 December 2021			
Cost	120,500	314,376	434,876
<u>Less</u> Accumulated depreciation	-	(298,404)	(298,404)
Net book amount	120,500	15,972	136,472
For the year ended 31 December 2022			
Opening net book amount	120,500	15,972	136,472
Reclassified from non-current assets held-for-sale (Note 10)	482,166	527,500	1,009,666
Additions	-	551	551
Depreciation charges	-	(19,157)	(19,157)
Closing net book amount	602,666	524,866	1,127,532
As at 31 December 2022			
Cost	602,666	842,427	1,445,093
<u>Less</u> Accumulated depreciation	-	(317,561)	(317,561)
Net book amount	602,666	524,866	1,127,532

As at 31 December 2022, fair value of investment properties in the consolidated financial statements including blank land, and land with buildings are as follows:

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Blank land measured by market approach	251,375	279,295
Land with bulidings measured by income approach	1,245,000	6,433
Total fair value	1,496,375	285,728

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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 2022, the Group's buildings of net book value of Baht 1,006.1 million (2021: Baht 15.6 million) has been pledged as securities for borrowing facilities from financial institutions (Note 22).

Amount recognised in profit and loss that are related to investment property are as follows:

	Consolidated financial statements	
	2022	2021
	Thousand Baht	Thousand Baht
Rental income	46,358	35,774
Direct operating expense arise from investment property that generated rental income	24,112	17,142
Direct operating expense arise from investment property that did not generate rental income	213	149

17 Property, plant and equipment, net

	Consolidated financial statements						Total Thousand Baht
	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	
At 1 January 2021							
Cost	2,938,849	10,404,241	1,095,180	751,984	80,357	672,718	15,943,329
<u>Less</u> 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
For the year ended 31 December 2021							
Opening net book amount	2,938,849	6,867,324	329,759	164,283	14,652	672,718	10,987,585
Additions	-	85,578	210,459	75,627	15,561	163,528	550,753
Reclassified as non-current asset held-for-sales (Note 10)	-	(1,088)	-	-	-	-	(1,088)
Disposals and write-offs	-	(856)	(4,034)	(2,311)	-	(2,730)	(9,931)
Transfer in (out)	-	801,247	1,179	16,375	-	(818,801)	-
Depreciation charge	-	(301,571)	(95,890)	(65,342)	(5,783)	-	(468,586)
Closing net book amount	2,938,849	7,450,634	441,473	188,632	24,430	14,715	11,058,733
At 31 December 2021							
Cost	2,938,849	10,270,484	1,300,018	800,458	88,717	14,715	15,413,241
<u>Less</u> Accumulated depreciation	-	(2,819,850)	(858,545)	(611,826)	(64,287)	-	(4,354,508)
Net book amount	2,938,849	7,450,634	441,473	188,632	24,430	14,715	11,058,733

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	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 2022							
Opening net book amount	2,938,849	7,450,634	441,473	188,632	24,430	14,715	11,058,733
Business combination (Note 27)	-	-	85,325	880	1,499	-	87,704
Additions	35,398	35,579	176,877	59,960	8,167	435,663	751,644
Reclassified from non-current assets held-for-sale (Note 10)	-	1,088	-	-	-	-	1,088
Disposals and write-offs	-	(222)	(6,542)	(1,669)	-	(333)	(8,766)
Transfer in (out)	-	55,238	-	316	-	(55,554)	-
Depreciation charge	-	(312,609)	(102,854)	(54,584)	(7,739)	-	(477,786)
Closing net book amount	2,974,247	7,229,708	594,279	193,535	26,357	394,491	11,412,617
At 31 December 2022							
Cost	2,974,247	10,362,167	1,555,678	859,945	98,383	394,491	16,244,911
Less Accumulated depreciation	-	(3,132,459)	(961,399)	(666,410)	(72,026)	-	(4,832,294)
Net book amount	2,974,247	7,229,708	594,279	193,535	26,357	394,491	11,412,617

The Group's land and building and improvements of net book value as at 31 December 2022 of Baht 8,225.8 million (2021: Baht 7,921.7 million) has been pledged as a security for borrowings (Note 22).

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	Separate financial statements						
	Land Thousand Baht	Building and building 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 2021							
Cost	368,475	3,360,300	53,863	102,814	2,467	53,331	3,941,250
<u>Less</u> Accumulated depreciation	-	(1,982,574)	(22,904)	(84,563)	(2,467)	-	(2,092,508)
Net book amount	368,475	1,377,726	30,959	18,251	-	53,331	1,848,742
For the year ended 31 December 2021							
Opening net book amount	368,475	1,377,726	30,959	18,251	-	53,331	1,848,742
Additions	-	37,152	53,645	11,298	-	12,334	114,429
Disposals and write-offs	-	-	(3,392)	(268)	-	(149)	(3,809)
Transfer in (out)	-	63,759	-	142	-	(63,901)	-
Depreciation charge	-	(60,868)	(8,923)	(7,470)	-	-	(77,261)
Closing net book amount	368,475	1,417,769	72,289	21,953	-	1,615	1,882,101
At 31 December 2021							
Cost	368,475	3,461,211	101,438	111,818	-	1,615	4,044,557
<u>Less</u> Accumulated depreciation	-	(2,043,442)	(29,149)	(89,865)	-	-	(2,162,456)
Net book amount	368,475	1,417,769	72,289	21,953	-	1,615	1,882,101

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	Separate financial statements						Total Thousand Baht
	Land Thousand Baht	Building and building improvements Thousand Baht	Medical equipment Thousand Baht	Furniture, fixtures, and office equipment Thousand Baht	Vehicles Thousand Baht	Construction in process Thousand Baht	
For the year ended 31 December 2022							
Opening net book amount	368,475	1,417,769	72,289	21,953	-	1,615	1,882,101
Additions	-	14,188	15,750	9,963	1,081	4,724	45,706
Disposals and write-offs	-	-	(5,788)	(52)	-	-	(5,840)
Transfer in (out)	-	3,702	-	-	-	(3,702)	-
Depreciation charge	-	(62,483)	(10,958)	(8,100)	(168)	-	(81,709)
Closing net book amount	368,475	1,373,176	71,293	23,764	913	2,637	1,840,258
At 31 December 2022							
Cost	368,475	3,479,101	109,498	119,624	1,081	2,637	4,080,416
<u>Less</u> Accumulated depreciation	-	(2,105,925)	(38,205)	(95,860)	(168)	-	(2,240,158)
Net book amount	368,475	1,373,176	71,293	23,764	913	2,637	1,840,258

The Group's land and building and improvements of net book value as at 31 December 2022 of Baht 1,744.2 million (2021: Baht 1,787.9 million) has been pledged as a security for borrowings (Note 22).

For the year ended 31 December 2022, borrowing costs totalling Baht 0.1 million (31 December 2021: Baht 2.1 million), arising from financing specifically entered into for the construction of plant and equipment installation.

18 Right-of-use assets, net

Consolidated financial statements				
	Property Thousand Baht	Medical and office equipment Thousand Baht	Vehicles Thousand Baht	Total Thousand Baht
At 1 January 2021	158,782	251,044	15,479	425,305
Additions	15,560	10,919	5,257	31,736
Reclassify in (out)	17,311	(18,153)	842	-
Lease termination	(41,927)	(9)	-	(41,936)
Depreciation charge	(12,306)	(50,160)	(5,562)	(68,028)
Net book amount as at 31 December 2021	137,420	193,641	16,016	347,077
Consolidated financial statements				
	Property Thousand Baht	Medical and office equipment Thousand Baht	Vehicles Thousand Baht	Total Thousand Baht
At 1 January 2022	137,420	193,641	16,016	347,077
Business combination (Note 27)	7,632	-	-	7,632
Additions	131,097	73,676	10,606	215,379
Lease modifications and reassessments	1,713	-	-	1,713
Depreciation charge	(39,875)	(49,835)	(7,763)	(97,473)
Net book amount as at 31 December 2022	237,987	217,482	18,859	474,328
Separate financial statements				
	Property Thousand Baht	Medical and office equipment Thousand Baht	Vehicles Thousand Baht	Total Thousand Baht
At 1 January 2021	18,303	92,456	5,909	116,668
Additions	-	2,868	852	3,720
Depreciation charge	(4,268)	(15,297)	(2,046)	(21,611)
Net book amount as at 31 December 2021	14,035	80,027	4,715	98,777
Separate financial statements				
	Property Thousand Baht	Medical and office equipment Thousand Baht	Vehicles Thousand Baht	Total Thousand Baht
At 1 January 2022	14,035	80,027	4,715	98,777
Additions	10,051	27,305	5,588	42,944
Lease modifications and reassessments	5,388	-	-	5,388
Depreciation charge	(7,185)	(13,280)	(3,308)	(23,773)
Net book amount as at 31 December 2022	22,289	94,052	6,995	123,336

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The expense relating to leases that not included in the measurement of lease liabilities and right-of-use assets is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Expense relating to short-term leases and leases of low-value assets	25,165	28,225	8,836	5,471

19 Goodwill

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
At 1 January		
Cost	1,823,978	1,823,978
<u>Less</u> Provision for impairment	-	-
Net book amount	1,823,978	1,823,978
For the year ended 31 December		
Opening net book amount	1,823,978	1,823,978
Business combination (Note 27)	185,019	-
Closing net book amount	2,008,997	1,823,978
At 31 December		
Cost	2,008,997	1,823,978
<u>Less</u> Provision for impairment	-	-
Net book amount	2,008,997	1,823,978

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	
	2022 Thousand Baht	2021 Thousand Baht
Goodwill allocation to;		
Healthcare services business	2,008,997	1,823,978

The recoverable amount of a CGU is determined based on fair value less costs of disposal calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering 5 years period. Cash flows beyond the 5th year period are extrapolated using the estimated growth rates stated below. The average revenue growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

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The key assumptions used for fair value less costs of disposal calculations are as follows:

	Healthcare services (%)
Average gross margin	35.67 to 41.72
Average revenue growth rate	0.55 to 9.69
Discount rate	9.00 to 9.50

Management determined budgeted gross margin based on past performance, its expectations of market development and the role model company of the Group. The average revenue growth rates used are consistent with the forecasts included in industry reports. The discount rates used reflect specific risks relating to the relevant segments.

