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Part 1 Business Overview

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 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 as Principal Capital Public Company Limited.

In 2017, the Company acquired shares of Principal Health Care Company Limited (originally Alliance Medical Asia Company Limited) which was operating a private hospital business, with four network hospitals in three northern provinces. Two other hospitals were acquired in 2018. One was Princ Hospital Suvarnabhumi (originally Piyamin Hospital - which was a large hospital in Samut Prakan Province. The acquisition helped to expand the Company’s hospital network, particularly in Bangkok and nearby provinces. The other was Princ Uthai Thani Hospital, of which operation had been suspended, and the acquisition was for renovation. Therefore, the number of hospitals in the Company network increased to six as at the end of 2018.

Following the acquisitions, the Company’s core business became operating and management of private hospitals, and its sector on the SET was changed from “Property Development” to “Health Care Services”. The Company has been determined to expand the Princ 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 in order to offer medical treatment using modern medical technologies. Its aim is to expand the hospital network to cover all the regions of the country, focusing on provinces with no private hospitals but with the demand for medical services. Three more hospitals were added to the network in 2019; namely, Sirivej Lamphun Hospital, which the Company acquired and the business of which was accepted, Princ Uttaradit Hospital in Uttaradit Province which was built entirely by the Company and Princ Uthai Thani Hospital in Uthai Thani Province, of which renovation has been completed and has been in operation since November 2019. In addition, the network is being expanded to the Northeast through a joint venture formed with a local alliance. A new hospital, Princ Sisaket, is being constructed in Sisaket Province and is expected to be completed and to start offering services in 2021. Moreover, the hospital business of Virajsilp Hospital Co., Ltd., which operated a private hospital in Chumphon Province, was acquired. The business transfer was completed on March 2, 2020, marking the increase of the Company’s network hospitals to 10 in 9 provinces.

The Company keeps exploring opportunities in the health industry. According to the National Statistical Office, elderly people constitute 16% of the population. Thailand is expected to become a completely aged society in 2021. Hence, the growth of the number of elderly people signifies a major target

group and thus an important business opportunity. The Company has therefore formed a joint venture with the NK Group in order to engage in the elderly care business, expected to commence in 2020 and to generate supplemental revenues on top of medical treatment.

Apart from the private hospital and hospital management businesses, the Company is also engaged in property development business in the category of hi-end residences in prime business locations as well as in the fully integrated office building management business. These are carried out by professionals, operating in a transparent and fair manner in all areas, be it private hospital management, health care, facilities management, sales services, procurement services, and accounting services. The Company also provides office building management services and investment consultancy.

The current businesses of the Company and the subsidiaries fall into three categories as follows:

1. **Private hospital and private hospital management business** Presently, the Company's hospital network has 10 hospitals, located in four regions of Thailand, the North, the Central Region, the Northeast and the South. Seven hospitals are in the North; namely, Phitsanuvej Hospital in Phitsanulok Province, Phitsanuvej Phichit Hospital in Phichit Province, Princ Paknampho 1 Hospital and Princ Paknampho 2 Hospital in Nakhon Sawan Province, Princ Uthai Thani Hospital in Uthai Thani Province, Pitsanuvej Uttaradit Hospital in Uttaradit Province (officially opened in March 2019) and Sirivej Lamphun Hospital in Lamphun Province. There is one hospital in the Central Region - Princ Hospital Suvarnabhumi in Samut Prakan Province. There is also one hospital in the Northeast – Prince Sisaket Hospital (under construction, scheduled for completion in 2021) and one in the South - Virajsilp Hospital – in Chumphon Province.
2. **Property development for rent business:** hotels and serviced apartments, office buildings for rent
3. **Investment consultancy** This business consultancy business is currently under temporary suspension

1.1 Vision

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

1.2 Mission

- To take part in enhancing the health of the community through building hospitals in areas with shortages for the benefit of people in the community and society and creating a sustainable healthy society.

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

1.3 Key Events and Major Developments

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

Year	Event/development
2019	<ul style="list-style-type: none"> — 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 in Year 2020 was set up with a registered capital of 10,000,000 Baht, divided into 100,000 shares, each with a par value of 100 Baht. Principal Capital Public Company Limited holds 51 % of the shares and NKG holds 49%. — In December 2019, the company set up a new subsidiary Principal Healthcare - Chumphon Company Limited with a registered and paid up capital of 270,000,000 Baht 99.99% of the shares were held by the Company through a subsidiary (PRINH). The objective of the new company was to engage in a private hospital business in Chumphon Province, through acquisition and acceptance of the Entire Business Transfer of a hospital of Virajsilp Hospital Company Limited. The transfer included assets, liabilities, licenses required for operating a hospital, as well as contractual rights and obligations of Virajsilp Hospital Company Limited as of the transfer date, including all of its employees wishing to work for PCPN. The consideration for the transfer and long-term lease of land totaling 570,000,000 Baht was paid to the old shareholder group of the hospital, using the Group's internal cash flows and borrowings from financial institutions. The transfer agreement was made on December 18, 2019 and the transfer of the hospital was completed on March 2, 2020.

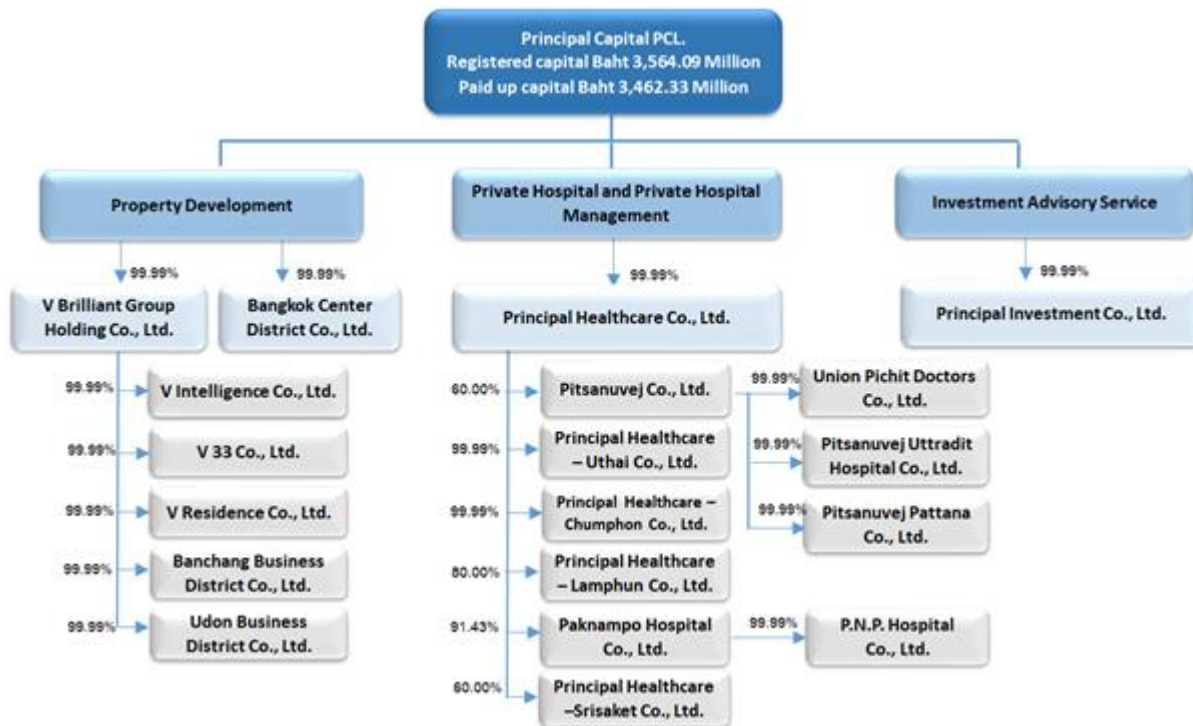
Year	Event/development
	<ul style="list-style-type: none"> <li data-bbox="323 257 1460 544">— In December 2019, the Company signed an agreement with Bumrungrad Health Network Co., Ltd., which is under management of Bumrungrad Hospital Public Company Limited, to launch a new business model - “Bumrungrad 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. <li data-bbox="323 568 1198 600">— On December 2, 2019, Princ Hospital Suvarnabhumi was officially opened. <li data-bbox="323 624 1460 860">— In November, 2019, a new subsidiary Principal Healthcare - Sisaket Company Limited – with a registered capital of 250,000,000 Baht, was incorporated to engage in a 60-bed private hospital business in Sisaket Province. 60% of the shares are held by Principal Health Care Company Limited (a subsidiary of the Company). This joint venture has been formed with Sisaket Meditech Company Limited. The Agreement was made on November 14, 2019. <li data-bbox="323 884 1460 1070">— In November 2019, Princ Paknampo Hospital in Nakhon Sawan Province, was certified for having achieved Stage 7 – the highest level - on the HIMSS Analytics Electronic Medical Records Adoption Model (EMRAM). It is the first hospital in Thailand and the second in Southeast Asia to have achieved this level. <li data-bbox="323 1095 1460 1234">— In November 2019, the Company made a sale of Convergence Systems Co., Ltd¹ to an outside party as the business was no longer necessary. Resources related to development of hospital systems, including personnel, were transferred to PRINH. <li data-bbox="323 1258 1460 2007">— In November 2019, the Company issued and allocated new shares in a maximum amount of 222,249,300 Baht , with a par value of 100 Baht per share, at an offer price of 4.09 Baht per share, with 1.20% discount of the market price, the market price refers to the weighted-average price of the Company’s shares traded on the SET during the period of 15 consecutive business days prior to the date of determination of the offering price by the Board of Directors which from 4 November 2019 to 22 November 2019, which was equivalent to Baht 4.14 per share (information from SETSMART at www.setsmart.com) in a private placement to one buyer, the International Finance Corporation (“IFC”), an institutional investor in the World Bank Group. The IFC is in a strong financial position and has genuine investment capability, having knowledgeable and experience in the healthcare business. It can share information useful for the Company business and can connect the Company with international corporations for business networking. This presents an opportunity to generate revenues and profits for the Company’s sustainable growth. Proceeds of about 909 million Baht will be used in implementing the Company’s plan for expansion of the Company’s hospital and other linkage businesses, including increasing the number of hospitals in the network and finding business alliances for joint investment in more

Year	Event/development
	<p>network hospitals. The registered capital has been increased from 3,240,087,520 to 3,462,336,820 Baht, with a par value of 100 Baht per share since November 28, 2019.</p> <ul style="list-style-type: none"> – On November 15, 2019, Princ Uthai Thani Hospital 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, each with a par value of 100 Baht, held by V Brilliant Group Holding Co., Ltd. (“VB”), a subsidiary of the Company, to VMS Development Co., Ltd. (“VMSD”), a connected person of the Company, at 133.08632 Baht per share. The selling amount totaled approximately 1,328.99 million Baht. Proceeds from the disposition will be used as working capital and in expanding the hospital and health care businesses in accordance with the Company’s business policy. – On March 29, 2019, Pitsanuvej Uttaradit Hospital was officially opened. – On March 1, 2019, Principal Healthcare – Lamphun Company Limited completed the acceptance of the Entire Business Transfer (EBT) of Sirivej Lamphun Hospital. – In February, 2019, the Stock Exchange of Thailand approved reclassification of the Company’s Industry Group from “Property Development and Construction” under the “Property Development” Sector to “Services” under the “Healthcare Service Services” Sector.
2018	<ul style="list-style-type: none"> – In November 2018, the Company was certified to the ISO 9001:2015 standard. – In October 2018, Principal Healthcare Co., Ltd., a subsidiary of the Company, set up Principal Healthcare – Lamphun Co., Ltd. with a registered capital of 200 million Baht to operate a private hospital business. The Company’s Board of Directors passed a resolution approving Principal Healthcare – Lamphun Co., Ltd.’s acceptance of the Entire Business Transfer (EBT) of Sirivej Lamphun Hospital in Lamphun Province, consisting of land and buildings, medical equipment and the licenses to operate the 59-bed hospital. – On June 7, 2018, the Company was certified as a member of the “Thailand’s Private Sector Collective Action Coalition against Corruption” (CAC) for its anti-corruption position. – In May 2018, Principal Healthcare Co., Ltd., a subsidiary of the Company, set up Principal Healthcare – Uthai Co., Ltd. to operate a private hospital business with a registered capital of 50 million Baht. Principal Healthcare – Uthai Co., Ltd. acquired a suspended hospital, a non-performing asset from a financial institution. The transaction included acquisition of land with an area of 12-1-79.5 rai and 10 buildings (under renovation) in Tambon Bangprakru, Nakhon Luang District, Uthai Thani Province. The buildings were renovated into a 59-bed hospital.

