

Summary of Additional Questions and Answers from the 2026 Annual General Meeting of Shareholders  
of Principal Capital Public Company Limited held on Friday, 24 April 2026 via Electronic Meeting (E-AGM)

**Question No. 1:** How does the Company plan to improve profitability for newly established network hospitals in order to accelerate their turnaround to profitability in the consolidated financial statements, and what are the Company's clear targets regarding the elimination of accumulated losses?

**Answer:** In general, newly established hospitals (Greenfield Projects) are unable to fully utilize their resources during the initial stage of operations. The Company has therefore implemented plans to improve operational efficiency, focusing on the following measures:

1. Reduction of Fixed Costs per Unit (Operating Leverage) through:

1.1) Creating synergies within the hospital network, such as the sharing and rotation of human resources, executives, physicians, and medical equipment across the network.

1.2) Centralizing hospital management through a Shared Service Center, which is currently operated under a group company, namely Hospital Management Services Co., Ltd. ("HMS"). This approach consolidates the management of various functions, particularly back-office operations, in order to reduce investment requirements and eliminate duplicate expenses. For example, centralized procurement enables the consolidation of purchase volumes for medicines, medical supplies, and medical equipment across the network, thereby increasing bargaining power with suppliers and rapidly reducing the cost of goods sold (COGS) of newly established hospitals.

2. Strengthening Medical Services through enhanced service efficiency and increased accessibility to local communities in order to reinforce the hospitals' strengths in convenience and speed of treatment, as well as to increase the number of patient visits (Campus Visit).

2.1) Development of a referral network (Hub-and-Spoke Model): Newly established hospitals will serve as treatment centers for uncomplicated diseases, common illnesses, or health check-up centers (Spokes), while patients with more complex conditions will be referred to the main hospitals (Hubs). This model helps improve the Utilization Rate without requiring duplicate investments in medical equipment.

2.2) Expansion of specialized medical services based on the specific demands of the local areas in which the hospitals are located, in order to increase service channels and revenue opportunities for each hospital, while also strengthening the overall capabilities of the network hospitals, such as cancer centers, hemodialysis centers, and ophthalmology centers.

**Question No. 2:** Following the Company's acquisitions completed during the past year, what processes does the Company implement to monitor investment returns in order to ensure that the expected recoverable value remains higher than the goodwill recorded in the accounts, and to what extent is the Company concerned about the risk of impairment of such assets?

**Answer:** The Company's acquisitions of businesses and existing hospitals were undertaken based on the recognition of opportunities to improve hospitals that had not yet fully utilized their resources efficiently (Inefficient Resource Utilization). Prior to each acquisition, the Company conducts assessments of the potential outcomes from operational improvement initiatives in various areas. Following the acquisition, the Company immediately implements restructuring and operational enhancement plans. Performance results are subsequently monitored on a monthly basis in order to compare actual operating performance against projected estimates.

In this regard, the Company has established the following operational approaches and risk management measures:

1. Investment Monitoring Process

- Annual Impairment Testing: The Company conducts annual impairment testing in accordance with accounting standards through both internal management assessments and reviews by external auditors. Such assessments are based on estimated future cash flows or fair value calculations, compared against the net book value, including goodwill.
- Performance Indicator Monitoring: The Company closely monitors operating performance against the business plans established at the time of acquisition, particularly with respect to the realization of synergies in both revenue generation and cost reduction.
- Assessment of Impact Factors: The Company reviews changes in economic conditions, interest rates, and industry conditions that may adversely affect the cash flows of acquired businesses.

2. Perspective on Impairment Risk

- Current Risk Level: The Company considers the current impairment risk to be at a "closely monitored but manageable" level, as all acquisitions have undergone thorough due diligence processes and prudent financial assumption assessments prior to completion.
- In the Event that Operating Results Fall Below Target: The Board of Directors will evaluate the underlying causes. If the issue is deemed temporary, the Company will focus on implementing proactive strategic adjustments. However, if it is determined that the profitability of the acquired business has permanently declined, the Company will be required to recognize an impairment loss, which would affect the net profit for that year while more accurately reflecting the true value of the assets presented in the balance sheet.