Fair value less costs of disposal was recalculated by using income approach (Discounted cash flow method). The Group presents at level 3 of fair value estimation.

Key assumption which affects fair value less costs of disposal is the discount rate. The sensitivity of change in discount rate that affect to some CGU which fair value less costs of disposal exceeding book value approximately Baht 2,101.92 million. In this case, if post-tax discount rate increases by 0.25% per annum, the Group need to settle allowance for goodwill impairment Baht 48.90 million.

20 Intangible assets, net

Consolidated financial statements						
	Computer software Thousand Baht	Computer software in progress Thousand Baht	Trademark Thousand Baht	Customer relationships Thousand Baht	Know-How Thousand Baht	Total Thousand Baht
At 1 January 2021						
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
For the year ended 31 December 2021						
Opening net book amount	150,469	11,615	97,284	27,508	-	286,876
Additions	2,834	9,390	-	-	-	12,224
Write off	(71)	(128)	-	-	-	(199)
Transfers in (out)	3,161	(3,161)	-	-	-	-
Amortisation charge	(45,150)	-	(5,075)	(3,000)	-	(53,225)
Closing net book amount	111,243	17,716	92,209	24,508	-	245,676
At 31 December 2021						
Cost	266,190	17,716	101,500	30,000	-	415,406
<u>Less</u> Accumulated amortisation	(154,947)	-	(9,291)	(5,492)	-	(169,730)
Net book amount	111,243	17,716	92,209	24,508	-	245,676

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	Consolidated financial statements					
	Computer software Thousand Baht	Computer software in progress Thousand Baht	Trademark Thousand Baht	Customer relationships Thousand Baht	Know-How Thousand Baht	Total Thousand Baht
For the year ended 31 December 2022						
Opening net book amount	111,243	17,716	92,209	24,508	-	245,676
Business combination (Note 27)	60	-	29,196	12,799	13,482	55,537
Additions	13,208	14,722	-	-	-	27,930
Write off	-	(789)	-	-	-	(789)
Transfers in (out)	8,365	(8,365)	-	-	-	-
Amortisation charge	(46,546)	-	(9,455)	(5,400)	(1,011)	(62,412)
Closing net book amount	86,330	23,284	111,950	31,907	12,471	265,942
At 31 December 2022						
Cost	287,823	23,284	130,696	42,799	13,482	498,084
<u>Less</u> Accumulated amortisation	(201,493)	-	(18,746)	(10,892)	(1,011)	(232,142)
Net book amount	86,330	23,284	111,950	31,907	12,471	265,942
					Separate financial statements	
					Thousand Baht	
Computer software						
At 1 January 2021						
Cost						8,651
<u>Less</u> Accumulated amortisation						(5,729)
Net book amount						2,922
For the year ended 31 December 2021						
Opening net book amount						2,922
Additions						1,513
Amortisation charge						(657)
Closing net book amount						3,778
At 31 December 2021						
Cost						10,164
<u>Less</u> Accumulated amortisation						(6,386)
Net book amount						3,778
For the year ended 31 December 2022						
Opening net book amount						3,778
Additions						391
Amortisation charge						(947)
Closing net book amount						3,222
At 31 December 2022						
Cost						10,555
<u>Less</u> Accumulated amortisation						(7,333)
Net book amount						3,222

21 Deferred income taxes

The movements in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements						Total Thousand Baht
	Impairment of financial assets Thousand Baht	Property, plant and equipment Thousand Baht	Intangible assets Thousand Baht	Lease liability Thousand Baht	Employee benefit obligations Thousand Baht	Provisions for staff expenses Thousand Baht	
Deferred tax assets:							
At 1 January 2021	942	2,847	1,841	58,206	28,917	54	92,807
Charged/(credited) to profit or loss	455	(1,326)	2,554	(6,386)	4,052	-	(651)
Credited to other comprehensive income	-	-	-	-	(2,641)	-	(2,641)
At 31 December 2021	1,397	1,521	4,395	51,820	30,328	54	89,515
Business combination (Note 27)	-	-	-	-	152	-	152
Charged/(credited) to profit or loss	601	691	(538)	20,391	(2,079)	27	19,093
Credited to other comprehensive income	-	-	-	-	(1,808)	-	(1,808)
At 31 December 2022	1,998	2,212	3,857	72,211	26,593	81	106,952

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	Consolidated financial statements						Total Thousand Baht
	Right-of-use assets Thousand Baht	Change in fair value of financial assets Thousand Baht	Advances received from customers Thousand Baht	Property, plant and equipment Thousand Baht	Intangible assets Thousand Baht	Loan modification Thousand Baht	
Deferred tax liabilities:							
At 1 January 2021	(74,497)	(1)	-	(364,640)	(24,959)	-	(464,097)
Charged/(credited) to profit or loss	4,044	(92)	-	10,750	1,615	-	16,317
At 31 December 2021	(70,453)	(93)	-	(353,890)	(23,344)	-	(447,780)
Business combination (Note 27)	-	-	(74)	-	(11,095)	-	(11,169)
Charged/(credited) to profit or loss	(25,560)	(73)	-	11,957	(1,398)	(6,883)	(21,957)
At 31 December 2022	(96,013)	(166)	(74)	(341,933)	(35,837)	(6,883)	(480,906)

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	Separate financial statements		
	Employee benefit obligations Thousand Baht	Lease liabilities Thousand Baht	Total Thousand Baht
Deferred tax assets:			
At 1 January 2021	4,217	22,269	26,486
Charged/(credited) to profit or loss	580	(5,433)	(4,853)
At 31 December 2021	4,797	16,836	21,633
Charged/(credited) to profit or loss	(803)	1,857	1,054
At 31 December 2022	3,994	18,693	22,687

	Separate financial statements			
	Right-of-use assets Thousand Baht	Change in fair value of financial assets Thousand Baht	Property, plant and equipment Thousand Baht	Total Thousand Baht
Deferred tax liabilities:				
At 1 January 2021	(23,332)	-	(161,518)	(184,850)
Charged/(credited) to profit or loss	3,577	(92)	3,055	6,540
At 31 December 2021	(19,755)	(92)	(158,463)	(178,310)
Charged/(credited) to profit or loss	(4,807)	(73)	5,813	933
At 31 December 2022	(24,562)	(165)	(152,650)	(177,377)

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 540.7 million (2021: Baht 573.3 million) in respect of losses amounting to Baht 2,703.3 million (2021: Baht 2,866.3 million) that can be carried forward against future taxable income. Losses amounting to Baht 141.7 million (2021: Baht 359.5 million which will be expired in 2026) will be expired in 2027.

22 Borrowings

	Consolidated financial statements		Separate financial statement	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Current				
Short-term borrowings				
- Bank borrowings	1,024,538	-	1,024,538	-
- Accrued interest	98	-	98	-
Short-term borrowings from related parties (Note 34 d)				
- Borrowings from related parties	-	265,000	500,000	516,160
- Accrued interest	-	22,271	15,554	3,972
Current portion of long-term borrowings				
- Bank borrowings	326,968	327,221	113,363	273,818
- Accrued interest	968	884	198	338
- Lease liabilities	131,494	84,471	40,166	34,594
Current portion of long-term borrowings a subsidiary (Note 34 d)				
- Accrued interest	-	-	4,844	-
Total current borrowings	1,484,066	699,847	1,698,761	828,882
Non-current				
Long-term borrowings				
- Bank borrowings	4,112,668	3,490,899	579,082	2,012,778
- Lease liabilities	213,702	164,275	53,296	49,585
- Long-term borrowings from a subsidiary (Note 34 d)	-	-	1,500,000	-
Total non-current borrowings	4,326,370	3,655,174	2,132,378	2,062,363
Total borrowings	5,810,436	4,355,021	3,831,139	2,891,245

The borrowings include secured liabilities in a total amount of Baht 4,442.0 million (2021: Baht 3,822.8 million). Borrowings from financial institutions are secured by land and buildings (Note 16 and 17).

The movement of borrowings during 2022 are presented in Note 33.

The borrowings interest rates at the statement of financial position date were as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Bank overdrafts	MOR	MOR	-	-
Bank borrowings	MLR - 1.50% to - 2.65%	MLR - 2.00% to - 3.10%	MLR - 2.45% to - 2.60%	MLR - 2.45% to - 3.10%

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The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Long-term borrowings from financial institutions	4,112,668	3,490,899	4,131,090	3,345,263
	Separate financial statements			
	Carrying amounts		Fair values	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Long-term borrowings from financial institutions	579,082	2,012,778	579,313	1,861,575
Long-term borrowings from a subsidiary	1,500,000	-	1,504,662	-

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 - 1.50% to MLR - 2.65% (2021: MLR - 2.00% to MLR - 3.10%) and are within the level 3 of the fair value hierarchy.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Maturity of long-term borrowings (excluding finance lease liabilities)				
Not later than 1 year	328,368	328,105	113,561	274,156
Later than 1 year but not later than 2 years	1,841,552	511,347	152,527	374,047
Between 2 years but not later than 5 years	1,462,103	2,259,856	426,834	1,507,713
Over 5 years	849,289	719,696	-	131,018
Total long-term borrowings	4,481,312	3,819,004	692,922	2,286,934

23 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Trade accounts payable - third parties	216,637	215,874	18,905	36,316
Trade accounts payable - related parties (Note 34 b)	705	898	9,014	18,298
Other payables - third parties	300,050	206,350	27,967	48,631
Current portion of hospital acquisition payables	53,735	98,154	-	-
Accrued expenses	191,673	184,773	21,999	30,184
Accrued contract expense	31,668	23,720	5,635	67,076
	794,468	729,769	83,520	200,505