Year	Event/development
	<ul style="list-style-type: none"> <li data-bbox="323 255 1458 405">– In March 2018, V Brilliant Group Holding Co., Ltd., a PRINC’s subsidiary set up two new companies: Ban Chang Business District Co., Ltd. and Udon Business District Co., Ltd., with a registered capital of 121 and 129 million Baht, respectively, to engage in property development. <li data-bbox="323 439 1458 1189">– On February 27, 2018, the Company purchased and accepted the business transfer of Thai Health Management Organization Co., Ltd. (“THM”), a company operating a private hospital business under the name “Piyamin Hospital” (subsequently renamed to “Princ Hospital Suvarnabhumi”), located in Samut Prakan Province, and three medical clinics in Bangkok. Under the terms of the Agreement, the Company would accept the transfer of the hospital business of THM, including its assets, liabilities, licenses necessary for its hospital business operation, all of the employees wishing to continue working for the Company, as well as the contractual rights and obligations existing as of the transfer date, pursuant to the terms and conditions of the Business Transfer Agreement between the Company and THM. The Company was obliged to pay a consideration not exceeding 900,000,000 Baht to THM upon fulfillment of the conditions precedent of the Agreement. The acquisition of THM’s hospital business was expected to result in expansion of the Group’s hospital network, particularly in Bangkok and its perimeter, given the hospitals currently operated by the Group were located only in the provinces. It would create a hub-and-spoke system for the Group’s hospital business, which would enhance growth and competitiveness. Acceptance of the transfer has been completed. <li data-bbox="323 1223 1458 1301">– On January 25, 2018, Alliance Medical Asia Co., Ltd. was renamed to Principal Healthcare Co., Ltd.
2017	<ul style="list-style-type: none"> <li data-bbox="323 1337 1458 1962">– 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 the existing shareholders who were connected persons; namely, Miss. Satita Viddhayakorn (“Miss Satita”), Vantage Point Management Limited (“Vantage Point”) and Mr. Sirichai Towiriyawate (“Mr.Sirichai”), at approximately 7.4523 Baht per share, totaling not more than 2,000 million Baht. This deal effectively resulted in the Company acquiring six subsidiaries, of which shares had been held, directly or indirectly, by AMA, as well as their businesses. The subsidiaries were 1) Pitsanuloke Medical Co., Ltd. 2) Paknampo Hospital Co., Ltd.3) Union Pichit Doctors Co., Ltd. 4) Pitsanuvej Uttradit Co., Ltd. 5) Pitsanuvej Pattana Co., Ltd. and 6) P.N.P. Hospital Co., Ltd. (collectively referred to as “subsidiaries”). According to the Agreement, the payment for such shares would

Year	Event/development
	<p>be made in cash to Khun Satita, Vantage Point and Khun Sirichai at 50% of the total purchase price on the Share Purchase Date and the remaining half of the total consideration would be paid within 12 months from the Share Sale and Purchase Agreement Date. In the event the Company paid the remaining portion to Ms. Satita, Vantage Point and/or Mr. Sirichai after the end of 6 months from the Share Sale and Purchase Agreement Date, the Company would have to pay monthly interest to Ms. Satita, Vantage Point or Mr. Sirichai at Bangkok Bank Plc.'s MLR minus 2% (MLR-2%), starting from the day immediately after the end of 6 months, until the full repayment was made (with no compound interest).</p> <ul style="list-style-type: none"> — In May 2017, Bangkok Management Co., Ltd, the Company's subsidiary ("Subsidiary" or "the Seller") sold 2 land plots with title deeds nos. 3582 and 3962, with a total area of 2-2-34.3 rai with a 34-storey building and parking as well as construction permit no. 42/2016, to Carlton Bangkok Investment Pte., Ltd. ("the Buyer"), at 2,400 million Baht, plus 100 million Baht for taxes and other expenses related to the transfer of the land and the building. The total purchase price was 2,500 million Baht. With consent of the buyer, Carlton Hotel Bangkok Co., Ltd., the Buyer's subsidiary, was the transferee. — The Company amended its objectives and Memorandum of Association to accommodate the hospital business operation.
2016	<ul style="list-style-type: none"> — The Company increased its paid-up capital, due to the conversion of 442,172,887 warrants amounting to 442,172,887 Baht, to 1,400,149,087 Baht. — 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 5,791.13 million Baht. The Company issued 1,839,938,433 new common shares, at the offer price of 2.87 Baht per share to Ms. Satita Viddayakorn and Peaks Development Holdings Ltd. and also issued promissory notes amounting to 510,509,850 Baht to Ms. Satita as consideration for the acquisition of V Brilliant Group Holding Co., Ltd., resulting in an increase in the registered capital to 3,240,683,433 Baht.

1.4 PRINC's Group Structure (As of December 31, 2019)



The details of shareholding of the Company and its subsidiaries are as follows:

Company name	Business Type	Description of business	Percentage of shares held by the Company
Principal Capital PCL. (PRINC)	Property development and private hospital business	Property development for rent: Marriott Executive Apartment Sathorn Vista Bangkok and management of Bangkok Business Center Building	-
		Operating a private hospital under the name of Princ Hospital Suvarnabhumi	
Private Hospital and Hospital Management			
Principal Healthcare Co., Ltd. (PRINH) ^{1/}	Holding company	Holding company and provision of shared services to the hospitals in the group	99.99
Pitsanuvej Co., Ltd. ^{2/} (PSV)	Private Hospital	Operating Pitsanuvej Hospital	60.00
Union Pichit Doctors Co., Ltd. ^{2/} (PPCH)	Private Hospital	Operating Pitsanuvej Pichit Hospital	60.00
Pitsanuvej Uttradit Hospital Co., Ltd. ^{2/} (PUTD)	Private Hospital	Operating Pitsanuvej Uttradit Hospital	60.00

Company name	Business Type	Description of business	Percentage of shares held by the Company
Pitsanuvej Pattana Co., Ltd. ^{2/} (PPTN)	Private Hospital	Not yet in operation	60.00
Paknampo Hospital Co., Ltd. ^{3/} (PPNP)	Private Hospital	Operating Princ Paknampo 1 Hospital and Princ Paknampo 2 Hospital	91.43
P.N.P Hospital Co., Ltd. ^{3/} (PNPH)	Private Hospital	Not yet in operation	91.43
Principal Healthcare – Uthai Co., Ltd. ^{4/} (PUH)	Private Hospital	Operating Princ Uthaithani Hospital	99.99
Principal Healthcare – Lamphun Co., Ltd. ^{4/} (PLPN)	Private Hospital	Operating Sirivej Lamphun Hospital	80.00
Principal Healthcare – Sisaket Co., Ltd. ^{4/} (PSSK)	Private Hospital	Operating Princ Sisaket Hospital	60.00
Principal Healthcare – Chumphon Co., Ltd. ^{4/} (PCPN)	Private Hospital	Operating Virajsilp Hospital	99.99
Property Development Business			
Bangkok Center District Co., Ltd. (BCD)	Property Development	Property development of Siam Block L	99.99
V Brilliant Group Holding Co., Ltd. (VB)	Property development and investing in other companies	Currently owning vacant land in Saraburi and Ang Thong Provinces, to be sold to investors	99.99
V Intelligence Co., Ltd. ^{5/} (VI)	Building and offices for rent	Renting the Bangkok Business Center Office Building located on Ekamai Road	99.99
V 33 Co., Ltd. ^{5/} (V33)	Property development	Currently owning vacant land in Chiang Mai Province, to be sold to investors	99.99
V Residence Co., Ltd. ^{5/} (VR)	Hotel and serviced apartments	Serviced apartments under the Somerset Ekamai Project	99.99
Banchang Business District Co., Ltd. ^{5/} (BBD)	Property development	Currently owning vacant land in Rayong Province, under project feasibility study.	99.99
Udon Busines District Co., Ltd. ^{5/} (UBD)	Property development	Currently owning vacant land in Udon Thani Province, to be sold to investors	99.99
Business Consultancy Services			
Principal Investment Co., Ltd. (PI)	Consultancy	Investment consultancy	99.99

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

2/ The Company held shares via Principal Healthcare Co., Ltd. which own 60% stake in Pitsanuloke Medical Co., Ltd.

3/ The Company held shares via Principal Healthcare Co., Ltd. which own 91.43% stake in Paknampo Hospital Co., Ltd.

4/ The Company held shares via Principal Healthcare Co., Ltd.

5/ The Company held shares via V Brilliant Group Holding Co., Ltd.

1.5 Award and Recognition

- The Company obtained the Certificate in relation to “Thailand’s Private Sector Collective Action Coalition against Corruption (CAC)” on June 7, 2018.

Private Hospital Business and Private Hospital Management

Pitsanuvej Hospital

- Pitsanuvej Hospital was certified as a JCI-accredited hospital in December 2012 and was reaccruited in December 2015 and December 2018.
- Awarded as a Model Business Establishment for Safety, Occupational Health and Workplace Environment (Gold Level) for four consecutive years (2016-2019) by the Department of Labour Protection and Welfare, Ministry of Labour.
- Awarded as a Model Business Establishment for Labor Relations and Welfare for five consecutive years (2015-2019) by the Department of Labour Protection and Welfare, Ministry of Labour.
- Awarded as a Distinguished Business Establishment for skill development by Phitsanulok Skill Development Institution 9
- A certificate of Honor (Silver Level) 2018 was awarded under the Zero Accident Campaign and a Gold Level Award was presented for 2019 by the Thailand Institute of Occupational Safety and Health (Public Organization).
- A Certificate of Honor (Gold Level) was awarded in recognition of the support extended to public activities of the Rotaract club of Med-Sci, Naresuan University
- A Certificate of Honor was awarded by Phitsanulok University in recognition of the hospital being a study visit site with a good system of occupational health and safety suitable for students of the university.
- A Certificate of Honor in the field of medicine and public health was awarded by the For Thai Social Foundation for contributions made for the homeland in various forms.

Pitsanuvej Pichit Hospital was awarded a Certificate of Honor as a Model Business Establishment in social security contribution payment.

Princ Paknampo Hospital

- A Certificate Of Laboratory Quality Management the certification was in accordance with Thailand Medical Technology Standards 2017 (Laboratories), Third Certification by the Medical Technology Council.
- Certificate of Honor for National-Level Distinguished Business Establishment in Labor Relations and Welfare for 2019
- Certificates were presented to Princ Paknampo Hospital and Princ Paknampo 2 Hospital upon meeting the criteria for standard food safety hospitals for fiscal 2019 by Nakhon Sawan Province Public Health Office.
- Princ Paknampo 2 Hospital was awarded a certificate from the Healthcare Accreditation Institute (Public Organization) for following the Step 2 Path Towards HA, which serves as an important basis for quality improvement for patients' safety.
- Princ Paknampo Hospital was certified to have achieved HIMSS Analytics Stage 7 (the first hospital in Thailand to have achieved this level). A Certificate of Honor was presented by Nakhon Sawan Chamber of Commerce to mark the occasion.
- Princ Paknampo Hospital was certified as a Good Governance Hospital with transparent charging. The certificate was presented by the Director General of the Department of Internal Trade.
- A certificate was given to Princ Paknampo Hospital by the Department of Internal Trade for achieving Hospital HIMSS Analytics stage 7 as designated by HIMSS Analytics using the Electronic Medical Record Adoption Model.
- Princ Paknampo Hospital received a certificate for quality assessment rating - Excellent Level – in the category of blood bank, consistently throughout fiscal 2019, from the Bureau of Laboratory Quality Standards, Department of Medical Sciences, Ministry of Public Health.

Pitsanuvej Uttaradit Hospital

- Certificate of Honor, 2 A Level, was presented by the Department of Labour Protection and Welfare, for having in place a mechanism for prevention of and solution to drug problems in a business establishment under the White Factory Program.
- The hospital was given a certificate for being a Good Governance Hospital with transparent charging from the Department of Internal Trade, on December 19, 2019.

Property Development

Marriott Executive Apartment Sathorn Vista Bangkok received awards from several agencies, as follows:

- TripAdvisor Certificate of Excellence for 2015 and 2019
- Clean and Green Award from the Bangkok Metropolitan Administration
- Love by Guests Award Winner 2019 from Hotel.com (9.1 out of 10)
- Recommended Award 2019 from Holiday Check.com (6 out of 6)
- Two chefs of the hotel won the first prize in the Bangkok Junior Chefs Competition 2019.

2. Business Overview

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

The Company's aim is to be a leading healthcare service provider to medium income customers in Thailand by expanding its hospital network and strengthening the revenue generating potential by constructing its own hospitals, acquisition of hospitals and offering hospital management services. Hospital Information Systems (HIS) are introduced for efficient cost management. In 2018, the Company acquired another hospital, Princ Hospital Suvarnabhumi (originally Piyamin Hospital), a large hospital in Samut Prakan Province. This helped expand the Group's hospital network to cover Bangkok and peripheral areas. Previously, the hospitals in the group had been in the provinces. Acquisition of this new hospital has created a hub and spoke system for the hospital business, thus enhancing growth and competitiveness. As a result of the acquisition, revenues from healthcare services have become the main revenue of the Company. It therefore requested the SET to change the business sector from Property Development to Health Care Services and approval for the reclassification was granted in February 2019. Later, in March 2019, the Company acquired and received the transfer of the business of Sirivej Lamphun Hospital in Lamphun Province. In addition, the Company built a new hospital, Pitsanuvej Uttaradit Hospital, in Uttaradit Province which has been in operation in March 2020 and also acquired a hospital in Uthai Thani Province which was classified as non-performing assets (NPA) from a financial institution and renovated it to Princ Uthai Thani Hospital, which has been in operation since November 2019. Seeing business opportunities in the Northeast, the Company founded

Principal Healthcare - Sisaket Company Limited, which is a joint venture formed with Sisaket Meditech Company Limited in order to build a private hospital in Sisaket Province. Furthermore, the Company successfully expanded to the South, having established another subsidiary, Principal Healthcare – Company Limited, for its business operation in Chumphon Province. It acquired and accepted the transfer of a hospital business, including all assets, liabilities, and necessary licenses of Virajsilp Hospital Company Limited, which had been operating Virajsilp Hospital in Chumphon Province. The transfer was completed on March 2, 2020, marking the increase of the number of hospitals in the network to 10 in 9 provinces.

To further strengthen the hospital network, the Company cooperates with a leading ally, Bumrungrad Health Network Co., Ltd., to open a Spine and Joint Center at Princ Hospital Suvarnabhumi in November 2019. The excellence of the Center lies in the standard of the medical team from Bumrungrad Hospital and state-of-the-art technologies in treating patients both in Bangkok and from upcountry areas. The concept has been planned for future replication at other hospitals as well.

New businesses have been initiated by forming a joint venture with the Japanese-based Nihon Keiei Group, which has over 50 years of experience in the elderly care business, to engage in the elderly care business in Thailand. This is in line with the government's policy, Healthcare 4.0, of which aim is to make Thailand a medical hub and a center of health tourism. A subsidiary of the Company will form a joint venture – Principal NKG Co.,Ltd.—to set up an elderly care center focusing on rehabilitation and caring for elderly people and make them physically and mentally strong and as self-reliant as possible so that they can resume their living with their families. The first center is expected to be set up at Princ Hospital Suvarnabhumi within 2020.

As for the property development business, the Company still operates the property for rent business in the form of hotel/serviced apartments and full-service office building rental. However, the Company has discontinued expanding the property development for sale business and has no plan to develop additional property. The Company is ready to sell its land bank and existing projects to interested investors in order to obtain fund for development of the healthcare business, except for land with potential for development to support the healthcare business in the future.

In addition to healthcare and property development businesses, the Company also operates a business consultancy business.

Revenue structure

Type of revenue	Operated by	2019		2018		2017	
		Million Baht	%	Million Baht	%	Million Baht	%
Hospital business	PSV, PPCH, PLPN, PUTH, PUTD, PPNP	2,296.2	80.0	2,084.6	78.4	1,690.4	78.0

Type of revenue	Operated by	2019		2018		2017	
		Million Baht	%	Million Baht	%	Million Baht	%
Property development for rent	PRINC, VB, VI, VR	575.3	20.0	574.2	21.6	476.4	22.0
Total revenue		2,871.5	100.00	2,658.8	100.0	2,166.8	100.0

Remarks:	PSV	-	Pitsanuvej Hospital	PRINC	-	Principal Capital PCL.
	PPCH	-	Pitsanuvej Pichit Hospital	VB	-	V Brilliant Group Holding Co., Ltd.
	PLPN	-	Sirivej Lamphun Hospital	VI	-	V Intelligence Co., Ltd.
	PUTH	-	Princ Uthaithani Hospital	VR	-	V Residence Co., Ltd.
	PUTD	-	Pitsanuvej Uttaradit Hospital			
	PPNP	-	Princ Paknampo Hospital 1 and Princ Paknampo Hospital 2			

2.1 Products and services

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

a) Private Hospital Business and Private Hospital Management

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

On February 27, 2018, the Company started to operate a private hospital business under the name "Princ Hospital Suvarnabhumi" (Originally Piyamin Hospital). The Company acquired and has accepted the business transfer of Thai Healthcare Management Organization Co., Ltd. ("THM"), the operator of the hospital, which now has 200 beds and an OPD capacity of 600 patients per day. It is open around the clock and there are specialist clinics as follows:

- | | |
|------------------------------------|-----------------------|
| — Internal Medicine Clinic | — Neurosurgery |
| — Obstetrics and Gynecology Clinic | — Orthopedic surgery |
| — Pediatrics Clinic | — Emergency Center |
| — Geriatric Medical Center | — Endocrine Center |
| — Gastrointestinal Center | — Heart Center |
| — Cancer Center | — Hemodialysis Center |

In December 2019, the Company and Bamrungrad Health Network Co., Ltd. jointly launched the Spine and Joint Center at Princ Hospital Suvarnabhumi, offering excellent services and treatment standards by a specialist team from Bamrungrad Hospital. Modern technologies are applied in the treatment by the Center, depending on the patients' symptoms.

- **Private hospitals in the provinces**

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

1. Pitsanuvej Hospital

This 150-bed hospital is located in Phitsanulok Province. It has been in operation for 35 years, providing higher-level secondary care service, and is operated by Phitsanuvej Co., Ltd. The JCI (Joint Commission International) accredited hospital provides 24-hour medical services to both outpatients and inpatients, with specialist clinics as follows:

- | | |
|---|-------------------------------|
| — Internal Medicine Clinic | — Pediatrics Clinic |
| — Obstetrics and Gynecology Clinic | — Surgical Clinic |
| — Health Check-up Center | — Psychiatric Clinic |
| — Child and Adolescent Development Clinic | — Eye Clinic |
| — Emergency Center | — Ear, Nose and Throat Clinic |
| — Dental Center | |

In addition, it also provides other services, such as radiological examination, heart examination, laboratory examination and Surgery. In 2019, a Rehabilitation Center and a Gastrointestinal and Liver Center were opened in the hospital's new building.

2. Pitsanuvej Pichit Hospital

This hospital is operated by Union Pichit Doctors Co., Ltd. It is a 90-bed hospital which has been in operation since October 15, 1990, and is located in Pichit Province. It provides 24-hour medical services to both outpatients and inpatients. The hospital has specialist clinics as follows:

- | | |
|------------------------------------|---------------------------|
| — Orthopedics and Joint Center | — Emergency Center |
| — Health Check-up Center | — Urological Stone Clinic |
| — Hemodialysis Center | — CT Scan |
| — Internal Medicine Clinic | — General Surgical Clinic |
| — Physical Therapy Center | — Pediatrics Center |
| — Diabetes Clinic | — Breastfeeding Clinic |
| — Obstetrics and Gynecology Clinic | |

3. Princ Paknampo Hospital 1 and Princ Paknampo Hospital 2

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

- | | |
|-------------------------------------|---|
| – Emergency Center | – Pediatrics Clinic |
| – Dental Clinic | – Diagnostic Imaging Center |
| – Nephrology Clinic | – Medical Check-up Center |
| – Gastrointestinal and Liver Clinic | – Cardiovascular Clinic |
| – ICU | – Infectious Disease Clinic |
| – Internal Medicine Clinic | – Laboratories |
| – Neurology Clinic | – Orthopedic Clinic |
| – Physical Therapy Department | – General Surgery Clinic |
| – Urinary Tract Center | – Genecology and Obstetricians Clinic |
| – Medical Check-up Center | – Ear, Nose and Throat Clinic |
| – Eye Clinic | – Diabetes, Thyroid, and Endocrine Center |

4. Pittsanuvej Uttaradit Hospital

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

- | | |
|--------------------------------|-------------------------------|
| – Internal Medicine Department | – Surgery Department |
| – Obstetrics and Gynecology | – Pediatrics Clinic |
| – Orthopedics Clinic | – Physical Therapy Department |

- Wards
- Delivery Room and Nursery Department
- Laboratories
- ICU Department
- Emergency and accident Center
- Surgical Department
- Diagnostic Imaging Department

5. *Srivej Lamphun Hospital*

Srivej Lamphun Hospital Operated by Principal Healthcare – Lamphun Co., Ltd., Sirivej Lamphun Hospital is a 59-bed hospital located on a plot of land with an area of 11 rai. It has been endorsed by the National Health Security Office for treatment of cataracts and osteoarthritis of the knee for gold card holders. It offers 24 hours medical treatment for both in-patients and out-patients, having specialists and clinics as follows:

- Cataract Clinic
- Internal Medicine Department
- Emergency and Accident center
- Weight Loss Center
- Aesthetic Surgery Center
- Varicose Veins Center
- Dental Center

6. *Princ Uthai Thani Hospital*

Princ Uthai Thani Hospital Operated by Principal Healthcare – Lamphun Co., Ltd., Princ Uthai Thani Hospital is a 59-bed hospital located on a plot of land with an area of 12 rai in Uthai Thani Province. It was officially opened in November 2019 and is ready to offer medical services, as well as check-ups. Its focus is on taking care of trauma patients by its Emergency Center, which is staffed with emergency medicine physicians and specialists. It is fully equipped and is accommodate people in Uthai Thani and nearby provinces, such as Chai Nat and Nakhon Sawan Provinces. It also provides consultations and 24-hour transfers to a network hospital, such as Princ Paknampo Hospital in Nakhon Sawan Province. The hospital features the following specialists and clinics:

- Internal Medicine Department
- Orthopedics Department
- Pediatrics Department
- Wards
- Laboratories
- Emergency Center
- Surgical Department
- ICU Department
- Diagnostic Imaging Department
- Delivery Room and Nursery Department.

Medical Service Capacity

The capacity to serve Out-Patient group (OPD) was evaluated from the availability of room while the capacity to serve In-Patient was evaluated from availability of beds. As of December 31, 2019 the capacity of the hospitals in the Group was as follows:

	Princ Hospital Suvarnabhumi		Pisanuvej Hospital		Sahavej Hospital		Paknampo Hospital	
	2019	2018 (EBT in February 2018)	2019	2018	2019	2018	2019	2018
Number of licensed beds	200	200	150	150	90	90	200	200
Average outpatients per day (persons)	215	309	566	573	150	185	353	336
Revenue (Million Baht)	227.6	206.9	1,200.6	1,160.5	174.8	176.6	530.4	514.3

	Sirivej Lamphun Hospital		Pittsanuvej Uttaradit Hospital		Princ Uthai Thani Hospital	
	2019	2018 (EBT in March 2018)	2019 (Operation in March 2019)	2018	2019 (Operation in November 2019)	2018
Number of licensed beds	59	59	57	-	59	-
Average outpatients per day (persons)	170	237	49	-	24	-
Revenue (Million Baht)	69.4	-	85.9	-	6.9	-

Project of which transfer has just been accepted

The Company set up a subsidiary, Principal Healthcare – Chumphon Co., Ltd., (“PCPN”) to invest in and operate a hospital business in Chumphon Province. The subsidiary acquired and accepted the transfer of the hospital business of Virajsilp Hospital Company Limited (Virajsilp), which had been operating a 100-bed private hospital - Virajsilp Hospital - located in Chumphon Province in the South. PCPN accepted the transfer of the hospital of Virajsilp, including its assets, licenses necessary for operating the hospital, as well as contractual rights and obligations as of the transfer date, and employees wishing to work for PCPN. The acquisition of Virajsilp’s hospital effectively expanded the Company’s hospital network to cover the South, another region of Thailand, thus enhancing growth potential and competitiveness, as well as future revenues. The transfer was completed in March, 2020.

Project under construction

Principal Health Care Company Limited, a subsidiary of the Company, entered into a Joint Venture Agreement with Sisaket Meditech Company Limited, to form a Principal Healthcare - Sisaket Company Limited., in order to engage in a private hospital business in Sisaket Province. The hospital, to be named Princ Sisaket Hospital, will be the first private hospital in the province. The project is currently under construction and is expected to be available for services in Q2/2021.

b) Property Development for Rent

- **Hotel/Serviced Apartment**

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

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

2. Somerset Ekamai Bangkok is a serviced apartment operated by V Residence Co., Ltd., the subsidiary of the Company. This serviced apartment is managed by the executives from Ascott Group who has reputation and international hotel management experience. This project provides long-term accommodation service to

foreigners who come to work in Thailand and foreign visitors, providing full amenities inside the rooms. The project is located in Business area of Sukhumvit and Ekamai.

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

- **Office space for rent business**

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

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

The Company has five plots of land in the provinces (Chiangmai, Ang Thong, Saraburi, Rayong and Udon Thani) with ownership held by V Brilliant Group Holding Co., Ltd. As the Company has a clearly defined policy to focus in the healthcare business and not to operate the property development for sale business, it will consider the potential of the individual land plots to determine their suitability for development into a hospital rather than property for sale. Plots with no potential for development into a hospital will be sold back to the seller within the time frame (as specified in the Sale and Purchase Agreement) or will be sold to interested investors.

c) Investment Consultancy Business

Principal Investment, a subsidiary, provides investment consultancy services. Its operation is currently under suspension.

2.2 Market and competition

Overview of Thai Economy

In 2019, the Thai economy is expected to grow at a rate of 2.5 %, lower than the previous year, due mainly to the export slow down induced by risks arising out of the unstable world economic policies, as well as the trade war and Brexit. The Government took several measures to stimulate the economy, including reducing the cost of living of low income earners through the state welfare card, the Card Top-Up Measure, the tourism promotion “Shim Shop Shai” (tasting, shopping and spending) scheme, the measures to support small farmers and drought-affected farmers, the tax measures to promote domestic investment (1.5 times deduction of expenses for machinery investment) and easing SMEs’ access to financing. The main objectives of these measures were to stimulate private sector consumption and investment. The Bank of

Thailand has forecast Thailand's economic growth in 2020 at 2.8% due to the export slowdown as a result of the trade war which has led to uncertainty. The outbreak of Covid-19, which started in China and forced the Chinese Government to bar outbound Chinese tourists, has significantly led to reduction of the number of Chinese tourists visiting Thailand, affecting the tourism industry and linkage industries, as well as domestic spending.

Source: 2020 Thai economy: another bad year (ซวดอีกปีหรือดีอีกหน) By the Bank of Thailand
<https://www.posttoday.com/finance-stock/columnist/600179>

Overview of Healthcare Business in Thailand

The medical service business has been growing by leaps and bounds due to the fact that medical services are one of the basic necessities in life.

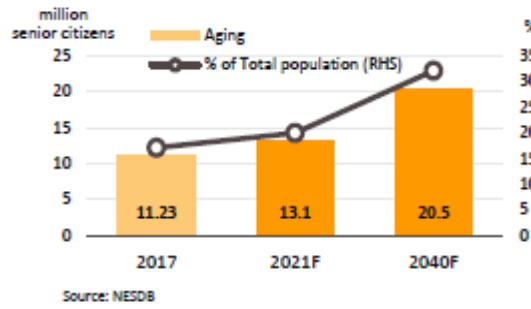
The Thai healthcare system

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

- The Universal Coverage Scheme: provision of medical and healthcare service to those who do not have any other healthcare coverage, especially low-income earners. This scheme is known as the “30 Baht Scheme”, mainly covering general illnesses, and is under supervision of the National Health Security Office.
- The Social Security Scheme: provision of medical and healthcare services to private companies' employees. This scheme covers illnesses and disabilities, including child delivery, child care, senility and unemployment. This scheme is under supervision of the Social Security Office.
- Medical benefit schemes for government officials and state enterprise employees: provision of medical and healthcare services to government officials and state enterprise employees, their spouse, parents, and children under legal age. These schemes are under supervision of the Comptroller General Department, Ministry of Finance.

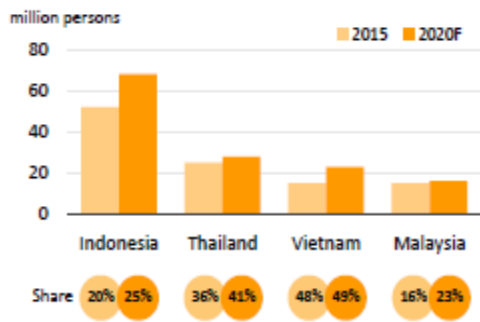
Positive factors for the private hospital business

- **Becoming an aged society** This will lead to increasing demands for more sophisticated medical services requiring higher technologies. The NESDB forecast an increase of the population over 60 years of age from 11.2 million in 2017 to 13.1 million in 2021. 60% of elderly people generally have health problems. The Ministry of Public Health forecast the increase of healthcare expenditure for the elderly from 63 billion Baht (2.1% of the GDP) in 1990 to 228 billion Baht (2.8% of the GDP) in 2022 (From the Twelfth National Health Development Plan, 2017-2021).