24 Advances received from customers

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Advances received for vaccine	-	614,434	-	205,389
Advances received for office and service apartment rental	11,247	13,481	-	-
Advances received for from customers - other	64,518	29,587	12,004	4,720
	75,765	657,502	12,004	210,109

25 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Statement of financial position: Retirement benefits	159,045	151,643	19,965	23,980
Profit or loss charge included in operating profit for: Retirement benefits	35,614	25,425	3,121	2,901
Remeasurement for: Retirement benefits	(9,039)	(13,204)	-	-

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The movements in the defined benefit obligation during the year are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
At 1 January	151,643	144,586	23,980	21,079
Business combination (Note 27)	760	-	-	-
Current service cost	23,542	22,488	2,970	2,733
Loss on settlement	9,094	574	-	-
Interest expense	2,978	2,364	151	168
	188,017	170,012	27,101	23,980
Remeasurement:				
Gain from change in demographic assumptions	(417)	(2,480)	-	-
Gain from change in financial assumptions	(4,243)	(8,818)	-	-
Experience gain	(4,379)	(1,906)	-	-
	(9,039)	(13,204)	-	-
Benefits paid	(19,933)	(5,165)	(7,136)	-
As at 31 December	159,045	151,643	19,965	23,980

The significant actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Percent	2021 Percent	2022 Percent	2021 Percent
Discount rate	0.72 - 3.27	0.72 - 2.95	0.72 - 1.49	0.72 - 1.49
Salary growth rate	0.00 - 5.00	0.00 - 5.00	3.50 - 4.00	3.50 - 4.00
Staff turnover rate (depending on age)	0.00 - 33.00	0.00 - 33.00	0.00 - 28.00	0.00 - 28.00

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	
	2022	2021	2022	2021	2022	2021
Discount rate	1%	1%	Decreased by 9.12%	Decreased by 9.06%	Increased by 11.16%	Increased by 10.56%
Salary growth rate	1%	1%	Increased by 10.57%	Increased by 10.08%	Decreased by 9.85%	Decreased by 8.71%
Staff turnover rate (depending on age)	1%	1%	Decreased by 9.75%	Decreased by 9.63%	Increased by 5.10%	Increased by 4.83%

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		Separate financial statements				
		Impact on defined employee benefit obligations				
Change in assumption		Increase in assumption		Decrease in assumption		
		2022	2021	2022	2021	
Discount rate	1%	1%	Decreased by 5.06%	Decreased by 3.72%	Increased by 4.62%	Increased by 3.34%
Salary growth rate	1%	1%	Increased by 7.19%	Increased by 4.24%	Decreased by 6.45%	Decreased by 3.80%
Staff turnover rate (depending on age)	1%	1%	Decreased by 5.41%	Decreased by 3.96%	Increased by 1.78%	Increased by 1.22%

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 6.61 to 29.72 years (2021: 7.61 to 29.00 years).

26 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 2021	3,462,336,820	3,462,337	5,163,517	8,625,854
Issuance of shares	346,233,682	346,234	1,069,862	1,416,096
As at 31 December 2021	3,808,570,502	3,808,571	6,233,379	10,041,950
Issuance of shares	-	-	-	-
As at 31 December 2022	3,808,570,502	3,808,571	6,233,379	10,041,950

The total number of authorised and paid-up ordinary shares is 3,808,570,502 shares (31 December 2021: 3,808,570,502 shares) with a par value of Baht 1 per share (31 December 2021: Baht 1 per share).

27 Business combination

On 14 March 2022, the Group's subsidiary acquired 55.00% shares of Pewdee Clinic Esthetics Co., Ltd. The purpose of the acquisition was to expand itself in the aesthetics industry and enhance the profitability of the Group in the future.

The estimate amounts of asset below are amounts of assets acquired and liabilities at the date of business combination.

	Thousand Baht
Net purchase consideration	226,750
Present value of business acquisition payables	72,456
	299,206
	Fair value Thousand Baht
Cash and cash equivalents	76,127
Trade and other receivables	8,218
Inventories	4,600
Other current assets	75
Property, plant and equipment	87,704
Intangible assets	60
Customer relationships	12,799
Know-How	13,482
Trademark	29,196
Right-of-use assets	7,632
Deferred tax assets	152
Other non-current assets	12,243
Trade and other payables	(5,018)
Advances received from customers	(27,410)
Other current liabilities	(338)
Other non-current liabilities	(218)
Employee benefit obligations	(760)
Deferred tax liabilities	(11,169)
Net identifiable assets acquired (100.00%)	207,375
<u>Less</u> non-controlling interests (45.00%)	<u>93,188</u>
Net identifiable assets acquired	114,187
<u>Add</u> assets received from acquisition of a subsidiary on purchase price allocation process	<u>185,019</u>
	299,206

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 Pewdee Clinic Esthetics Co., Ltd. during the fourth quarter of 2022. 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 55.5 million was assessed by the independent expert. Intangible assets including trademark Baht 29.2 million, know-how Baht 13.5 million and customer relationships Baht 12.8 million (Note 20).

28 Liabilities relating to contracts with customers

28.1 Contract liabilities

The Group has recognised the following liabilities related to contracts with customers:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Contract liabilities - current	75,765	657,502	12,004	210,109

Revenue recognised in relation to contract liabilities

Revenue recognised in 2022 reporting period relates to carried-forward contract liabilities.

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Revenue recognised that was included in the contract liability balance at the beginning of the period				
- Medical services	620,834	13,704	207,169	1,235
- Building and office services	13,589	5,117	-	-
	634,423	18,821	207,169	1,235

28.2 Unsatisfied long-term contracts

As at 31 December 2022 and 2021 the unsatisfied performance obligations resulting from contracts are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Building and office service contracts	85,653	65,162	-	-

Management expects that 57.90 % of the transaction price allocated to the unsatisfied contracts as of 31 December 2022 will be recognised as revenue during the next reporting period amounting to Baht 49.6 million. The remaining 42.10 % amounting to Baht 36.1 million will be recognised in the 2023 to 2026.

29 Finance costs

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Borrowings from financial institutions	139,691	116,427	51,048	64,842
Borrowings from related parties	12,415	19,910	52,224	16,522
Interest and finance cost of lease liabilities	10,357	10,301	2,658	3,074
	162,463	146,638	105,930	84,438

30 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Employee benefit expenses	1,645,498	1,246,254	283,008	236,247
Depreciation (Notes 16, 17 and 18)	594,416	546,308	105,482	98,872
Amortisation (Note 20)	62,412	53,225	947	657
Utilities expenses	168,681	129,206	27,905	20,027
Write-offs of inventories	275,513	-	145,503	-
Management fees	24,703	9,915	-	-
Operating lease payments	28,024	28,225	8,836	5,471

31 Income tax expense

Income tax expense for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current tax:				
Current tax on profits for the year	89,722	131,468	7,348	68,625
Total current tax	89,721	131,468	7,348	68,625
Deferred tax:				
Increase (decrease) in deferred tax assets (Note 21)	(19,093)	652	(1,054)	4,853
Increase (decrease) in deferred tax liabilities (Note 21)	21,957	(16,372)	(933)	(6,540)
Total deferred tax	2,864	(15,720)	(1,987)	(1,687)
Income tax expense	92,586	115,748	5,361	66,938

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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	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Profit (loss) before tax	398,892	208,627	(20,019)	292,246
Tax calculated at a tax rate of 20% (2021: 20%)	79,778	41,725	(4,004)	58,449
Tax effect of:				
Associate's results reported net of tax	26	(15)	-	-
Income not subject to tax	(9,355)	-	-	-
Expenses not deductible for tax purpose	64,581	24,738	18,888	17,141
Additional expenses deductible for tax purpose	(29,434)	(77,400)	(12,496)	(9,876)
Utilisation of previously unrecognised tax losses	(39,093)	(6,246)	-	-
Tax losses for which no deferred income tax assets were recognised	22,709	118,171	-	-
Write-offs withholding tax receivables	3,374	14,775	2,973	1,223
Income tax expense	92,586	115,748	5,361	66,938

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated financial statements					
	2022			2021		
	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht
Remeasurement on retirement benefit obligations	9,039	(1,808)	7,231	13,204	(2,641)	10,563
	9,039	(1,808)	7,231	13,204	(2,641)	10,563

32 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	
	2022	2021	2022	2021
From continuing operations attributable to the ordinary equity holders of the Company (Baht)	240,000,486	81,217,433	(25,379,801)	225,308,943
Weighted average number of ordinary shares outstanding (shares)	3,808,570,502	3,671,974,200	3,808,570,502	3,671,974,200
Gain (loss) per share (Baht per share)	0.063	0.022	(0.007)	0.061

There are no diluted earnings per share during the year 2022 and 2021.

33 Change in liabilities arising from financing activities

	Consolidated financial statements		
	Leases liabilities Thousand Baht	Borrowings Thousand Baht	Total Thousand Baht
Liabilities as at 1 January 2021	292,768	4,099,171	4,391,939
Cash flows - received from borrowings	-	1,200,675	1,200,675
Cash flows - repayments	(84,956)	(1,182,872)	(1,267,828)
Acquisitions - lease liabilities	30,634	-	30,634
Interest expense	10,301	128,943	139,244
Interest repayments	-	(140,424)	(140,424)
Financing fee	-	(143)	(143)
Other non-cash movements			
- amortisation of financing fee	-	925	925
Liabilities as at 31 December 2021	248,747	4,106,275	4,355,022
Cash flows - received from borrowings	-	2,858,402	2,858,402
Cash flows - repayments	(120,644)	(1,453,309)	(1,573,953)
Acquisitions - lease liabilities	215,379	-	215,379
Lease modifications and reassessments	1,714	-	1,714
Interest expense	10,357	147,636	157,993
Interest repayments	(10,357)	(139,003)	(149,360)
Financing fee	-	(1,025)	(1,025)
Other non-cash movements			
- amortisation of financing fee	-	2,325	2,325
- gain on loan modification	-	(56,061)	(56,061)
Liabilities as at 31 December 2022	345,196	5,465,240	5,810,436

The Group had requested to transfer the land and buildings of the Group's subsidiary to a commercial bank under the asset warehousing scheme. The transaction with valued at Baht 1,500.0 million was approved by the Bank of Thailand on 17 February 2022. The registration of assets transfers had completed on 28 February 2022. The Group considered this transaction as debt modification which there had not been a substantial modification of the terms of an existing loan agreement. Thus, the Group recorded the gain from adjustment for changes of net book value of loan which modified the terms of loan agreement in the Group's statement of comprehensive income amount Baht 56.1 million for current year.