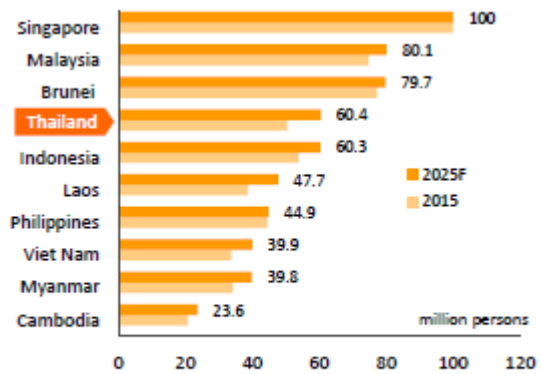
Population over 60 years of age in Thailand

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



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

Proportion of middle-income earners in some ASEAN countries

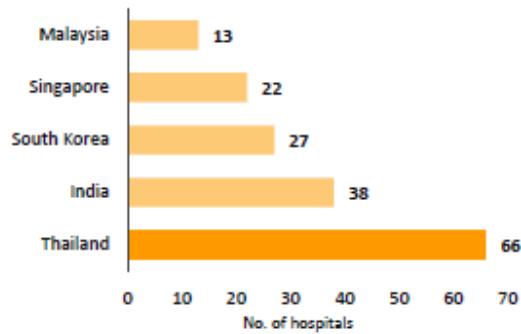


Note: 2025 forecast by United Nations. Source: World cities report 2016, United Nations

Urbanization in Thailand and other ASEAN countries

- Government support to make Thailand a Medical Hub of Asia** A plan (for 2016-2025) has been established and implemented to make Thailand a medical hub. The country is known as one of the medical tourism hubs in the world because Thai hospitals are advanced and provide specialist centers, especially those for chronic disease treatment (including heart disease, bone diseases, cancer etc.) as well as elderly care centers. Moreover, Thai private hospitals are well-recognized for treatment quality and the prices of medical services are lower than other countries. In addition, 66 Thai hospitals are accredited by the Joint Commission International (JCI), which is more than competitor countries in the region. (For example, there are 38 JCI-accredited hospitals in India, 22 in Singapore, and 13 in Malaysia.) The

International Healthcare Research Center (IHRC) ranks Thailand sixth for medical tourism and as the country with the largest share of medical tourists in Asia, 38%.



Source: Joint Commission International

JCI-accredited hospitals

Procedure :	USA	India	Thailand	Singapore
Coronary Angioplasty	28,200 \$	5,700 \$	4,200 \$	13,400 \$
Heart Bypass	123,000 \$	7,900 \$	15,000 \$	17,200 \$
Hip Replacement	40,364 \$	7,200 \$	17,000 \$	13,900 \$
Gastric Bypass	25,000 \$	7,000 \$	16,800 \$	13,700 \$
Hysterectomy	15,400 \$	3,200 \$	3,650 \$	10,400 \$
Lasik (2 eyes)	4,000 \$	1,000 \$	2,310 \$	3,800 \$
Dental Implant	2,500 \$	900 \$	1,720 \$	2,700 \$
Breast Implant	6,400 \$	3,000 \$	3,500 \$	8,400 \$

Source: medicaltourism.com (2019)

Table showing medical expense comparison

In addition, the period for staying in Thailand for medical treatment for people from CLMV countries and China has been extended from 30 to 90 days. Long-stay visas for people from 14 countries have been extended from 1 to 10 years. Dental and check-up packages are also offered to foreigners.

Moreover, the Medical Hub has been identified as one of the 10 target industries of the Special Economic Zone Policy and is among the four high-tech industry groups (medicine, herbs, medical equipment and medical services). Tax privileges have been granted to increase competitiveness by reducing costs to induce more medical service users.

- The number of patients and death rates from Non-Communicable Diseases (NCD's), such as heart disease, stroke, cancer, diabetes and pneumonia, tend to increase among Thai people. Patients in Thailand show relatively high behavioral risks, including a high smoking rate, high alcoholic consumption at 6.5 liters per person per year, higher sugar intake than the safe limit by almost five times. This leads to prediction that the demand for medical services will continue to rise.

Negative factors potentially affecting the growth of the healthcare business

- Intense competition from domestic and foreign competitors

Apart from continued investments of the existing hospital business operators, large investors in other industries have adjusted their business model and entered the hospital business; e.g., Pruksa Holding (operator of Vimutti International Hospital - expected to open in 2020), RSU Group (RSU International Hospital, also to open in 2020), other groups such as Charoen Pokphand Group (CP Group) and Thai Charoen Corporation (TCC Group). This causes an increase in the numbers of hospitals and beds,

resulting in more intense competition among Thai hospital business operators in terms of pricing and services, as well as medical personnel poaching. In addition, private hospitals also have to compete with after hour clinics of public hospitals and its spoke hospitals as well as medical schools (such as Siriraj Piyamaharajkarun Hospital, spoke hospital of Siriraj hospital and Somdech Phra Debaratana Medical Center of Ramathibodi Hospital) which have competitive advantages in terms of reputation, medical technology and medical specialists.

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

- **Government policy to control the prices of medicines, medical supplies and medical services**

In January 2019, the Cabinet approved the adding of medicines, medical supplies and medical services to the price control list according to the Prices of Goods and Services Act, B.E. 2542 (1999). Such inclusion of goods such as medicines and medical supplies and services may affect the service charge adjustment and operating results of private hospitals, particularly medium-sized and small ones without a network, in the future.

Source: 2019-2021 Business/Industrial forecast “Private Hospital Business”, Krungsri Research Center

Marketing Strategy

1. To expand the hospital network by increasing the number of hospitals in secondary provinces through self-investment in provinces with good potential and no private hospitals. Investment has been made in Uttaradit Province; a hospital in Uthai Thani Province has been renovated and has been operational since 2019. In addition, the Company also has a policy to partner with the existing medium-sized and small-sized hospitals through joint ventures or acquisition, with priority given to established and reputable hospitals in operation for longer than 10 years. Of late, in 2020,

the Company expanded the network to the Northeast and the South by forming a joint venture with a local operator and acquisition of a hospital with good potential. As a result, the Company's network now has 10 hospitals.

2. Penetrating the middle-income group, the majority of the population, employing a focus strategy through pricing at lower levels than leading chain hospitals.
3. Provision of hospital management service to private and public hospitals, especially private hospitals in the provinces which have been in operation for more than 10-25 years. The operators of these hospitals neither want to sell their business nor to find a new partner but have incurred losses from the operation. The Company will manage their business and take care of cost management, guaranteeing revenue and profit growth.
4. Using technology to drive the business, attaching importance to modern medical technologies to provide greater efficiency of services to patients; for example, automatic medicine dispensing machines, dispensing medicine using a system with high accuracy, having modern medical equipment, and reviewing x-ray images via a computer. This is done in parallel with 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.

Competition

The hospitals of the subsidiaries are located in Samut Prakan Province and six provinces in the North; namely, Pichit Province, Phitsanulok Province, Nakorn Sawan Province, Uthai Thani Province, Uttaradit Province and Lamphun Province. According to the plan, the network will be extended to the Northeast and the South in Sisaket and Chumphon Provinces, respectively, in 2019. There are enormous opportunities to grow in the hospital business in these provinces because of their large populations. The hospitals in the group are considered leading hospitals in their respective areas in terms of medical teams, the number of beds, and the reputation of the hospitals in the network.

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

Group hospital	Nearby private hospital	Location
Princ Hospital Suvannabhumi	Chularat Hospital 3	Samut Prakan Province
	Central Park Hospital	Samut Prakan Province
	Bangna Hospital 5	Samut Prakan Province
	Paolo Memorial Hospital	Samut Prakan Province

Group hospital	Nearby private hospital	Location
	Muang Samut Paknam Hospital	Samut Prakan Province
	Samrong General Hospital	Samut Prakan Province
Pitsanuvej Pichit Hospital	Chai Arun Vejchakarn Hospital	Pichit
	Srisukho Hospital	Pichit
Pitsanuvej Hospital	Bangkok Hospital Phitsanulok	Phitsanulok
	Ruamphat Phitsanulok Hospital	Phitsanulok
	Phitsanulok Hospital	Phitsanulok
Princ Paknampo Hospital 1	Srisawan Hospital	Nakhon Sawan
and Princ Paknampo Hospital 2	Romchat Hospital	Nakhon Sawan
	Ruamphat Hospital	Nakhon Sawan
Pitsanuvej Uttaradit Hospital	No private hospitals Uttaradit Province	
Sirivej Lamphun Hospital	Lamphun Hospital	Lamphun
	Hariphunchai Memorial Hospital	Lamphun
Princ Hospital Uthai Thani	No private hospitals in Uthai Thani Province	
Virajsilp Hospital	Thonburi-Chumphon Hospital	Chumphon

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

Princ Hospital Suvarnabhumi is in a good location near Suvarnabhumi Airport and Megabangna Shopping Centre, with a large property development project near the hospital. The hospital is ready to be developed into a tertiary care establishment.

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

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

Princ Paknampo Hospital 1 and Princ Paknampo Hospital 2 are both model hospitals when it comes to application of information technology, such as the smart system. 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.

Pitsanuvej Uttaradit Hospital is a new hospital situated in Muang District of Uttaradit Province. It is the first private hospital in the province, with international standard operation rooms and modern medical

equipment, such as a high-speed CT scanner and a mammography device. It is staffed with physicians specializing in many areas.

Sirivej Lamphun Hospital is a small private hospital located in Muang District of Lamphun Province. There are medical doctors specializing in treatment of cataract and osteoarthritis and modern medical equipment.

Princ Hospital Uthai Thani is a new hospital situated in Muang District of Uthai Thani Province. This first private hospital in the Province offers international standard medical services with modern equipment and has experienced medical personnel, ready to deliver professional services.

Virajsilp Hospital is a private hospital offering complete medical service. It has been in operation for over 40 years. It provides speedy and efficient examination and treatment, using modern medical equipment. Its Operation Center has a computerized analysis system which is efficient and fast.

In addition, the Company has introduced the Hospital Information System (HIS) for use in the hospital network. All the databases have been uploaded to cloud and patients' records are digitally linked, thus increasing efficiency in treatment and significantly reducing server costs, maintenance costs and personnel costs. The system can accommodate 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. In Addition, as it recognizes the importance of human resources development, it has installed the Workday Human Capital Management (HCM), a Workday cloud technology in order to increase operation efficiency and upgrade the health service experience in Thailand and ASEAN.

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

Customer characteristics

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

1. Cash customers These customers pay their hospital bills out of their own pocket. The target customers in this category are those living or working near the respective hospitals.

2. Contract customers These are customers undergoing treatment under the contracts made with their organizations, which will assume responsibility for the expenses incurred, or holders of health insurance policies whose expenses will be reimbursed by the hospital from the organizations or the insurers, or the Social Security Office.

Target customers

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

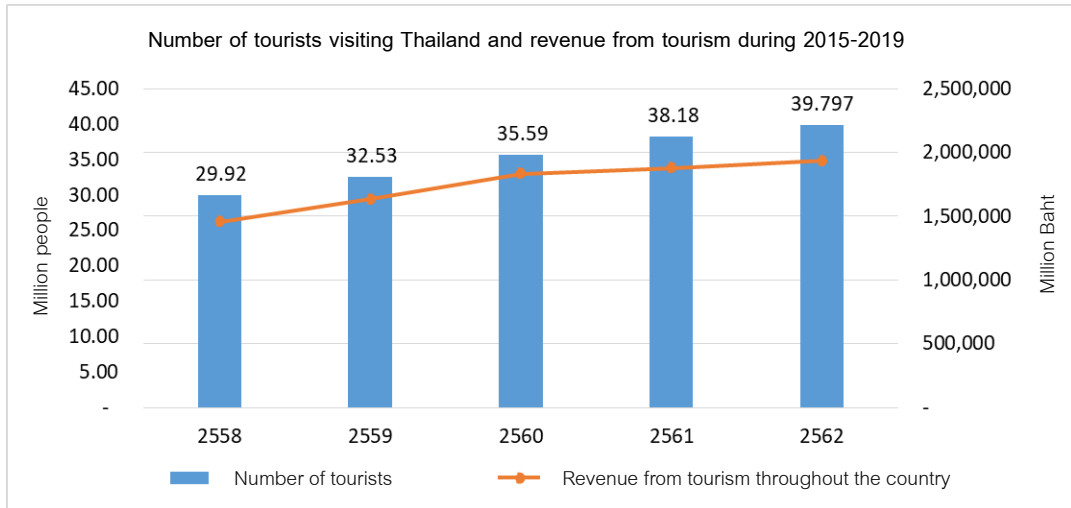
Pricing policy

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

1) Overview of the tourism industry

The serviced apartment and the hotel businesses are closely related to the tourism industry since some of their customers are tourists. The overall tourism industry in 2019 continued to grow, both in terms of the number of foreign tourists and their spending. The supporting factor was the measures taken by the government to promote tourism. The fee for visa on arrival, covering 21 countries, was reduced until October 31, 2019, followed by a one-year extension. Visa fees are exempted for tourists from 19 countries, excluding China and India, until October 31, 2020. Visas are exempted for Chinese and Indian tourists arriving in Thailand for a 15-day stay in Thailand, effective from November 1, 2019 to October 31, 2020.

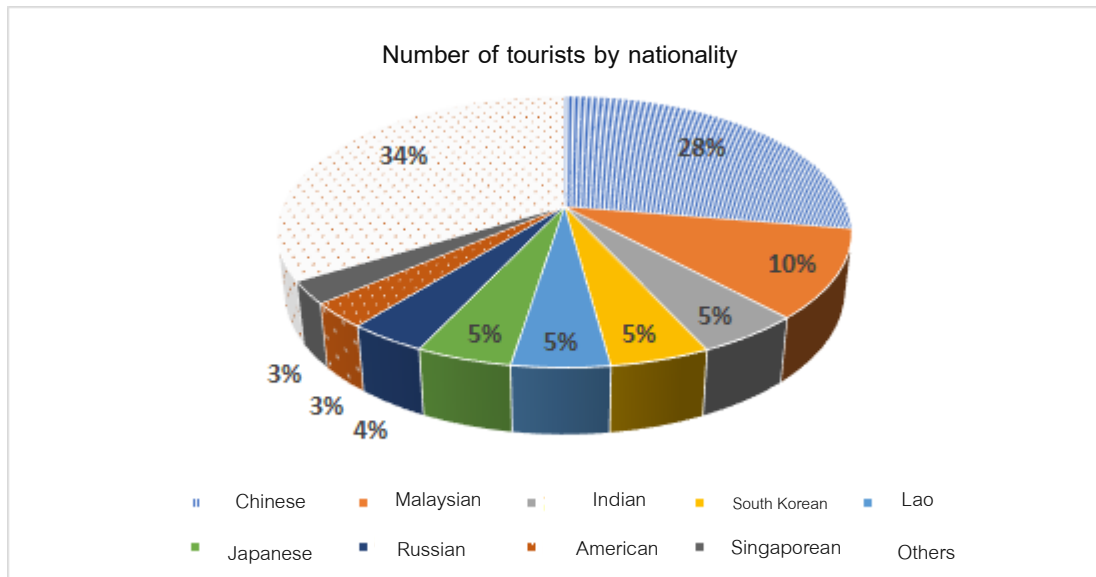
With regard to Thailand's tourism situation, in 2019, there were 39.79 million foreign tourists visiting Thailand, representing an increase of 4.24% from 2018.