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	Separate financial statements		
	Leases liabilities Thousand Baht	Borrowings Thousand Baht	Total Thousand Baht
Liabilities as at 1 January 2021	111,398	3,255,901	3,367,299
Cash flows - proceeds from borrowings	-	811,985	811,985
Cash flows - repayments	(34,014)	(1,261,425)	(1,295,439)
Acquisitions - lease liabilities	3,721	-	3,721
Interest expense	3,074	80,759	83,833
Interest repayment	-	(80,758)	(80,758)
Other non-cash movements			
- amortisation of financing fee	-	605	605
Liabilities as at 31 December 2021	84,179	2,807,067	2,891,246
Cash flows - proceeds from borrowings	-	4,375,564	4,375,564
Cash flows - repayments	(39,049)	(3,462,108)	(3,501,157)
Acquisitions - lease liabilities	42,944	-	42,944
Lease modifications and reassessments	5,388	-	5,388
Interest expense	2,658	101,692	104,350
Interest repayment	(2,658)	(85,093)	(87,751)
Financing fee	-	(1,025)	(1,025)
Other non-cash movements			
- amortisation of financing fee	-	1,580	1,580
Liabilities as at 31 December 2022	93,462	3,737,677	3,831,139

34 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 68.54%. The remaining 31.46% of the shares are widely held.

The investments in subsidiaries are disclosed in Note 15.

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

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The following transactions were significant transactions with related parties:

a) Revenue from services, revenue from rental, interest income, rental fees and service fees

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
For the year ended 31 December				
Revenue from services				
Subsidiaries	-	-	71,452	56,145
Related parties	5,650	2,626	2,582	2,626
	5,650	2,626	74,034	58,771
Revenue from rental				
Related parties	1,286	1,457	-	-
Interest income				
Subsidiaries	-	-	26,084	88,303
Rental and its related service fees				
Subsidiaries	-	-	8,959	544
Related parties	3,055	6,622	-	-
	3,055	6,622	8,959	544
Service fees				
Subsidiaries	-	-	94,379	99,082
Related parties	7,678	14,998	-	6,278
	7,678	14,998	94,379	105,360
Interest expense				
Subsidiaries	-	-	52,224	15,673
Related parties	9,984	12,111	-	849
	9,984	12,111	52,224	16,522

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	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Trade accounts receivable				
Subsidiaries	-	-	7,208	16,965
Related parties	230	232	230	230
	230	232	7,438	17,195
Other accounts receivable				
Related parties	1,006	1,914	-	-
Deposits				
A subsidiary	-	-	1,947	993
Lease receivables				
Subsidiaries	-	-	3,342	5,074
Accounts payable				
Subsidiaries	-	-	9,014	18,200
Related parties	705	898	-	98
	705	898	9014	18,298
Accrued expenses				
Subsidiaries	-	-	6,825	64,619
Related parties	-	6,178	-	-
	-	6,178	6,825	64,619

c) Loans to subsidiaries

The movements of short-term loans to subsidiaries can be analysed as follows:

	Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht
At 1 January	-	10
Loans advanced during the year		
- principle	246,343	20,000
- interest	414	47
Loans repayment received during the year		
- principle	(117,330)	(20,000)
- interest	(120)	(57)
At 31 December	129,307	-
Short-term loans	129,013	-
Accrued interest income	294	-

Short-term loans to subsidiaries met the terms and conditions of borrowing. An interest rate from source of borrowings plus 1.00% are due within 6 months from the borrowing date.

The movements of long-term loans to a subsidiary can be analysed are as follows:

	Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht
At 1 January	2,821,573	2,629,296
Loans advanced during the year		
- principle	2,698,992	2,170,000
- interest	25,546	88,055
Loans repayment received during the year		
- principle	(4,411,500)	(2,017,000)
- interest	(20,396)	(48,778)
At 31 December	1,114,215	2,821,573
Long-term loans	1,054,992	2,767,500
Accrued interest income	59,223	54,073

Long-term loans to a subsidiary met the terms and conditions of borrowing. Long-term loans to a subsidiary 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.

d) Borrowings from related parties

The movements of short-term borrowings from related parties can be analysed are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
At 1 January	287,271	298,258	520,132	481,554
Borrowings received during the year				
- principle	-	-	850,574	682,000
- interest	9,984	11,263	15,988	15,673
Borrowings repaid during the year				
- principle	(265,000)	-	(866,733)	(644,791)
- interest	(32,255)	(22,250)	(4,407)	(14,304)
At 31 December	-	287,271	515,554	520,132
Short-term borrowing				
Subsidiaries	-	-	500,000	516,160
Related parties	-	265,000	-	-
Accrued interest expense				
Subsidiaries	-	-	15,554	3,972
Related parties	-	22,271	-	-

Principal Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

The Company has short-term borrowings from subsidiaries for its normal operation with 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 movements of long-term borrowings from a subsidiary can be analysed are as follows:

	Separate financial statements Thousand Baht
At 1 January	-
Borrowings received during the year	
- principle	1,500,000
- interest	36,272
Borrowing repaid during the year	
- principle	-
- interest	(31,428)
At 31 December	<u>1,504,844</u>
Long-term borrowings	1,500,000
Accrued interest	4,844

Long-term borrowings from a subsidiary met the terms and conditions of borrowing and have bear an interest rate 3.25% and are due within 3 years from the borrowing date.

e) Key management compensation

Key management compensation of the Group and the Company is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Short-term employee benefits	66,469	67,022	32,508	28,348
Retirement benefits	4,715	4,512	1,247	1,384
	<u>71,184</u>	<u>71,534</u>	<u>33,755</u>	<u>29,732</u>

35 Letter of guarantees

As at 31 December 2022, the Company had letters of guarantee issued by financial institutions of Baht 8.5 million (2021: Baht 8.5 million) in respect of certain performance bonds in relation for medical services and obligation of electricity usages with Metropolitan Electricity Authority. These letters of guarantee are required in the normal course of business.

As at 31 December 2022, the Group had letters of guarantee issued by financial institutions of Baht 31.5 million (2021: Baht 25.0 million) in respect of certain performance bonds in relation for medical services, obligation of guaranteeing electricity usages with Metropolitan Electricity Authority and Provincial Electricity Authority and guaranteeing gasoline filling as required in the normal course of business.

36 Commitments

36.1 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	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Plant and equipment	207,423	18,142	12,219	3,118

36.2 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 which are non-cancellable lease agreements in respect to leases of equipment and its related service agreements. The lease terms are between 1 to 5 years. The future aggregate minimum lease payments which were not recognised as lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Not later than 1 year	30,422	34,599	2,374	86
Later than 1 year but not later than 5 years	29,216	23,462	623	23
More than 5 years	4,787	6,073	-	-
	64,425	64,134	2,997	109

36.3 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 2022 were Baht 11.3 million (2021: Baht 2.5 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 2022 were Baht 13.4 million (2021: Baht 7.4 million).

Service with compassion



ENCLOSURE



Enclosure 1

**Details of Directors, Executives,
Person in charge of Finance and Accounting,
Financial Controller and Corporate Secretary**



Age 79 years

Mr. John Lee Kohshun

Chairman

Date of Appointment as a Director

26 February 2019 - present

Education

- M.A. History and Philosophy, Adventist University of the Philippines.
- M.P.H. Public Health, Loma Linda University, USA.
- Post Graduates Studies, Health Administration, Loma Linda University.
- Clinical Training, St Lukes Hospital, Philippines.
- Clinical Training, Loma Linda University Medical Center.

Training Programs

- Role of the Chairman Program (RCP 43/2018)/ Thai IOD.
- Director Certification Program (DCP 23/2002) / Thai IOD.

Board Member/ Management in Other Listed Company

-None-

Position in other Company/ Organization/Institution

2 Companies.

Work Experiences

2020 – Present

- Director of Principal NKG Co., Ltd.
- Director of Principal Healthcare Co., Ltd.

2017 – 2019

- Chairman of Premier Home Healthcare Co., Ltd.

2011 – 2019

- Managing Director & Principal Consultant, MuziHealth Consulting Pte Ltd (Singapore)

2008 – 2010

- Executive Vice President, Bangkok Dusit Medical Services.

Shareholding in the Company (as of January 27, 2023)

Held personally

-None-

Held by spouse/minor children

-None-

Family Relationship among Directors and Executives

-None-



Age 65 years

Mrs. Unakorn Phruithithada

**Chairman of Audit Committee/
Independent Director**

Date of Appointment as a Director
26 April 2021 - present

Education

- Bachelor of Accounting (1st Class Honour), Thammasat University.
- Master of Accounting (1st score level), Thammasat University.
- Master of The Computer Application and Information System with Distinction, New York University, USA.
- Certified Public Accountant of Thailand.
- Certified Public Accountant, New York, USA.
- Certified Public Accountant, ASEAN

Training Programs

- Advanced Audit Committee Program (AACP 37/2020) / Thai IOD.
- Director Certification Program (DCP 48/2004) / Thai IOD.
- Director Examination (Exam 14/2004) / Thai IOD.
- The Executive Program "Thammasat for Society" Class 3.
- The Executive Program "Thammasat for Society and World" Class 1.