Source: Department of Tourism, Ministry of Tourism & Sports

The revenue from foreign tourists visiting Thailand in 2019 totaled 1.93 trillion Baht, increasing by 3% from 1.87 trillion Baht in 2018, a positive change for the fifth consecutive year.

The pie chart below shows the top ten tourist nationalities in 2019



Source: Department of Tourism, Ministry of Tourism & Sports

Of all the tourists visiting Thailand, the Chinese accounted for 28%, followed by the Malaysians (10%) and four nationalities were number three; i.e., the Indians, the South Koreans, the Laotians and the Japanese.

2020 will be a challenging year for Thai tourism due to several factors – the global economic slowdown, appreciation of the Baht, and the novel coronavirus outbreak in China and other countries, including Thailand. All these are expected to result in smaller numbers of tourists from China and other countries by approximately 0.5 - 2.0%.

Overview of the Bangkok serviced apartment market

The supply of serviced apartments in Bangkok is expected to increase as new serviced apartment projects emerge on a continuous basis. These projects are from listed property developers wishing to generate extra revenues from rent, such as Sansiri Plc., Origin Property Plc., and Ananda Development Plc.

The demand for serviced apartments still comes mainly from expatriates. As of Q4/2019, 102,274 aliens have obtained a permit to work in Bangkok. The number has been constantly on the increase over the past several years. Rental rates for serviced apartments in Bangkok have not increased much. The average occupancy rate of serviced apartments in Bangkok is at 85.9 %, with Sukhumvit remaining the most popular area among the expatriates due to convenience brought about by the BTS and other facilities. The extension of the dark green line is another factor leading to the increase in the demand for this area. The average rental rates in Sukhumvit area fall around 850 –1,200 Baht per square meter per month. The rate may be adjusted upwards only slightly in 2020 as most of the tenants have made long-term agreements. Competition between serviced apartments and luxurious condominiums has been quite intense over the past several years. Quite a few serviced apartment tenants have moved to condominiums in the same area as the rents are lower while the facilities are more or less the same.

Source: Q4/2019 Bangkok Serviced Apartment Report, Colliers International

Competition situation

Competition in the serviced apartment business is quite intense. Apart from competing with other serviced apartment operators, there is also competition with hotel operators as most serviced apartments in Bangkok also offer short-term rentals. Many operators price their daily room rate 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 apartment to obtain a hotel license as well. Another factor is modification of some luxurious condominiums into serviced apartments, with lower rental rates. Both factors make it more and more difficult to adjust serviced apartment rental rates.

Marketing strategies

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

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

Target customer groups

1. Expatriates working in Thailand
2. Tourists

Pricing policy

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

Distribution channels

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

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

2) Overview of the office building for rent business

At the end of 2018, there were 8.80 million square meters of office space in Bangkok, around 262,000 square meters of which being under construction and scheduled for completion in 2019. In addition, another 1.3 million square meters is also under construction, completion of which is expected during 2020 - 2022.

About 50% of the supply are in the CBD area and about 70% are Grade A offices. New office buildings scheduled for completion during 2020 - 2024 are shown below:

Building Name	Lettable Area (square meters)	Completion
Summer Point	5,780	2020
Siam Scape	13,238	2020
Silom Center	17,000	2020
Sathorn Prime	21,000	2020
Major Tower Ramkhamhaeng	25,181	2020
Rasa Two	45,000	2020
WHA Tower	53,000	2020
The PARQ	60,000	2020
Vanissa Building	22,185	2020
Total office completion in 2020	262,384	
111 Praditmanutham	9,800	2021
140 Wireless	14,315	2021
Poem Tower	25,000	2021
Kronos Sathorn	22,481	2021
66 Tower	29,000	2021
O-NES Tower	46,000	2021
Oasis	53,000	2021
Onnut Hills	8,073	2022
M Tower II	15,682	2022
One City Centre	59,170	2022
Ratchayothin Hills	16,521	2022
The Unicorn (Phayathai)	22,499	2022
One Bangkok (Phase I)	100,000	2022
The Forestias	100,000	2022
Sriboonrourng	56,500	2022
Super Tower	94,000	2023
Chuvit Garden	20,000	2023
Dusit Central Park	90,000	2024
Total office completion 2021-2024	782,104	

Source: Bangkok Office Market Overview Q3 2019, Knight Frank (Thailand)

The office space occupancy rate in Q4/2019 was around 95.9%. During the past several years, the demand for office space was around 150,000 – 2000,000 square meters per year on average and is expected to remain at this level well into the future. However, the office building space occupancy rate varies with

global economic growth. In 2021, the occupancy rate may shrink with the entrance of new supply which will force rental rates down.

Rental rates in the CBD will still go up by 5-10% per year. The average rental rate for Grade A office space in the CBD area is 1,112 Baht per square meter per month while the average rental rate for Grade B office space in the CBD area is 759 Baht per square meter per month. The average rental rates for Grades A and B outside the CBD are 940 and 582 Baht per square meter per month, respectively.

Sources: Bangkok Office Market Report, Q4 2019, Knight Frank (Thailand)
Bangkok Office Market Overview Q3 2019, Knight Frank (Thailand)

Marketing strategy

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

Target customers

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

Pricing policy

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

Distribution channels

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

2.3 Sourcing of products and services

Private hospital and private hospital management businesses

- **Medical Personnel**

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

- **Sourcing of medicines and medical supplies**

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

- **Medical equipment**

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

- **The environment and safety**

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

Property for rent business

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

2.4 Work Pending

-None-

3. Risk Factors

3.1 Business operation risks

3.1.1 Private hospital business

Risks from increasing competition

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

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

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

Risks associated with hospital business expansion

In 2018, Principal Healthcare Co., Ltd., which is a subsidiary, formed a joint venture with Sisaket Meditech Company Limited in order to set up a 59-bed hospital in Sisaket Province as a move to expand into the Northeast. The Company may be exposed to risks of construction behind schedule, costs becoming higher than the estimates, or any other developments which interrupt the construction, causing damage, and the operating result of the hospital may not be as planned. However, as far as construction is concerned, the Company has hired experienced contractors and consultants to ensure that construction proceeds as planned. In addition, the contract signed with the main contractor has a condition clause, allowing a delay

penalty enabling the subsidiary to claim from the main contractor in the event the construction is not completed on agreed schedule.

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

Risk from shortages of medical personnel

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

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 expectation. The insurance covers not only the liability for unintentional treatment errors but also the litigation expenses. With 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 is able to 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 to 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 prior to 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.

3.1.2 Property Development Business

Risks from intense competition

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

Risk from the change of policies towards land and building taxes

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

Building and Land Tax at the rate of 12.5% of rental revenues. The policy change will result in the Company having to pay taxes based on the values of land and buildings instead, which may be higher.

Risks related to credit extension

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

3.2 Financial Risks

Risk of capital structure and liquidity

In 2019, the Company had an additional borrowing of 125 million Baht from financial institutions for construction of Princ Uthai Thani Hospital. As of December 31, 2019, the Company had loans from financial institutions totaling 1,600 million Baht for the healthcare business. Borrowings for the property development business totaled 674.94 million Baht. There were no Directors' loans. At the end of 2019, the debt to equity ratio was low, 0.56 time, hence the financial risk is still low.

3.3 Managerial risks

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

As of January 24, 2020, the major shareholder, Viddayakorn Group, held 2,639,953,414 shares, representing 76.24% of the total outstanding shares. As a result, the Group can control and has influence over every matter requiring approval by the Shareholder's Meeting, be it appointment of Directors, or any other matters requiring a majority vote from the Shareholder's Meeting, except for matters required by law or the Company's Articles of Association to be passed by three-fourths of the votes of the Shareholder's Meeting. Therefore, the small shareholders are at risk from not being able to obtain the necessary votes for checks and balances in matters which the major shareholder proposes for consideration by the Shareholder's Meeting.

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

4. Major Assets in Business Operation

4.1 Major Assets of the Company

As of December 31, 2019, the Company's main assets including land and building were as follows:

4.1.1 Hospital Business

a) Main Assets of Hospital Business

No.	Property Type/Location	Net Book Value As of Dec. 31, 2019 (Million Baht)	Ownership	Obligation
1.	Pitsanuloke Medical Co., Ltd. (Pitsanuvej Hospital)			
	-Land 1-1- 45.5 rai Muang Pitsanuloke District, Pitsanuloke Province	192.93	Owned	None
	-Land 8-0-57.5 rai Muang Pitsanuloke District, Pitsanuloke Province		Owned	Bank of Ayudhaya PCL.
	-Land 28-1-78.1 Rai Muang Uttaradit District, Uttaradit Province		Owned	None
	Building	240.22	Owned	Bank of Ayudhaya PCL.
	Medical Tool and Equipment	126.70	Owned	Bank of Ayudhaya PCL.(partial)
2.	Union Pichit Doctors Co., Ltd. (Sahavej Hospital)			
	-Land 6-1- 72 rai Muang Pichit District, Pichit Province	15.39	Owned	Bank of Ayudhaya PCL.
	-Land 1-0-97 rai Muang Pichit District, Pichit Province	33.21	Owned	None
	Building	89.78	Owned	Krungthai Bank PCL ^{2/}
	Medical Tool and Equipment	34.53	Owned	Bank of Ayudhaya PCL.(partial)
3.	Paknampo Hospital Co., Ltd. (Paknampo Hospital 1, Paknampo Hospital 2)			
	-Land 13-0- 98.4 rai Muang Nakornsawan District, Nakornsawan Province	348.80	Owned	Thanachart Bank PCL.
	Building	1,025.73	Owned	Thanachart Bank PCL.
	Work in Progress	9.09	Owned	Thanachart Bank PCL.
	Medical Tool and Equipment	153.54	Owned	Bank of Ayudhaya PCL.(partial)
	Land and 3 Shop Houses	41.00	Owned	Thanachart Bank PCL.
	2-Storey Town House	0.38	Owned	None

No.	Property Type/Location	Net Book Value As of Dec. 31, 2019 (Million Baht)	Ownership	Obligation
	Land 1-1-93.2 rai Muang Nakornsawan District, Nakornsawan Province	72.00	Owned	None
	O2 Condominium Unit No. Jor76/108	4.49	Owned	Bangkok Bank PCL.
4.	Pitsanuvej Pattana Co., Ltd.			
	Land 2-0- 9 rai Muang Pitsanuloke District, Pitsanuloke Province	70.76	Owned	None
5.	Pitsanuvej Uttaradit Hospital Co., Ltd. (Pitsanuvej Uttaradit Hospital)			
	Building	504.06	Owned	Bank of Ayudhaya PCL.
	Medical Tool and Equipment	55.98	Owned	None
6.	Principal Healthcare – Uthai Co., Ltd. (Princ Uthaithani Hospital)			
	Land 12-1-79.55 rai, Nakorn Luang District, Uthaitthani Province.	31.20	Owned	Thanachart Bank PCL.
	Building	336.66	Owned	Thanachart Bank PCL.
	Medical Tool and Equipment	18.15	Owned	None
7.	Principal Healthcare – Lamphun Co., Ltd. (Sirivej Lamphun Hospital)			
	Land 10-3-98.5 rai Muang Lamphun District, Lamphun Province	35.25	Owned	Thanachart Bank PCL.
	Land 1-1-37.2 rai Muang Lamphun District, Lamphun Province	4.05	Owned	None
	Land 0-0-56 rai Muang Lamphun District, Lamphun Province	0.49	Owned	None
	Land 0-0-59.3 rai Muang Lamphun District, Lamphun Province	0.48	Owned	None
	Land 1-1-73.2 rai Muang Lamphun District, Lamphun Province	4.38	Owned	None
	Land 2-2-25.7 rai Muang Lamphun District, Lamphun Province	6.26	Owned	None
	Land 2-2-24.5 rai Muang Lamphun District, Lamphun Province	6.48	Owned	None
	Building and Improvement	63.38	Owned	None
	Medical Tool and Equipment	16.43	Owned	None
8.	Principal Capital Co., Ltd. (PCL)			
	Land 0-1-31 rai Bang Phli District, Samut Prakan Province	368.47	Owned	Bank of Ayudhaya PCL.
	Land 2-2-41.7 rai Bang Phli District, Samut Prakan		Owned	Bank of Ayudhaya PCL.

No.	Property Type/Location	Net Book Value As of Dec. 31, 2019 (Million Baht)	Ownership	Obligation
	Province			
	Land 3-2-53.3 rai Bang Phli District, Samut Prakan Province		Owned	Bank of Ayudhaya PCL.
	Building and Improvement	1,147.20	Owned	Bank of Ayudhaya PCL.(partial)
	Medical Tool and Equipment	123.58	Owned	None

4.1.2 Hotel/ Serviced Apartment Business

Project name and location	Project Type	Area (Rai-Ngan-Sq.wa)	Book Value As of Dec. 31, 2019 (Million Baht)	Owner	Obligation
Marriott Executive Serviced Apartments Sathorn Vista- Bangkok Tungmahamek, Sathorn Bangkok	Serviced Apartment	2-0-34.3	1,246.51	Company	Mortgage as collateral for bank
Somerset Serviced Apartment Soi Ekamai 2, Ekamai Road, Bangkok	Serviced Apartment	5-1-94	2,132.52	V Residence Co., Ltd.	Mortgage as collateral for bank

4.1.3 Office area for lease Business

Project name and location	Project Type	Area (Rai-Ngan-Sq.wa)	Book Value As of Dec. 31, 2019 (Million Baht)	Owner	Obligation
Bangkok Business Center Sukhumvit 63 Road (Ekamai Road) Bangkok	Office area for lease	1-3-9	488.78	V Intelligence Co., Ltd.	Mortgage as collateral for bank

4.1.4 Vacant land for project sell^{1/}

No.	Asset/ Location	Book Value As of Dec. 31, 2019 (Million Baht)	Owner	Obligation
1	Vacant land with a total area of 49-3-93 rais, located in Muang Anghong District, Anghong Province	73.71	V Brilliant Group Holding Co., Ltd.	None
2	Vacant land with a total area of 10 rais, located in Muak Lek District, Saraburi Province	30.0	V Brilliant Group Holding Co., Ltd.	None
3	Vacant land with a total area of 30-0-3 rais, located in Mae Rim District, Chiang Mai Province	152.27	V33 Co., Ltd.	None
4	Vacant land with a total area of 5-3-35.2 rais, located in Muang Udonthani District, Udonthani Province	128.50	Udon Business District Co., Ltd.	None

Remark: 1/ The Company has a policy to discontinue expansion property for sale business and not develop any new project. The Company is ready to sell vacant land plot to the interested investor to obtain fund for healthcare business development.