Board Member/ Management in Other Listed Company

2022-Present

- Independent Director and Audit Committee of ICBC (Thai) Group.

2019-Present

- Independent Director and Audit Committee of Srirang Glove (Thailand) Public Company Limited.

Position in other Company/ Organization/Institute

1 Organization.

Work Experiences

2021 - Present

- Chairperson of the Subcommittee to Conduct Feasibility Study for the Preparation of Accounting Standards for Digital Asset, Federation of Accounting Professions under the Royal Patronage of His Majesty the King.
- Chairperson of the Subcommittee to study and follow the development of IFRS, Federation of Accounting Professions under the Royal Patronage of His Majesty the King.

2017 - 2020

- Member of Accounting Standard Setting Committee, Federation of Accounting Professions under the Royal Patronage of His Majesty the King.

1994 - 2018

- Auditor (Partner), PricewaterhouseCoopers Ltd.

Shareholding of the Company (As of January 27, 2023)

Held personally	-None-
Held by spouse/minor children	-None-

Family Relationship among Directors and Executives

-None-



Age 60 years

Dr. Anuphan Kitnitchiva,(Ph.D.)

Independent Director/ Chairman of Nomination and Remuneration Committee

Date of Appointment as a Director

25 April 2022 - present

Education

- Ph.D. (Development Administration), School of Public Administration (International Doctoral Program), the National Institute of Development Administration, Bangkok.
- LL.M (Business Law), Thammasat University, Bangkok.
- LL.B (Honours), Thammasat University, Bangkok.

Training Programs

- Executive Education (CMA. 29) 2019 Capital Market Academy The Stock Exchange of Thailand.
- The Advanced Certificate on Promotion of Peaceful Society 8th 2017/2018 King Prajadhipok's Institute.
- Successful Formulation and Execution of Strategy (SFE) 26/2016 / Thai IOD.
- Role of the Chairman Program (RCP) 38/2016 / Thai IOD.
- Advance Audit Committee Program 17/2014 / Thai IOD.
- Director Certification Program (DCP) 130/2010 / Thai IOD.
- Lawyer License No. 18024/2529.

Board Member/ Management in Other Listed Company

2022 - Present

- Director, Prinsiri PCL.

2020 - Present

- Director, Rojukkiss International PCL.

2013 - Present

- Chairman of Audit Committee and Independent Director, Thai Poly Acrylic PCL.

Position in other Company/

Organization/Institute 13 Organizations.

Work Experiences

2022 - Present

- Chairman of the Board of Directors, Principal Healthcare - Sakonnakhon Co., Ltd.
- Chairman of the Board of Directors, Principal Healthcare - Lamphun Co., Ltd.
- Chairman of the Board of Directors, Principal Healthcare - Ubonratchathani Co., Ltd.
- Chairman of the Board of Directors, Principal Healthcare - Chumphon Co., Ltd.
- Chairman of the Board of Directors, Principal Healthcare - Sisaket Co., Ltd.
- Chairman of the Board of Directors, Principal Healthcare - Uthai Co., Ltd.
- Chairman of the Board of Directors, Paknam Hospital Co., Ltd.
- Chairman of the Board of Directors, Pitsanuvej Uttaradit Hospital Co., Ltd.
- Chairman of the Board of Directors, Union Pichit Doctors Co., Ltd.
- Chairman of the Board of Directors, Pitsanuloke Medical Co., Ltd.
- Director, Dherakupt Legal Outsourcing Ltd.

2021 - Present

- Chairman of the Board of Directors, TV Burabha Co., Ltd.

2004 - Present

- Managing Director, Dherakupt International Law Office Ltd.

2014 - 2021

- Director, Humanica PCL.

2014 - 2018

- Chairman of Audit Committee and Director, TOT PCL.

2008 - 2015

- Executive Director, Alpha Capital Asset Management Co., Ltd.

2009 - 2010

- Director, Dhanarak Asset Development Co. Ltd.

2005 - 2008

- Director, Matching Studio PCL.

Shareholding of the Company (As of January 27, 2023)

Held personally	-None-
Held by spouse/minor children	-None-

Family Relationship among Directors and Executives

219
-None-



Age 60 years

Associate Professor Dr. Sillapaporn Srijunpetch, (Ph.D.)

Independent Director / Audit Committee

Date of Appointment as a Director
26 April 2021 - present

Education

- Bachelor of Accounting (Honour), Thammasat University.
- Master of Accounting, Thammasat University.
- Master of Business Administration, George Washington University, USA.
- Ph. D. in Accounting, Manchester Business School, Manchester University, UK.
- Certified Public Accountant.

Training Programs

- Director Accreditation Program (DAP 51/2006) / Thai IOD.
- Corruption Protection in the Organization by PricewaterhouseCoopers Consulting (Thailand) Co., Ltd.

Board Member/ Management in Other Listed Company

- **2022 - Present**
- Independent Director and Audit Committee, TISCO Financial Group Public Company Limited.
- Independent Director and Audit Committee, TISCO Bank Public Company Limited.

Position in other Company/ Organization/Institute 3 Organizations.

Work Experiences

2022 - Present

- The Accounting Education and Technology Committee, Federation of Accounting Professions under the Royal Patronage of His Majesty the King.

2017 - Present

- Director and Audit Committee of The Thailand Automotive Institute (TAI).

2016 - Present

- Director and Audit Committee of Small & Medium Industrial Institute.
- Faculty Member, Department of Accounting, Faculty of Commerce and Accounting, Thammasat University.

1997- Present

- Lecturer, Accounting Department, Faculty of Commerce and Accountancy, Thammasat University.

2005 - 2018

- Independent Director and Audit Committee of CS Loxinfo Public Company Limited.

Shareholding of the Company (As of January 27, 2023)

Held personally -None-
Held by spouse/minor children

Family Relationship among Directors and Executives

-None-



Age 47 years

Dr. Jutamas Ingpochai, (Ph.D.)

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

Date of Appointment as a Director

22 April 2014 - present

Education

- B.A. in Business Management, Pine Manor College, Boston, USA
- M.Sc. in Business Administration, Financial Economics, Boston University, USA
- Ph.D. in Business Administration, Bangkok University in cooperation with University of Nebraska-Lincoln, USA.

Training Programs

- Strategic Board Master Class (10/2022).
- Executive Development Program (EDP 19/2019) / TLCA.
- Director Diploma Examination (62/2018) / Thai IOD.
- Family Business Governance (FBG 12/2018) / Thai IOD.
- Directors Certification Program (DCP 248/2017) / Thai IOD.
- IT Governance and Cyber Resilience Program 2017 (ITG 4/2017) / Thai IOD.
- Strategic CFO in Capital Markets (4/2016) / The Stock Exchange of Thailand.
- Advance Audit Committee Program 2016 (AACP 22/2016) / Thai IOD.
- Risk Corporate Leader 2016 (RCL 5/2016) / Thai IOD.
- Directors Accreditation Program (DAP99/2012).
- Company Secretary Program (CSP 29/2009) / Thai IOD.

Board Member/ Management in Other Listed Company

2011 - Present

- Vice President, Investor Relations Department of GFPT PCL.

2008 - Present

- Corporate Secretary of GFPT PCL.
- Member of Risk Management Committee of GFPT PCL.

Position in other Company/ Organization/Institute

2 Companies.

Work Experiences

2021 - Present

- Director of Minimax Venture Co., Ltd.

2015 - Present

- Director of Millionpix Studio Co., Ltd.

Shareholding of the Company (As of January 27, 2023)

Held personally

-None-

Held by spouse/minor children

-None-

Family Relationship among Directors and Executives

-None-



Age 64 years

Dr. Nattawuth Prasertsiripong, (M.D)

Director

Date of Appointment as a Director

15 December 2021 - present

Education

- Bachelor of Medicine, Rama Hospital,
- Mahidol University.
- Master of Political Science, NIDA.

Training Programs

- Director Certification Program (DCP 318/2022) / Thai IOD.

Board Member/ Management in Other Listed Company

-None-

Position in other Company/ Organization/Institute

1 Company and
1 Organization

Work Experiences

2022 - Present

- Director of Principal Healthcare Co.,Ltd.
- Advisor of Principal Capital Public Company Limited.

2019 - Present

- President of The Village Health Volunteer Cremation Association of Thailand.

2018 - 2019

- Director General of Department of Health Service Support.

Shareholding of the Company (As of January 27, 2023)

Held personally -None-
Held by spouse/minor children

Family Relationship among Directors and Executives

-None-



Age 57 years

Mr. Sakarin Tangkavachiranon

Director

Date of Appointment as a Director

June 29, 2021 - present

Education

- Bachelor of Engineering, Mechanical Engineering, Kasetsart University.
- Master of Public and Private Management Program (Honours), National Institute of Development Administration.

Training Programs

- Director Certification Program (DCP 221/2016) / Thai IOD.
- Executive Energy Management Program (Class 11), Ministry of Energy.
- Mini Master of Management, National Institute of Development Administration.
- Plant Maintenance Engineering Program, Japan International Corporation Agency (JICA).
- Energy Sustainability and Conservation Program, Department of Alternative Energy Development and Efficiency, Ministry of Energy.
- General Information of Railway System Program, Kasetsart University.

Board Member/ Management in Other Listed Company

2021 - Present

- Board of Directors Member, Nomination and Remuneration Committee Member and Chairman of Executive Committee, Sahacogen (Chonburi) Public Company Limited

Position in other Company/ Organization/Institute 9 Companies.

Work Experiences

2022 - Present

- Chairman of the Board of Directors, Sekong Investment Advisory Co.,Ltd.

2021 - Present

- Chairman of the Board of Directors, RATCH Cogeneration Co.,Ltd.
- Chairman of the Board of Directors, RATCH-LAO Services Co.,Ltd.

2020 - Present

- Board of Directors Member, An Binh Energy and Infrastructure Fund
- Board of Directors Member, An Binh Investment Group Joint Stock Company
- Board of Directors Member, Hin Kong Power Co.,Ltd.
- Board of Directors Member, Nexif Ratch Energy Singapore Pte. Ltd.
- Board of Directors Member, RH International (Singapore) Corporation Pte. Ltd.
- Chief Power Business Development officer, RATCH Group PLC.

2020 - 2021

- Board of Directors Member, RATCH-Australia Corporation Pty Ltd.
- Board of Directors Member, NEXIF RATCH Energy Rayong Co.,Ltd.
- Board of Directors Member, Hin Kong Power Holding Co.,Ltd.

2019 - 2021

- Board of Directors Member, Nava Nakorn Electricity Generating Co.,Ltd.

2019

- Executive Vice President - Power Business, RATCH Group PLC.

2018 - 2020

- Board of Directors Member, Berkprai Cogeneration Co.,Ltd.

Shareholding of the Company (As of January 27, 2023)

Held personally	-None-
Held by spouse/minor children	-None-

Family Relationship among Directors and Executives

223
-None-



Age 60 years

**Dr. Satit
Viddayakorn, (Ph.D.)**

**Authorized Director/
Managing Director/Director/
Chairman of the Executive Committee/
Chairman of Risk Management Committee /
Member and Secretary of Nomination
and Remuneration Committee**

Date of Appointment as a Director

24 April 2013 - present

Education

- Bachelor of Engineering, Mechanical Engineering Chulalongkorn University
- Master of Business Administration (MBA) Golden Gate University, San Francisco, USA.
- Ph.D in Business Administration Joint Program of Bangkok, Bangkok University and University of Nebraska-Lincoln, USA.

Training Programs

- Senior Executive Program, Sasin, Graduate Institute of Business Administration of Chulalongkorn University.
- Executive Education, Harvard Business School.
- Director Certification Program (DCP 199/2015) / Thai IOD.

Board Member/ Management in Other Listed Company -None-

Position in other Company/ Organization/Institution 5 Companies.

Work Experiences

2020 - Present

- Director of VMEA Co., Ltd.

2018 - Present

- Director of Banchang Business District Co., Ltd.

2017 - Present

- Director of Principal Healthcare Co., Ltd.

2016 - Present

- Director of V Brilliant Group Holding Co., Ltd.
- Director of V Residence Co., Ltd.

**Shareholding of the Company
(As of January 27, 2023)**

Held personally	17.20%
Held by spouse/minor children	-None-

**Family Relationship among
Directors and Executives**

-None-



Age 63 years

Mr. Veera Srichanachaichok

**Authorized Director
Director/ Executive Director/
Risk Management Committee**

Date of Appointment as a Director
1 November 2015 - present

Education

- Bachelor of Accounting, Thammasat University.
- Master of Accounting, Thammasat University.

Training Programs

- Director Certification Program (DCP 1/2006) / Thai IOD.
- Advanced Management Program (EDP)
- Risk Management, Allianz Management Institute

Board Member/ Management in Other Listed Company

-None-

Position in other Company/ Organization/Institute

7 Companies.

Work Experiences

2021 - Present

- Director of Principal Healthcare - Sakonnakhon Co., Ltd.

2020 - Present

- Director of VMEA Co., Ltd.
- Director of Principal NKG Co., Ltd.

2018 - Present

- Director of Banchang Business District Co., Ltd.

2017 - Present

- Director of Principal Healthcare Co., Ltd.

2016 - Present

- Director of V Brilliant Group Holding Co., Ltd.
- Director of V residence Co., Ltd.

Shareholding of the Company (As of January 27, 2023)

Held personally	-None-
Held by spouse/minor children	0.09%

Family Relationship among Directors and Executives

-None-



Age 46 years

Mr. Tanee Maneenut

**Authorized Director
Director / Executive Director /
Chief Executive Officer /
Risk Management Committee**

Date of Appointment as a Director
25 April 2022 - present

Education

- Bachelor of Mechatronics Engineering, Japanese International Cooperation Agency (JICA) scholarship.
- Master of Business Administration, International Business, NIDA.

Training Programs

- Director Certification Program (DCP 325/2022) /Thai IOD

**Board Member/ Management in -None-
Other Listed Company**

**Position in other Company/
Organization/Institute** 13 Companies.

Work Experiences

2022 - Present

- Director of Pewdee Clinic Aesthetics Co., Ltd.
- Director of Principal Healthcare Co.,Ltd.
- Director of PNKG Co., Ltd.
- Director of Principal Healthcare - Uthai Co., Ltd.
- Director of Principal Healthcare - Chumphon Co., Ltd.
- Director of Principal Healthcare - Ubonratchathani Co., Ltd
- Director of Principal Healthcare - Lamphun Co., Ltd.

2021 - Present

- Director of Principal Healthcare - Sakonnakhon Co., Ltd.
- Director of Paknampo Hospital Co., Ltd.
- Director of Pitsanuloke Medical Co., Ltd.
- Director of Union Pichit Doctors Co., Ltd.
- Director of Pitsanuvej Uttaradit Hospital Co., Ltd.
- Director of Klai baan Klai jai Co., Ltd.

Shareholding of the Company (As of January 27, 2023)

Held personally -None-
Held by spouse/minor children -None-

Family Relationship among Directors and Executives

-None-



Age 49 years

Dr. Achara Ratanaphunsri, (Ph.D.)

Authorized Director
Director/ Executive Director/
Risk Management Committee /
Chief Finance and Administrative Officer
(Person in Charge of Finance and Accounting)

Date of Appointment as a Director
11 November 2020 - present

Education

- Bachelor of Computer Science, Assumption University.
- Master of Information Management, Asian Institute of Technology.
- Ph.D. in Organization Development, Assumption University.

Training Programs

- Director Certification Program (DCP 279/2019) / Thai IOD.
- e-Learning CFO's Orientation Course
- Certified Internal Auditor (CIA), USA.

Board Member/ Management in -None-
Other Listed Company

Position in other Company/
Organization/Institute 12 Companies.

Work Experiences

2022 - Present

- Director of Pewdee Clinic Aesthetics Co., Ltd.
- Director of Pitsanuloke Medical Co., Ltd.
- Director of Union Pichit Doctors Co., Ltd.
- Director of Pitsanuvej Uttaradit Hospital Co., Ltd.
- Director of Paknampo Hospital Co., Ltd.
- Director of Principal Healthcare - Sisaket Co., Ltd.
- Director of Principal Healthcare - Uthai Co., Ltd.

2021 - Present

- Director of Principal Healthcare - Sakonnakhon Co., Ltd.

2020 - Present

- Director of Principal Healthcare - Ubonratchathani Co., Ltd.

2019 - Present

- Director of Principal Healthcare - Chumphon Co., Ltd.
- Director of Principal Healthcare - Lamphun Co., Ltd.

2018 - Present

- Director of Principal Healthcare Co., Ltd.

Shareholding of the Company (As of January 27, 2023)

Held personally	0.01%
Held by spouse/minor children	0.04%

Family Relationship among Directors and Executives

-None-



Age 66 years

Dr. Krittavith Lertutsahakul, (M.D.)

**Executive Director /
Deputy Managing Director**

Date of Appointment as a Director
9 November 2022 - present

Education

- Doctor of Medicine, Chulalongkorn University.
- Bachelor of Science, Chulalongkorn University.
- Dermatology, Chulalongkorn University.

Training Programs

- Directors Certification Program (DCP 22/2002) / Thai IOD.
- Board that Make Difference (BMD 1/2016) / Thai IOD.
- Ethical Leadership Program (BDMS 1/2016) / Thai IOD.
- Risk Management Program for Corporate Leader (RCL 6/2017) / Thai IOD.
- Board Nomination and Compensation Program (BNCP 5/2018) / Thai IOD.
- IT Governance and Cyber Resilience Program (ITG 7/2018) / Thai IOD.
- Advanced Diploma of Public Administration and Public Law Class 9, King Prajadhipok's Institute.
- Diploma of National Defence College, The Joint State - Private Sector Course Class,
- Thailand National Defence College (NDC 2010).
- Advanced Management Program (AMP), Wharton Business School, University of Pennsylvania.
- Course of Good Governance of Medical for Senior Executives Class 1, King Prajadhipok's Institute.
- Leadership Development Program (LDP) Class 3, TLCA and IMD.

**Board Member/ Management in
Other Listed Company** -None-

**Position in other Company/
Organization/Institute** 10 Companies and
1 Organization

Work Experiences

2022 - Present

- Directors, Principal Healthcare - Sakonnakhon Co., Ltd.
- Directors, Principal Healthcare - Lamphun Co., Ltd.
- Directors, Principal Healthcare - Ubonratchathani Co., Ltd.
- Directors, Principal Healthcare - Chumphon Co., Ltd.
- Directors, Principal Healthcare - Sisaket Co., Ltd.
- Directors, Principal Healthcare - Uthai Co., Ltd.
- Directors, Paknam Hospital Co., Ltd.
- Directors, Pitsanuvej Uttaradit Hospital Co., Ltd.
- Directors, Union Pichit Doctors Co., Ltd.
- Directors, Pitsanuloke Medical Co., Ltd.

2007 - Present

- Medical Alumni Association, Chulalongkorn University

2019 - 2021

- Chief Executive Officer, Vimut Hospital Holding Co., Ltd.

1990 - 2019

- Chief Executive Officer- Bangkok Hospital Group of BDMS
- Chief Administrative Officer, Bangkok Dusit Medical Services PLC.
- Board of Director and Executive of BDMS Group
 - Samitivej PLC.,
 - Bangkok Pattaya Hospital Co., Ltd.
 - Bangkok Phuket Hospital Co., Ltd.
 - Greenline Synergy Co., Ltd.
 - Bangkok Premier Life Insurance Broker Co., Ltd.

Shareholding of the Company (As of January 27, 2023)

Held personally -None-
Held by spouse/minor children -None-

Family Relationship among Directors and Executives

-None-



Age 52 years

Dr. Athiwat Noiprasit, (M.D.)