4.1.5 Vacant land for project development

No.	Asset/ Location	Book Value As of Dec. 31, 2019 (Million Baht)	Owner	Obligation
1	Vacant land with a total area of 40-0-58.90 rais, located in Ban Chang District, Rayong Province	120.50	Banchang Business District Co., Ltd.	None

4.2 Investment policy in subsidiary company

The Company has a policy to invest in the business that has potential to generate revenue, feasible with good return and acceptable risk. Such business must support the main business of the Company. To set subsidiary company's business direction in line with the Company's business plan, the Company has a 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 the operating performance every quarter. In addition, there is third party responsible for the internal audit and submits the audit report to the Board of Directors of the Company. Moreover, the Company informs the subsidiaries an important policy including good corporate governance policy, risk management policy and anti-corruption, related transaction policy and whistle blowing for acknowledgement and putting those policies into practice.

The shareholding proportion in subsidiaries can be summarized as follows:

Company Name	Business Type	Shareholding (%)	
		2018	2019
Private Hospital and Private Hospital Management			
Principal Healthcare Co., Ltd. ^{1/} (PRINH)	Holding Company and shared serviced to other hospital in the group	99.99	99.99
Pisanuloke Medical Co., Ltd. ^{2/} (PSV)	Private hospital	60.00	60.00
Union Pichit Doctor Co., Ltd. ^{2/} (PPCH)	Private hospital	60.00	60.00
Pitsanuvej Uttaradit Co., Ltd. ^{2/} (PUTD)	Private hospital	60.00	60.00
Pitsanuvej Pattana Co., Ltd. ^{2/} (PPTN)	Private hospital	60.00	60.00
Paknampo Hospital Co., Ltd. ^{3/} (PPNP)	Private hospital	90.92	91.43
P.N.P. Hospital Co., Ltd. ^{3/} (PNPH)	Private hospital	90.92	91.43
Principal Healthcare – Lamphun Co., Ltd. ^{4/} (PLPN)	Private hospital	99.99	80.00
Principal Healthcare – Uthai Co., Ltd. ^{5/} (PUTh)	Private hospital	99.99	99.99
Principal Healthcare – Sisaket Co., Ltd. ^{5/} (PSSK)	Private hospital	-	60.00
Principal Healthcare – Chumphon Co., Ltd. ^{5/} (PCPN)	Private hospital	-	99.99
Property Business			
Bangkok Center District Co., Ltd. (BCD)	Property development	99.99	99.99
V Brilliant Group Holding Co., Ltd. (VB)	Property development and Investment in subsidiaries	99.99	99.99
V Intelligence Co., Ltd. ^{6/} (VI)	Office area for lease	99.99	99.99
V 33 Co., Ltd. ^{6/} (V33)	Property development	99.99	99.99
V Residence Co., Ltd. ^{6/} (VR)	Hotel and serviced apartment	99.99	99.99
Ban Chang Business District Co., Ltd. ^{6/} (BBD)	Property development	99.99	99.99
Udon Business District Co., Ltd. ^{6/} (UBD)	Property development	99.99	99.99
Business Advisory Services			
Principal Investment Co., Ltd. (PI)	Business advisory service	99.99	

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

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

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

- 4/ The Company has indirect shareholding via Principal Healthcare Co., Ltd and on March 1, 2019 the shareholding specifically Principal Healthcare – Lamphun Co., Ltd. portion was reduced to 80%.
- 5/ The Company has indirect shareholding via V Brilliant Group Holding Co., Ltd.

5. Legal Disputes

No legal dispute

6. General Information and Other Key Information
6.1 General Information of Listed Company
1) Principal Capital Public Company Limited

Listed company	Principal Capital Public Company Limited Formerly named Metrostar Property Public Company Limited
SET symbol	PRINC
Business type	Hospital Business and Private Hospital Management Business and Property development.
Head office location	23th Floor Bangkok Business Center Building 29 Sukhumvit 63, Klongtan Nua, Wattana, Bangkok 10110
Branch locater	1) 1 Soi Suan Plu, Sathorn Road, Thungmahamek, Sathorn Bangkok 10120 2) 35/2 Moo 12 Bangna-Trad Road, Bangkaew, Bangplee, SamutPrakan 10540
Business Registration Number	0107547000869 (formerly 0107574700864)
Registered capital	Baht 3,564,096,272.00 consisting of 3,564,096,272 common shares at par value of Baht 1 per share
Paid up capital	Baht 3,462,336,820.00 consisting of 3,462,336,820 common shares at par value of Baht 1 each
Website	http://www.principalcapital.co.th
Telephone	02-714-2171-3
Fax	02-714-2185

6.2 General Information of the subsidiaries with more than 50% shareholding

Company name	Business type	Registration number	Address	Registered capital (Million Baht)	Paid up capital (Million Baht)	Contact number
Principal Healthcare Co., Ltd.	Holding company and shared service to hospital in the group	0125557004113	23rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	2,683.75	2,683.75	Tel : 02-714-2173 Fax : 02-714-2185
Pitsanuloke Medical Co., Ltd.	Private hospital and invest in other companies	0655524000033	211 Khun Phirenthorathep Road, Nai Muang Sub-district, Muang Phitsanulok District, Phitsanulok Province 65000	500.00	500.00	Tel : 055-909-000 Fax : 055-909-005
Union Pichit Doctors Co., Ltd.	Private hospital	0665532000039	2/158 Srimala Road, Nai Muang Sub-district, Muang Phichit District, Phichit Province 66000	220.00	200.00	Tel : 056-612-791-2 Fax : 056-612-794-5
Pitsanuvej Uttaradit Co., Ltd.	Private hospital	0655560001044	888 Moo 5 Pasao Sub-district, Muang Uttaradit District, Uttaradit Province 53000	300.00	300.00	Tel : 055-409-000 Fax : -
Pitsanuvej Pattana Co., Ltd.	Private hospital	0655560001745	211 Khun Phirenthorathep Road, Nai Muang Sub-district, Muang Phitsanulok District, Phitsanulok Province 65000	1.00	1.00	Tel : 055-909-000 Fax : 055-909-005
Paknampo Hospital Co., Ltd.	Private hospital	0605530000155	96/12 Moo 9 Asian Highway, Nakornsawan Tok, Muang Nakornsawan District, Nakornsawan Province 60000	354.166	354.166	Tel : 056-000-111 Fax : 056-225-505
P.N.P. Hospital Co., Ltd.	Private hospital	0605557000342	96/12 Moo 9 Asian Highway, Nakornsawan Tok, Muang Nakornsawan District, Nakornsawan Province 60000	150.00	37.50	Tel : 056-000-111 Fax : 056-225-505
Principal Healthcare – Lamphun Co., Ltd.	Private hospital	0515561001324	7 Moo 5 Wiengyong Sub-district, Muang Lamphun District, Lamphun Province 51000	200.00	200.00	Tel : 053-537-597 Fax : 053-537-776

6.2 General Information of the subsidiaries with more than 50% shareholding (continue)

Company name	Business type	Registration number	Address	Registered capital (Million Baht)	Paid up capital (Million Baht)	Contact number
Principal Healthcare – Uthai Co., Ltd.	Private hospital	0105561066977	256 Moo 2 Sakae Krang District, Muang Uthai Thani, Uthai Thani 61000	200.00	200.00	Tel : 056-049-899 Fax : 056-049-898
Principal Healthcare – Chumphon Co., Ltd.	Private hospital	0105562205951	18/22 Paraminmanka Road, Tha Taphao District, Muang Chumphon, Chumphon 86000	270.00	270.00	Tel : 077-542-555 Fax : 077-542-570
Principal Healthcare – Sisaket Co., Ltd.	Private hospital	0335562001362	0885/15 Palat Monthon Road, Muang Tai District, Muang Sisaket, Si Sa Ket 33000	250.00	150.00	Tel : 02-714-2173 Fax : 02-714-2185
Bangkok Center District Co., Ltd.	Property Development	0105558144911	23rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	300.00	75.00	Tel : 02-714-2173 Fax : 02-714-2185
V Brilliant Group Holding Co., Ltd.	Property Development	0105556006937	23rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	6,330.90	6,330.90	Tel : 02-714-8239 Fax : 02-714-2185
V Intelligence Co., Ltd.	Property Development	0105556007003	23rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	200.00	200.00	Tel : 02-714-8239 Fax : 02-714-2185
V 33 Co., Ltd.	Property Development	0105557152309	23rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	375.00	225.00	Tel : 02-714-2171 Fax : 02-714-2185
V Residence Co., Ltd.	Hotel and Serviced Apartment	0105556015847	23rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	1,000.00	1000.00	Tel : 02-714-2171 Fax : 02-714-2185

6.2 General Information of the subsidiaries with more than 50% shareholding (continue)

Company name	Business type	Registration number	Address	Registered capital (Million Baht)	Paid up capital (Million Baht)	Contact number
Banchang Business District Co., Ltd.	Property Development	0105561042806	23rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	121.00	121.00	Tel : 02-714-2173 Fax : 02-714-2185
Udon Busines District Co., Ltd.	Property development	0105561042792	23rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	129.00	129.00	Tel : 02-714-2173 Fax : 02-714-2185
Principal Investment Co., Ltd.	Business advisory service	0105556199227	23rd Floor Bangkok Business Center Building 29 Soi Sukhumvit 63 (Ekamai) Sukhumvit Road, Khlongton Nua, Wattana, Bangkok 10110	10.00	10.00	Tel : 02-714-2184 Fax : 02-714-2185

6.3 Other References

1) Registrar

Thailand Securities Depository Company Limited

93 Ratchadapisek Road, Dindaeng, Bangkok 10400

Telephone : 66 2 009 9000

Fax : 66 2 009 9991

2) Auditor

Mr. Chanchai Chaiprasit CPA No. 3760

PricewaterhouseCoopers ABAS Company Limited

179/74-80 South Sathorn Road, Sathorn, Bangkok 10120

Tel. 66 2 344 1000 66 2 824 5000

Fax 66 2 286 5050

Part 2 Management and Corporate Governance

7. Securities information and shareholders

7.1 Number of registered capital and paid up capital

As of December 31, 2019 the Company had registered capital of Baht 3,564,096,272.00 and paid up capital of Baht 3,462,336,820 consisting of 3,462,336,820 common shares at par value of Baht 1 each.

7.2 Shareholders

List of shareholders and percentage of shareholding on the book closing date as of March 13, 2020 were as follows:

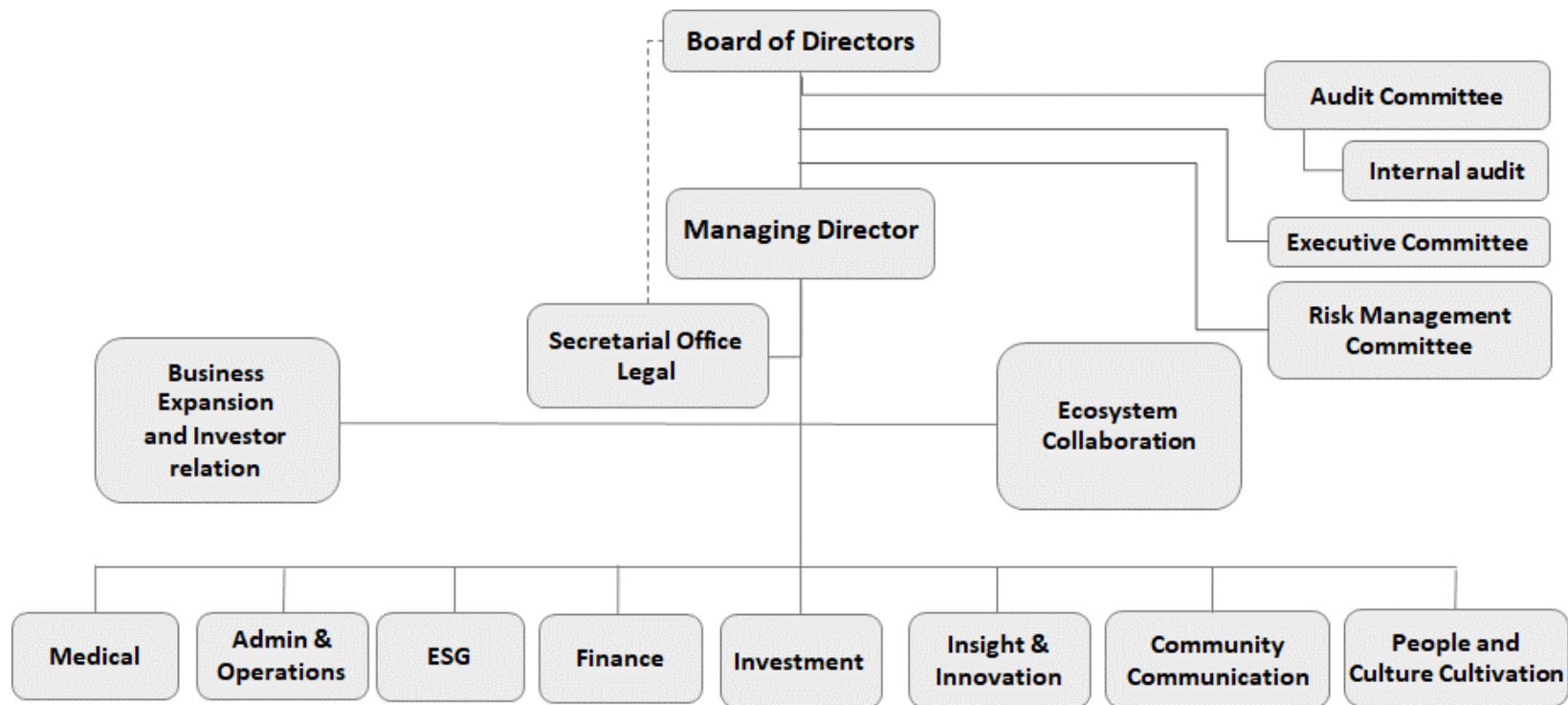
Shareholder Name	No. of Shares	% Shareholding
1. UBS AG Hong Kong Branch	1,262,060,526	36.45
2. Dr. Satit Viddayakorn	806,728,800	23.30
3. Ms. Satita Viddayakorn	498,054,588	14.38
4. International Finance Corporation	222,249,300	6.42
5. Peak Development Holdings Ltd.	157,737,029	4.56
6. Mr. Sirinya Apimonbutra	100,000,000	2.89
7. Ms. Pallapa Viddayakorn	50,124,400	1.45
8. Ms. Somsamorn Putphan	40,628,800	1.17
9. Mrs. Payao Chalacheep	27,511,900	0.79
10. Ms. Tanatorn Viddayakorn	22,985,100	0.66
Other shareholders	274,256,377	7.97
Total	3,462,336,820	100.00

7.3 Dividend payment policy

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

8. Management Structure

Organization chart as of December 31, 2019.