**Executive Director /
Chief Performance Coach, Risk and
Quality Management**

Date of Appointment as a Director
29 June 2021 - present

Education

- Bachelor of Medicine (1st Class Honor), Srinakharinwirot University.
- Master of Business Administration, Sukhothai Thammathirat Open University

Training Programs

- Senior Executive Program (SASIN).
- Certificate in Good Governance for Medical Executives, King Prajadhipok's Institute and the Medical Council of Thailand.
- Director Certification Program (DCP Class 257/2018) / Thai IOD.
- Diploma for passing examination of Director Certification Program by Thai Institute of Director.

**Board Member/ Management in
Other Listed Company**

-None-

**Position in other Company/
Organization/Institute**

1 Company

Work Experiences

2021 - Present

- Director of Princ Hospital Suvarnabhumi.
- Chief Performance Coach, Risk and Quality Officer, Principal Healthcare Co.,Ltd.

2014 - Present

- Director, Paknam Hospital Co., Ltd.

2021 - Present

- Director of Principal Healthcare - Sakonnakhon Co., Ltd.

2020 - 2021

- Assistant Managing Director and Acting Pitsanuvej Hospital Director, Pitsanuloke Medical Co., Ltd.
- Assistant Managing Director and Acting Pitsanuvej Phichit Hospital Director, Union Pichit Doctors Co., Ltd.
- Assistant Managing Director and Acting Pitsanuvej Uttaradit Hospital Director, Pitsanuvej Uttaradit Hospital Co.,Ltd.

2019 - 2021

- Director, Pitsanuvej Uttaradit Hospital, Pitsanuvej Uttaradit Hospital Co., Ltd.

2017 - 2021

- Director, Pitsanuvej Phichit Hospital, Union Pichit Doctors Co., Ltd.

2015 - 2021

- Director, Pitsanuvej Hospital, Pitsanuloke Medical Co., Ltd.

2014 - 2015

- Director, Paknam Hospital Co., Ltd.

2013 - 2014

- Assitant Director, Bangkok Hospital Nakornratchasima.

2011 - 2013

- Assitant Director, Bangkok Hospital Hua-Hin.

**Shareholding of the Company
(As of January 27, 2023)**

Held personally -None-
Held by spouse/minor children -None-

**Family Relationship among
Directors and Executives**

229
-None-



Age 42 years

Ms. Atiya Awachanakarn

**Executive Director / Chief People &
Sustainable Office /**
Assistant Secretary of Nomination and
Remuneration Committee

Date of Appointment as a Director
9 November 2022 - present

Education

- Bachelor of Computer Science,
Thammasat University.
- Master of Science in Finance,
Chulalongkorn University.

Training Programs

-

**Board Member/ Management in
Other Listed Company**

-None-

**Position in other Company/
Organization/Institute**

-None-

Work Experiences

2018 - 2021

- HR Transformation Director,
Principal Healthcare Co., Ltd.

**Shareholding of the Company
(As of January 27, 2023)**

Held personally

-None-

Held by spouse/minor children

-None-

**Family Relationship among
Directors and Executives**

-None-

Age 47 years

Ms. Preeyaporn Apiwartwittaya

**Executive Director/
Risk Management Committee/
Deputy Chief Finance and Administrative Officer**

Date of Appointment

1 November 2013 - present

Education

- Bachelor of Accounting (2nd Class Honor), Thammasat University.
- Master of Real Estate Business Program, Thammasat University.
- Certified Public Accountant.

Training Programs

- The Executive Program for Professionals of Fiscal Policy Class 3, Research Institute Foundation.
- Orientation Course - CFO focus on financial reporting Class 6.
- Chief Transformation Officer : CTO Course Class 1 by Stock Exchange of Thailand.

**Board Member/ Management in -None-
Other Listed Company**

**Position in other Company/
Organization/Institute** 5 Companies.

Work Experiences

2020 - Present

- Director of VMEA Co., Ltd.

2018 - Present

- Director of Banchang Business District Co., Ltd.

2017 - Present

- Director of V Brilliant Group Holding Co., Ltd.
- Director of V Residence Co., Ltd.
- Director of Principal Healthcare Co., Ltd.

**Shareholding of the Company
(As of January 27, 2023)**

Held personally -None-
Held by spouse/minor children -None-

**Family Relationship among
Directors and Executives**

-None-

Age 46 years

Ms. Ritima Jirasuradate

**Corporate Secretary/
Executive Director/
Risk Management Committee / Secretary of
Risk Management Committee / Chief of Compliance**

Date of Appointment

14 May 2018 - present

Education

- Bachelor of Law, Thammasat University.
- Barrister-At-Law (Thai Bar) The Thai Bar Association.

Training Programs

- Director Certification Program (DCP 325/2022) / Thai IOD.
- Corporate Secretary / TLCA
- Effective Minute Taking Program / Thai IOD.
- Board Reporting Program / Thai IOD.
- Company Reporting Program / Thai IOD.

**Board Member/ Management in -None-
Other Listed Company**

**Position in other Company/
Organization/Institute** 1 Company

Work Experiences

2019 - Present

- Director of Go Green Cleaning Co., Ltd.

2018 - Present

- Corporate Secretary of Principal Capital Public Company Limited.

2016 - 2018

- Vice President, Compliance & Risk Management, Gland REIT Management Co., Ltd.

**Shareholding of the Company
(As of January 27, 2023)**

Held personally -None-
Held by spouse/minor children -None-

**Family Relationship among
Directors and Executives** -None-



Enclosure 2

Details of Subsidiaries' Directors

Details of Subsidiaries' Directors

	Name	Subsidiary (The Company has more than 50% shareholding)																	
		Principal Healthcare Co., Ltd.	Pitsanuloke Medical Co., Ltd.	Union Pichit Doctors Co., Ltd.	Pitsanuvej Uttaradit Hospital Co., Ltd.	Paknam Hospital 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.	Principal Healthcare - Sakon nakhon Co., Ltd.	Klai Baan Klai Jai Co., Ltd.	Principal NKG Co., Ltd.	Pewdee Clinic Eesthetics Co., Ltd.	V Brilliant Group Co., Ltd.	V Residence Co., Ltd.	Ban Chang Business District Co., Ltd.	VMEA Co., Ltd.
1	Mr. John Lee Kohshun	D, Ad	-	-	-	-	-	-	-	-	-	-	-	D	-	-	-	-	-
2	Dr. Satit Viddayakorn, (Ph.D.)	D, Ad	-	-	-	-	-	-	-	-	-	-	-	-	-	D, Ad	D, Ad	D, Ad	D, Ad
3	Mr. Veera Srichanachaichok	D, Ad	-	-	-	-	-	-	-	-	-	D, Ad	-	D, Ad	-	D, Ad	D, Ad	D, Ad	D, Ad
4	Ms. Preeyaporn Aphiwartwittaya	D, Ad	-	-	-	-	-	-	-	-	-	-	-	-	-	D, Ad	D, Ad	D, Ad	D, Ad
5	Ms. Satita Viddayakorn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	D, Ad	D, Ad	-	D, Ad
6	Mr. Tanee Maneenut	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	-	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	-	-	-	-
7	Dr. Achara Rattanaphunsri, (Ph.D.)	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	-	-	D, Ad	-	-	-	-
8	Mr. Sakarin Tangkavachiranon	D, Ad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Dr. Nattawuth Prasertsiripong, (M.D.)	D, Ad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Dr. Anuphan Kitnitchiva, (Ph.D.)	-	C	C	C	C	C	C, Ad	C	C	C, Ad	C	-	-	-	-	-	-	-
11	Dr. Kittavith Lertutsahakul, (M.D.)	-	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	D, Ad	-	-	D, Ad	-	-	-	-
12	Mr. Sathit Nimpitakpong	-	D	D	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Ms. Khongchanok Thirawarakan	-	D	D	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Dr. Athiwat Noiprasit, (M.D.)	-	-	-	-	D	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Dr. Wasin Avirutnun, (M.D.)	-	-	-	-	D	-	-	-	-	-	-	-	-	-	-	-	-	-

C – Chairman

D – Director

Ad – Authorized Director

	Name	Subsidiary (The Company has more than 50% shareholding)																	
		Principal Healthcare Co., Ltd.	Pitsanuloke Medical Co., Ltd.	Union Pichit Doctors Co., Ltd.	Pitsanuvej Uttarakit Hospital Co., Ltd.	Paknampo Hospital 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.	Principal Healthcare - Sakon nakhon Co., Ltd.	Klai Baan Klai Jai Co., Ltd.	Principal NKG Co., Ltd.	Pewdee Clinic Eesthetics Co., Ltd.	V Brilliant Group Co., Ltd.	V Residence Co., Ltd.	Ban Chang Business District Co., Ltd.	VMEA Co., Ltd.
16	Mr. Voratus Palakawong Na Ayudhya	-	-	-	-	-	D, Ad	-	-	-	-	-	-	-	-	-	-	-	-
17	Dr. Chote Nisoong, (M.D.)	-	-	-	-	-	-	D, Ad	-	-	-	-	-	-	-	-	-	-	-
18	Mr. Siripong Angkasakulkiat	-	-	-	-	-	-	-	-	D, Ad	-	-	-	-	-	-	-	-	-
19	Mr. Thisarin Takkametha	-	-	-	-	-	-	-	-	D, Ad	-	-	-	-	-	-	-	-	-
20	Mr. Ratawit Angkasakulkiat	-	-	-	-	-	-	-	-	-	D, Ad	-	-	-	-	-	-	-	-
21	Mr. Nopparat Thuampradit	-	-	-	-	-	-	-	-	-	-	D	-	-	-	-	-	-	-
22	Mr. Tharapong Seelavongse	-	-	-	-	-	-	-	-	-	-	D	-	-	-	-	-	-	-
23	Mr. Nakorn Wuthiwanwanich	-	-	-	-	-	-	-	-	-	-	D	-	-	-	-	-	-	-
24	Mrs. Samerhae Sattapong	-	-	-	-	-	-	-	-	-	-	-	D, Ad	-	-	-	-	-	-
25	Ms. Datchanee Pantaprom	-	-	-	-	-	-	-	-	-	-	-	D, Ad	-	-	-	-	-	-
26	Mr. Yuki Furuya	-	-	-	-	-	-	-	-	-	-	-	-	D, Ad	-	-	-	-	-
27	Mr. Yosuke Inouae	-	-	-	-	-	-	-	-	-	-	-	-	D, Ad	-	-	-	-	-
28	Dr. Kularb Chittmittrapap, (M.D.)	-	-	-	-	-	-	-	-	-	-	-	-	-	D, Ad	-	-	-	-
29	Dr. Sootiporn Chittmittrapap, (M.D.)	-	-	-	-	-	-	-	-	-	-	-	-	-	D, Ad	-	-	-	-

C – Chairman

D – Director

Ad – Authorized Director



Enclosure 3

Details of Head of Internal Audit and Head of Compliance

Enclosure 3

Details of Head of Internal Audit and Head of Compliance

Age 41 years

Ms. Kantima Kongsomyuti

Internal Auditor from A.M. Advisor Audit Co., Ltd.