8.1 Board of Directors of Principal Capital Public Company Limited

As of December 31, 2019, the Board of Directors of Principal Capital Company Limited comprised 9 qualified, competent and experienced directors, as follows:

Name	Position	Join the meeting/Number of meeting		
		Board of Director Meeting	Shareholders' Meeting	Reason for Absent
1. Dr. Pongsak Viddayakorn, M.D. ^{1/}	Honorary Chairman	9/9	2/2	-
2. Mr. John LEE Kohshun ^{2/}	Chairman of the Board of Directors	9/9	2/2	-
3. Mr. Yarnsak Manomaiphiboon	Independent Director	9/9	2/2	-
4. Dr. Satit Viddayakorn, Ph.D.	Director	9/9	2/2	-
5. Miss Aranya Chalermponvarodom	Independent Director	8/9	2/2	Leave
6. Dr. Jutamas Ingpochai Ph. D	Independent Director	7/9	2/2	Leave
7. Mr. Veera Srichanachaichok	Director	9/9	2/2	-
8. Dr. Soontorn Sritha, M.D.	Director	9/9	2/2	-
9. Miss Tanatorm Viddayakorn ^{3/}	Director	9/9	2/2	-
10. Miss. Ritima Jirasuradate	Corporate Secretary	9/9	2/2	-

Remark : 1/ was appointment Mr. Pongsak Viddayakorn to be the Honorary Chairman effective as of August 13, 2019 onwards.

2/ was appointment Mr. John Lee Kohshun as the director of the Company to replace Miss Seerada Tiemprasert effective as of February 26, 2019 onwards and to be the Chairman of the Board of Directors to replace Dr. Pongsak Viddayakorn effective as of August 13, 2019 onwards.

3/ was appointment Miss Tanatorm Viddayakorn as the director of the Company to replace Miss Patraporn Jarupat effective as of February 26, 2019 onwards.

Authorities and responsibilities of the Board of Directors

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

1. To carry out the Company's business operations and perform their duties in accordance with the law, the Company's objectives, the Articles of Association, and the resolutions of the shareholders' meetings with honesty and integrity (Duty of Loyalty), anti-corruption, circumspection and caution (Duty of Care),

responsibility (Duty of Accountability), and ethics for the best interests of the Company, conforming to good corporate governance principles, and treating all shareholders equally.

2. To evaluate the performance of Chief Executive Officer on an annual basis and to determine the remuneration of the Chief Executive Officer.

3. To set the Company's vision, important policies and strategies, financial objectives, business plans, annual budget, risk and to monitor and supervise the management to ensure implementation of those policies and plans effectively and efficiently, and be responsible for the operating performance and executives' performance with best effort and carefulness.

4. To ensure that the accounting system, financial reports and accounting audit are accountable and ensure that the Company has procedures for assessing and monitoring the appropriateness, effectiveness and efficiency of internal control financial reports, and internal audit.

5. To monitor and resolve conflict of interests among stakeholders of the Company and set the guidelines on conducting transactions with conflict of interest so that the transactions are conducted for the best interests of the Company and all shareholders. Persons who have vested interests in a given transaction should not participate in decision-making process. The guidelines shall describe procedures and disclose information of transactions which may create a conflict of interest to ensure accuracy and completeness.

6. To establish risk management policy to cover all activities of the Company and assign management to implement the policy. The management shall report the result to the Board of Directors through the Audit Committee regularly on a quarterly basis. The Company shall review the effectiveness of risk management once a year and stay alert on early warning signs and unusual transactions.

7. To consider appointment of a person who possesses qualifications and does not possess any prohibited characteristics under the Public Company Act B.E. 2535 and the laws governing securities and exchange and any relevant rules, regulations and/or notifications to be director in case there is a vacancy due to a cause other than retirement by rotation.

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

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

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

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

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

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

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

- Have direct or indirect interest in any contract which is made by the Company during an accounting year.

- There is a change in shareholding proportion in the Company and affiliated companies.

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

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

17. To evaluate the implementation of corporate governance policy of the Company and review the policy on a regular basis.

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

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

8.2 Subsidiary Companies' Board of Director

- *Hospital Business*

1) Principal Healthcare Co., Ltd. ("PRINH")

List of PRINH's 5 Board of Directors as of December 23, 2019 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph.D.	Director
2. Mr. Veera Srichanachaichok	Director
3. Dr. Soontorn Sritha, M.D.	Director
4. Ms. Preeyaporn Aphiwathwithaya	Director
5. Mrs. Achara Ratanaphunsri	Director

Remark : The authorized signatory is any 2 directors co-sign.

2) Pitsanuloke Medical Co., Ltd. ("PSV")

List of PSV's 7 Board of Directors as of January 15, 2020 was as follows:

Name	Position
1. Dr. Pongsak Vidayakorn, M.D.	Director
2. Mrs. Nipaporn Nimpitakpong	Director
3. Ms. Wannasiri Nimpitakpong	Director
4. Ms. Kongchanok Teeravarakan	Director
5. Dr. Soontorn Sritha, M.D.	Director
6. Dr. Satit Vidayakorn, Ph.D.	Director
7. Mr. Veera Srichanachaichok	Director

Remark : The authorized signatory are Dr. Satit Vidayakorn Ph.D. or Dr. Soontorn Sritha, M.D. or Mr. Veera Srichanachaichok, one of three directors co-sign with Mrs. Nipaporn Nimpitakpong or Ms. Wannasiri Nimpitakpong total two directors co-sign and affix company's seal.

3) Union Pichit Doctors Co., Ltd. ("PPCH")

List of PPCH's 7 Board of Directors as of January 15, 2020 was as follows:

Name	Position
1. Dr. Pongsak Vidayakorn, M.D.	Director
2. Mrs. Nipaporn Nimpitakpong	Director
3. Dr. Satit Vidayakorn, Ph.D.	Director
4. Ms. Wannasiri Nimpitakpong	Director
5. Ms. Kongchanok Teeravarakan	Director
6. Dr. Soontorn Sritha, M.D.	Director
7. Mr. Veera Srichanachaichok	Director

Remark : The authorized signatory are Dr. Satit Vidayakorn Ph.D. or Dr. Soontorn Sritha, M.D. or Mr. Veera Srichanachaichok, one of three directors co-sign with Mrs. Nipaporn Nimpitakpong or Ms. Wannasiri Nimpitakpong total two directors co-sign and affix company's seal.

4) Pitsanuvej Uttaradit Hospital Co., Ltd. ("PUTD")

List of PUTD's 7 Board of Directors as of December 9, 2019 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph.D.	Director
2. Mr. Veera Srichanachaichok	Director
3. Dr. Soontorn Sritha, M.D.	Director
4. Dr. Pongsak Vidayakorn, M.D.	Director
5. Mrs. Nipaporn Nimpitakpong	Director
6. Ms. Wannasiri Nimpitakpong	Director
7. Ms. Kongchanok Teeravarakan	Director

Remark : The authorized signatory are Dr. Satit Vidayakorn, Ph.D. or Dr. Soontorn Sritha, M.D. or Mr. Veera Srichanachaichok, one of three directors co-sign with Mrs. Nipaporn Nimpitakpong or Ms. Wannasiri Nimpitakpong total two directors co-sign and affix company's seal.

5) Pitsanuvej Pattana Co., Ltd. ("PPTN")

List of PPTN's 7 Board of Directors as of December 25, 2019 was as follows:

Name	Position
1. Dr. Pongsak Vidayakorn, M.D.	Director
2. Dr. Satit Vidayakorn, Ph.D.	Director
3. Mr. Veera Srichanachaichok	Director
4. Dr. Soontorn Sritha, M.D.	Director
5. Ms. Wannasiri Nimpitakpong	Director
6. Mrs. Nipaporn Nimpitakpong	Director
7. Ms. Kongchanok Teeravarakan	Director

Remark : Remark : The authorized signatory are Dr. Satit Vidayakorn, Ph.D. or Dr. Soontorn Sritha, M.D. or Mr. Veera Srichanachaichok one of three directors co-sign with Mrs. Nipaporn Nimpitakpong or Ms. Wannasiri Nimpitakpong total two directors co-sign and affix company's seal.

6) Paknampo Hospital Co., Ltd. ("PPNP")

List of PPNP's 8 Board of Directors as of March 2, 2020 was as follows:

Name	Position
1. Dr. Pongsak Vidayakorn, M.D.	Director
2. Mr. Saprang Sukvetchavonkit	Director
3. Mr. Sittichai Vongnitchakul	Director
4. Dr. Atiwat Noiprasit, M.D.	Director
5. Mr .Voratus Palakawong Na Ayudhya	Director
6. Dr. Soontorn Sritha, M.D.	Director
7. Mr. Veera Srichanachaichok	Director
8. Dr. Bunchana Petchployngam, M.D.	Director

Remark : The authorized signatory are Dr. Satit Vidayakorn, Ph.D. , Dr. Soontorn Sritha, M.D., Mr. Veera Srichanachaichok, Dr. Bunchana Petchployngam, M.D. Any 2 of 4 directors co-sign and affix company's seal.

7) P.N.P. Hospital Co., Ltd. ("PNPH")

List of PNPH's 3 Board of Directors as of March 4, 2020 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph. D.	Director
2. Dr. Soontorn Sritha, M.D.	Director
3. Dr. Korpong Rookkapan, M.D.	Director

Remark : The authorized signatory are 2 of 3 directors co-sign.

8) Principal Healthcare – Uthai Co., Ltd. ("PUTH")

List of PUTH's 4 Board of Directors as of February 13, 2020 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph. D.	Director
2. Mr. Veera Srichanachaichok	Director
3. Dr. Soontorn. Sritha, M.D.	Director
4. Mrs. Achara Ratanaphunsri	Director

Remark : The authorized signatory are any 2 directors co-sign.

9) Principal Healthcare – Lamphun Co., Ltd. ("PLPN")

List of PLPN's 5 Board of Directors as of December 19, 2019 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph. D.	Director
2. Mr. Veera Srichanachaichok	Director
3. Dr. Soontorn. Sritha, M.D.	Director
4. Mrs. Achara Ratanaphunsri	Director
5. Mr. Chote Nisoong	Director

Remark : The authorized signatory are any 2 directors co-sign.

10) Principal Healthcare – Sisaket Co., Ltd. ("PSSK")

List of PSSK's 5 Board of Directors as of January 10, 2020 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph. D.	Director
2. Mr. Veera Srichanachaichok	Director
3. Dr. Soontorn. Sritha, M.D.	Director
4. Mr. Thisarin Takkametha	Director
5. Mr. Siripong Angkasakulkait	Director

Remark : The authorized signatory are any 2 directors co-sign.

11) Principal Healthcare – Chumphon Co., Ltd. (“PCPN”)

List of PCPN’s 5 Board of Directors as of February 28, 2020 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph. D.	Director
2. Mr. Veera Srichanachaichok	Director
3. Dr. Soontorn. Sritha, M.D.	Director
4. Mrs. Achara Ratanaphunsri	Director

Remark : The authorized signatory are any 2 directors co-sign.

● **Property Business**

12) Bangkok Center District Co., Ltd. (“BCD”)

List of BCD’s 4 Board of Directors as of February 8, 2020 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph. D.	Director
2. Ms. Satita Vidayakorn	Director
3. Mr. Veera Srichanachaichok	Director
4. Ms. Preeyaporn Aphiwathwithhaya	Director

Remark : The authorized signatory are 2 of 4 directors co-sign and affix the company’s seal

13) V Brilliant Group Holding Co., Ltd. (“VB”)

List of VB’s 4 Board of Directors as of February 13, 2020 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph. D.	Director
2. Ms. Satita Vidayakorn	Director
3. Mr. Veera Srichanachaichok	Director
4. Ms. Preeyaporn Aphiwathwithhaya	Director

Remark : The authorized signatory are 2 of 4 directors co-sign and affix the company’s seal

14) V Intelligence Co., Ltd. (“VI”)

List of VI’s 4 Board of Directors as of February 13, 2020 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph.D.	Director
2. Ms. Satita Vidayakorn	Director
3. Mr. Veera Srichanachaichok	Director
4. Ms. Preeyaporn Aphiwathwithhaya	Director

Remark : The authorized signatory are 2 of 4 directors co-sign and affix the company’s seal

15) V 33 Co., Ltd (“V33”)

List of V33’s 4 Board of Directors as of December 2, 2019 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph.D.	Director
2. Ms. Satita Vidayakorn	Director
3. Mr. Veera Srichanachaichok	Director
4. Ms. Preeyaporn Aphiwathwithaya	Director

Remark : The authorized signatory are 2 of 4 directors co-sign and affix the company’s seal

16) V Residence Co., Ltd. (“VR”)

List of VR’s 4 Board of Directors as of September 27, 2019 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph. D.	Director
2. Ms. Satita Vidayakorn	Director
3. Mr. Veera Srichanachaichok	Director
4. Ms. Preeyaporn Aphiwathwithaya	Director

Remark : The authorized signatory are 2 of 4 directors co-sign and affix the company’s seal

17) Banchang Business District Co., Ltd. (“BBD”)

List of BBD’s 3 Board of Directors as of February 13, 2020 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph. D.	Director
2. Mr. Veera Srichanachaichok	Director
3. Ms. Preeyaporn Aphiwathwithaya	Director

Remark : The authorized signatory are any 2 directors co-sign and affix the company’s seal

18) Udon Business District Co., Ltd. (“UBD”)

List of UBD’s 3 Board of Directors as of February 13, 2020 was as follows:

Name	Position
1. Dr. Satit Vidayakorn, Ph. D	Director
2. Mr. Veera Srichanachaichok	Director
3. Ms. Preeyaporn Aphiwathwithaya	Director

Remark : The authorized signatory are any 2 directors co-sign and affix the company’s seal

- Business Consultancy Service

19) Principal Investment Co., Ltd. ("PI")

List of PI's 3 Board of Directors as of February 13, 2020 was as follows:

Name	Position
1. Dr. Satit Viddayakorn, Ph.D.	Director
2. Mr. Veera Srichanachaichok	Director
3. Ms. Preeyaporn Aphiwathwithaya	Director

Remark : The authorized signatory are any 2 directors co-sign.