Education

- Bachelor of Accounting, Ramkamhaeng University
- Master of Finance and Banking Ramkamhaeng University
- Certified Public Accountant (CPA)
- Certified Professional Internal Audit of Thailand: CPIAT

Training Program

- Training Program for the Certificate of Internal Audit Class 7 of Federation of Accounting Profession
- Anti-Corruption in the Organization Class 9 of Federation of Accounting Profession
- Risk Based Audit of The Institutes of Internal Auditors of Thailand
- Certified Tax Accountant Program (Advanced Tax Accountant Class 2 of Tax School)
- Preparation course for International Certified Internal Auditor Program Pre-CIA Class 24
- Systematic Audit
- Internal Control Review Class 1/60
- Professional Forensic Accounting
- COSO ERM 2017

Board Member/

-None-

Management in Other Listed Company

Position in other Company/ Organization/Institution

-None-

Work experience

2013 - present

- Director of A.M. Advisor Audit Co., Ltd.

2011- present

- Internal Auditor of Principal Capital Public Company Limited



Enclosure 4

Operating Assets and Details of Asset Assessment

Operating Assets and Details of Asset Assessment

Operating Assets

Property, plant and equipment

As of December 31, 2022 property, plant and equipment of the Company and subsidiary companies were summarized as follows:

Property, plant and equipment	Value (million Baht)
Land	3,576.91
Building and improvements	7,754.57
Medical equipment	594.28
Furniture, fixture and office equipment	193.54
Vehicles	26.36
Work in process	394.49
Total	12,540.15

Intangible assets

As of December 31, 2022, intangible assets of the Company and subsidiary companies were summarized as follows:

Intangible assets	Value (million Baht)
Goodwill	2,009.00
Other intangible assets	265.94
Total	2,274.94

Goodwill incurred from the acquisition of subsidiary company's shares. Intangible assets include computer software, trademark and customer relationships.

Right-of-use assets

As of December 31, 2022 right-of-use assets of the Company and subsidiary companies were summarized as follows:

Right-of-use assets	Value (million Baht)
Property	237.99
Machinery and furniture	217.48
Vehicles	18.86
Total	474.33



Enclosure 5

Corporate Governance Policy

Corporate Governance Policy and Corporate Governance Policy

Details as shown in the Company's website www.principalcapital.co.th

1. Corporate Governance Policy
2. Anti-Corruption Policy and Fraud and Corruption Risk Assessment Manual
3. Business Ethics
4. Charter of the Board of Directors
5. Charter of the Audit Committee
6. Charter of the Risk Management Committee
7. Charter of the Nomination and Remuneration Committee



Enclosure 6

Performance Report of the Audit Committee

Performance Report of the Risk Management Committee

Performance Report of the Nomination and Remuneration Committee

Performance Report of the Audit Committee

The Audit Committee has performed its duties independently according to the scope, duties and responsibilities assigned by the Board of Directors, and the Charter of Audit Committee in alignment with the requirements and the best practice guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

In 2022, the Audit Committee has held 5 meetings with the executives, the external auditor and the internal auditor. In the Audit Committee meeting, 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 2022, 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 according to the amended financial reporting standard of Federation of Accounting Professions under the Royal Patronage of His Majesty the King.

New and amended related financial reporting standards effective for accounting period beginning

from 1 January 2023 which has significant impact to the group are as follows:

- Amendment to TAS 16 - Property, plant and equipment
- Amendment to TFRS 3 Business combinations
- Amendment to TFRS 9 Financial instruments

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 and improve auditing quality in terms of personnel, and auditing process to be in line with the professional practice. 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 2022, the Audit Committee assigned additional work for an internal auditor to set the standard procedure for the 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.

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 2022, 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 was disclosed in the notes to financial statement for the year 2022. 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 2022 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 various areas.

6. To consider the appointment of external auditor and audit fee for the year 2023. 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.Sanischa Akarakitilarb CPA No. 8470 or Mr. Paiboon Tankul CPA No.4298 or Miss Amornrat Permpoonwattanasuk, CPA No.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, PricewaterhouseCoopers 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.

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.

(Mrs. Unakorn Phruitthithada)
Chairman of the Audit Committee

Performance Report of Risk Management Committee

The Company gives an importance to risk management 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 Tread way Commission: COSO. The Risk Management Committee performs its duties in accordance with the scope of responsibilities assigned by the Board of Directors to monitor the performance of risk management department, review policy and risk management plan to ensure that the executives and directors perform their work with integrity and in accordance with the good corporate governance and for the highest benefits of the shareholders.

In 2022, The Risk Management Committee attended 4 meetings, discussed and exchanged ideas with the executives, internal auditor and auditors in related issues as follows:

Board of Directors appointed Risk Management Committee to help screen the risk management work for the Audit Committee. The Risk Management Committee will monitor and report on the issues that are risky in a timely manner. So that each department can manage the risks of the organization to create opportunities and reduce obstacles in business operations including reducing unforeseen impacts on the organization in order to be ready to promote good corporate governance.

Risk Management Committee shall consider and formulate risk management policy and the operational guideline as well as oversee internal risks. 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. Moreover, the Risk Management Committee communicated through management to inform personnel in all departments to know the importance of risk management and the Company's risks. The Company's personnel must be able to show the status of risks involved in the work and use them in decision-making to manage the department including formulate operational guidelines and contingency plans to cope with that risks.

Risk Management Committee review the 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 to manage risk systematically and regularly both at the organization and project level by using the same standard set by the Company every quarter. 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. Also, the Risk Management Committee shall summarize and report the results of risk management to the Board of Directors.

(Dr. Satit Viddayakorn, Ph.D.)

Chairman of the Risk Management Committee

Performance Report of the Nomination and Remuneration Committee

In the Board of Directors' meeting no. 3/2022 dated May 11, 2022, the Board of Directors passed a resolution to appoint the Nomination and Remuneration Committee to comply with the good corporate governance which consists of 3 directors as follows:

Dr. Anuphan Kitnitchiva, an Independent Director was appointed as a Chairman of the Nomination and Remuneration Committee.

Dr. Juthamas Ingpochai an Independent Director was appointed as a member of the Nomination and Remuneration Committee.

Dr. Satit Viddayakorn was appointed as a member and secretary of the Nomination and Remuneration Committee.

And Ms. Atiya Awachanakan was appointed as an Assistant to secretary of the Nomination and Remuneration Committee.

In 2022, the Nomination and Remuneration Committee held 1 meeting on June 23, 2022, and performed duties according to the roles and responsibilities according to the Charter of the Nomination and Remuneration Committee, reported the meeting and operating result with their recommendation to the Board of Directors for consideration. The major tasks in 2022 were summarized as follows:

1. Outlined the Charter of the Nomination and Remuneration Committee as a framework and presented to the Board of Directors for approval.
2. Proposed the guideline for performance evaluation of the senior management (C-level) and direct report executive to the Managing Director as well as the evaluate performance of the group head on a quarterly basis and report the result to the Board of Directors to improve operating efficiency and drive the Company to the direction according to the corporate strategy.
3. Recruited, considered and nominated three qualified persons with proper knowledge, experience and special capabilities to be in a senior position of hospital business for the Company's benefit.
4. Held the workshop to enhance knowledge and understanding as well as establish the co-vision between senior executives with C-Level and the directors of all hospitals in the network. To encourage them to set a common goal by taking into account the sustainable practice at its core.
5. Developed skill analysis tools called Board Skill Matrix to align with the short-term and long-term business direction as well as recruited, nominated the qualified person according to the law and relevant regulations concerning with being in Independent Director position instead of a director position by recruiting and nominating those who have educational background, knowledge and experience to provide benefit to the Company and fulfill the Company's Board Skill Matrix also proposed to the Board of Directors' Meeting as well as Annual General Meeting of Shareholders for approval. The directors with conflict of interests shall not cast their votes.
6. Considered and reviewed the annual bonus payment and the annual salary adjustment criteria of the employee to make it fair, competitive and retainable the potential employee.
7. Considered the remuneration of the Board of Directors, Sub-Committee by considering their roles and assigned responsibilities, performance, Company's financial position and standard

remuneration of the industry and proposed to the Board of Directors and the Annual General Meeting of the Shareholders for approval.

8. Considered the performance evaluation form of the committee as a whole and individual form based on the evaluation form of Thai Institute of Director Association (IOD) to apply with the Board of Director and Sub-Committee.

The Nomination and Remuneration Committee performed the assigned duties in the first year with caution, prudence, transparency, fairness, and honest opinions according to the good corporate governance principle for the highest benefit of all stakeholders.

(Dr. Anuphan Kitnitchiva, Ph.D.)

Chairman of the Nomination and Remuneration Committee