8.3 Executives of Principal Capital Public Company Limited

Lists of PRINC Group's executives as of January 1, 2020 are as follows:

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

Remark : 1/ was appointed Dr.Satit Viddayakorn Ph.D., as Managing Director effective as of December 17, 2019 onwards.

was appointed Mr.Veera Srichanachaichok, as acting Chief Financial Officer effective as of December 17, 2019 onwards.

was appointed Dr.Soontorn Sritha M.D., as acting Chief Investor Relations and Performance Coach and Expansion Business effective as of December 17, 2019 onwards.

2/ was appointed Miss Tanatorm Viddayakorn, as Chief Investment Officer effective as of January 1, 2020 onwards.

was appointed Mrs.Achara Ratanaphunsri, as Chief Administrative Officer effective as of January 1, 2020 onwards.

was appointed Dr.Suebpong Intralawan, M.D., as Chief Medical Officer effective as of January 1, 2020 onwards.

was appointed Ms. Ritima Jirasuradate, as MD Office Director effective as of January 1, 2020 onwards.

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

Name	Position
Principal Healthcare Co., Ltd.	
1. Mrs. Achara Ratanaphunsri	Chief Administrative Officer
2. Mrs. Tuanchai Keawwanna	Senior Consultant
3. Ms. Tanatorn Viddayakorn	Chief Investment Officer and Deputy Chief Administrative Office
4. Ms. Pear Hovarongkura	Assistant to Chief Administrative Officer
5. Mr. Naruepol Phansupamongkol	Assistant to Chief Administrative Officer
6. Mrs. Samerkae Sattapong	Division Director, Procurement Management
7. Mrs. Pimyada Ruananukoon	Division Director, Medicine & Med-Supply Sourcing
8. Mrs. Sukanit Mahanukul	Division Director, Central Payroll
9. Mr. Supawas Pongsiriphanich	Division Director, Construction Management
10. Ms. Atiya Awachanakarn	Division Director, Human Resource
11. Ms. Patkamol Sakarthornsap	Senior Division Director, IT & Infrastructure
12. Ms. Kanokwan Udomkitkosol	Director, Technology Transformation
13. Mrs. Pimyada Boontem	Division Director, System & Process Improvement
14. Ms. Napatporn Rodcha	Division Director, Finance & Accounting
15. Ms. Tissana Toviriyavate	Assistant Division Director, Finance & Accounting
16. Ms. Budsakorn Kaewboonthum	Division Director, Payroll Solutions
17. Dr. Athiwat Noiprasit, M.D.	Hospital Director
18. Dr. Narongsak Wongroj, M.D.	Director, Executive Development
19. Ms. Sudamas Boonwan	Division Director, Facility Management
20. Dr. Varan Tiensong, M.D.	Hospital Director
21. Dr. Chote Nisoong, M.D.	Hospital Director
22. Dr. Suradanai Naorungrot, M.D.	Division Director, Government Healthcare Coverage Setup
23. Dr. Bunchana Petchployngam, M.D.	Deputy of Hospital Director, Hospital Management
24. Ms. Janpen Jongjirangsap	Senior Division Director, Data Analysis/Core/Add-on Applications

8.4 Chief Financial Officer (CFO) and Chief Accountant

Chief Financial Officer (CFO) of the Company is Mr. Veera Srichanachaichok who started working in this position since February 26, 2016. The qualifications of the CFO are disclosed in the attachment 1. The Chief Accountant of the Company is Ms. Preeyaporn Aphiwathwitthaya. She started working in this position since November 1, 2013. Her qualifications and experience are disclosed in attachment 4.

8.5 Corporate Secretary

The Board of Directors has appointed Ms. Ritima Jirasuradate to be a Corporate Secretary in place of Ms. Chayaporn Luannapavan who resigned on May 1, 2018. She is responsible for preparing Notice of Board of Directors' meeting, minutes of the Board of Directors' meeting, annual report, Notice of Shareholder's Meeting and minute of Shareholders' Meeting. The qualifications of Corporate Secretary are shown in the attachment 1.

8.6 Director and Executive Remuneration

1) Cash Remuneration

In 2019, there were 9 meetings of the Board of Directors in which the Company paid the meeting allowance to all board members totaling of Baht 915,000. There was Executive Committee's meeting and Risk Management Committee meeting. However, all members of Executive Committee and Risk Management Committee disclaimed for 2019 cash remuneration. The Company paid annual bonus to all directors totaling of Baht 3,000,000. The total remuneration for the year was Baht 3,915,000.

Name of directors	Meeting allowance for members of Board of Directors, Executive Committee and Audit Committee	Annual bonus for directors	Total
1. Dr. Pongsak Viddayakorn, M.D.	135,000	450,000	585,000
2. Mr. Yarnsak Manomaiphiboon	165,000	450,000	615,000
3. Dr. Satit Viddayakorn, Ph.D.	90,000	300,000	390,000
4. Miss Aranya Chalernpornvarodom	100,000	300,000	400,000
5. Dr. Jutamas Ingpochai, Ph.D.	85,000	300,000	385,000
6. Mr. Veera Srichanachaichok	90,000	300,000	390,000
7. Dr. Soontorn Sritha, M.D.	90,000	300,000	390,000
8. Miss Seerada Tiemprasert *	-	300,000	300,000
9. Miss Patraporn Jarupat *	-	300,000	300,000
10. Mr. John LEE Kohshun (To appointed as the Director of the Company to replace Miss Seerada Tiemprasert)	80,000	-	80,000
11. Miss Tanatorm Viddayakorn (To appointed as the Director of the Company to replace Miss Patraporn Jarupat)	80,000	-	80,000
Total remuneration	915,000	3,000,000	3,915,000

Remark: * Ms. Seerada Tiemprasert and Ms. Patraporn Jarupat has resigned from Company's director position since February 26, 2019.

During 2019, the Company paid the remuneration consisting of salary and bonus to executives of the Company and its subsidiaries total amounting to Baht 89 million.

2) Other Remunerations

Other Remunerations for Directors

The insured amount for the responsibility of director and executive and the compensation to the Company (Director and Officers Liability and Company Reimbursement Policy : D&O) was Baht 300 million.

Other Remunerations for Executives

- Provident Fund

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

8.7 Human Resources

As of December 31, 2019 the Company and its subsidiaries had staff headcount (including executives) of 1,941 The Company paid total remunerations which included salary, over time, bonus, social security contribution and other welfare of totaling Baht 954.99 million.

Company name	Operational level (Person)	Executive level (Person)	Total staff (Person)
Principal Capital PCL.			
— Headquarter	21	14	35
— Branch	129	12	141
V Residence Co., Ltd.			
— Headquarter	-	1	1
— Branch	55	-	55
Principal Healthcare Co., Ltd.	180	8	188
Pitsanuloke Medical Co., Ltd.	649	16	665
Union Pichit Doctors Co., Ltd.	184	3	187
Pitsanuvej Uttaradit Co., Ltd.	107	2	109
Paknampo Hospital Co., Ltd.	372	13	385
Principal Healthcare – Uthai Co., Ltd.	54	3	57
Principal Healthcare – Lamphun Co., Ltd.	113	5	118
Total	1,864	77	1,941

Remark: Information as of December 31, 2019.

However, 11 subsidiaries include Pitsanuvej Pattana Co., Ltd., P.N.P. Hospital Co., Ltd. Principal Investment Co., Ltd., Principal Healthcare – Sisaket Co., Ltd., Principal Healthcare – Chumphon Co., Ltd., Bangkok Center District Co., Ltd., V Brilliant Group Holding Co., Ltd., V 33 Co., Ltd., V Intelligence Co., Ltd.,

Banchang Business District Co., Ltd., Udon Business District Co., Ltd., had no staff so no remuneration has been paid in 2019.

8.7.1 Bonus Criteria

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

8.7.2 Labor Dispute

The Company had labor dispute with ex-employee. The Company laid-off the employee because they violate the Company's rules and left their duties. Later the employee sued labor case against the Company. Such labor case has no significant impact to the Company.

8.7.3 Staff Development Policy

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

Last year the Company arranged 3 in-house training courses to the staff and 10 training courses to the Executive and also sent the staff to attend external training courses related to their work. In addition, in Year 2019, there were 1 director joining Director Certification Program (DCP) which organized by Thai Institute of Director.

9. Corporate Governance Policy

9.1 Corporate Governance Policy

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

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

Section 1 Rights of Shareholders

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

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

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

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

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

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

5.1 To approve the minutes of the previous shareholders' meeting

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

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

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

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

5.6 To consider and approve the remuneration of the directors

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

5.8 Other agenda

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

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

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

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

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

Section 2 Equitable Treatment of Shareholders

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

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

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

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

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

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

Section 3 Roles of Stakeholders

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

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

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

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

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

Whistle Blowing Policy and Channels for Whistle Blowing

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

Corporate Secretary

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

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

Section 4 Disclosure and Transparency

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

1. The Board of Directors or the person assigned by the Board of Directors has a duty to disclose both financial and non-financial information. Such disclosures should be adequate, reliable and up-to-date. Shareholders and stakeholders shall obtain information equally as stipulated by the law and the Company's regulation. The information published on the Company's website shall be regularly updated to ensure its completeness and timeliness and shareholders are able to conveniently and efficiently access all relevant information and contact the business unit responsible for its disclosure.

2. The Company's information system must be prepared with care, accuracy and transparency. Important information should be conveyed in simple and concise language. The Company shall disclose information on a regular basis regardless of positive or negative impact it may cause to the Company.

3. Corporate communications department shall be established to regularly and efficiently publish useful information for shareholders, investors, employees, related parties and the general public and to clarify misunderstanding. In addition, investor relations department shall represent the Company in collaboration with institutional investors, creditors, securities analysts and shareholders and provide information about the Company's operations and investment through convenient, quick, and accessible communication channels.

4. The Board of Directors must ensure that the Company's statements of financial position and statements of comprehensive income and the Company's audit report, as well as the report of the Board of Directors, are prepared and presented to the shareholders at the annual general meeting of shareholders for their approval.

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

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

Section 5 Responsibilities of the Board

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

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.

- 1) To call 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 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 duty 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, Chairman of the Board shall vote as additional vote and deemed to be a decisive vote.

● **Executive Committee**

Executive Committee is appointed by the Company's Board of Directors as of December 31, 2019. The Executive Committee composes of

Name	Position	Join the meeting/Number of meetings	
		Executive Committee's Meeting	Reason for absence
1. Dr. Satit Viddayakorn, Ph.D.	Chairman of the Executive Committee	12/12	-
2. Mr. Veera Srichanachaichok	Executive Director	11/12	On business
3. Dr. Soontorn Sritha, M.D.	Executive Director	12/12	-
4. Miss Preeyaporn Apiwathwittaya	Executive Director	12/12	-
5. Mrs. Achara Ratanaphunsri ^{1/}	Executive Director	1/1	-
6. Miss Tanatorm Viddayakorn ^{1/}	Executive Director	1/1	-
7. Miss Ritima Jirasuradate	Executive Director Secretary to Executive Committee	10/12	On business

Remark : 1/ Mrs. Achara Ratanaphunsri and Miss Tanatorm Viddayakorn, was appointed as Executive Director effective as of November 25, 2019.

Authorities and Responsibilities of the Executive Committee

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

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

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

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

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

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

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

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

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

- **Audit Committee**

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

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

Remark: Other qualification shall be in accordance with the qualifications of the independent director as set by SET and SEC (manual on p. 26) and Audit Committee Charter which can be downloaded from the Company's website.

For the year 2019, the Company has 3 members of the Audit Committee who have sufficient knowledge, ability and experiences to review the reliability of financial statement consisting of

Name	Position	Join the meeting/Number of meetings	
		Audit Committee's Meeting	Reason for absence
1. Mr. Yamsak Manomaiphiboon	– Independent Director – Chairman of Audit Committee	5/5	-
2. Miss Aranya Chalernpornvarodom	– Independent Director – Member of Audit Committee	4/5	Leave
3. Dr. Jutamas Ingpochai, Ph.D.	– Independent Director – Member of Audit Committee	3/5	Leave
4. Miss Ritima Jirasuradate	– Secretary to Audit Committee	5/5	-

Authorities and Responsibilities of the Audit Committee

1. To review the financial reports in order to ensure that it is accurate and reliable and information is sufficiently disclosed by co-operating with the Company's external auditors and the executive who is responsible for preparing quarterly and annual financial reports.

2. To review the Company's and subsidiary companies' internal control system, internal audit system, and risk management system to ensure their appropriateness and effectiveness. The Audit Committee may

review or examine the transactions that deem necessary and important, provide recommendations on the improvement of internal control system or risk management system and report the result of examination to the Company's Board of Directors.

3. To review the Company's practice in compliance with the laws governing securities and exchange or regulations of Securities Exchange of Thailand, policies, rules, regulations, requirements, and other laws related to the Company.

4. To review the evidence in case there are any doubts about the Company's operation that may seriously affect the Company's financial position and operating performance or conflicts of interest or violation of laws and regulations that may affect the Company's operation.

5. To consider the disclosure of information in case there are connected transactions or transactions with potential conflicts of interest and ensure the transaction is in compliance with Securities Exchange of Thailand's laws and regulations in order to ensure that such transactions are reasonable and maximize benefits to the Company.

6. To select and nominate independent persons to be the external auditors of the Company and propose their remuneration by considering credibility, adequacy of resources and amount of audit works of such auditing firm including the experience of the person designated for auditing. Audit committee shall have meeting with external auditor without management's presence at least once a year.

7. To ensure the accuracy and effectiveness of Information Technology related to the financial reports and internal controls.

8. To promote development of financial reporting system to be in line with international accounting standards.

9. To review internal audit plan of the Company in accordance with internationally accepted approaches and standards.

10. To consider the independence of the internal audit department of the Company or recruit external service provider to perform internal audit functions. The Audit Committee may give recommendations on budget and human resources of internal audit department. The Audit Committee shall give consent to the appointment, transfer and dismissal of the head of internal audit department and assess the performance of the head of internal audit department.

11. To prepare a report of the Audit Committee signed by the Chairman of the Audit Committee for the disclosure in the Company's annual report in accordance with the Securities Exchange of Thailand's regulations.

12. If necessary, the Audit Committee may seek for independent opinion from the external advisors, at the Company's expense. The selection of external advisor shall be in accordance with the Company's regulations.

13. The Chairman of the Audit Committee shall attend the shareholders' meeting to explain or answer to enquiries on Audit Committee or the appointment of the certified auditor.

14. To review and improve the Audit Committee's Charter.

15. To perform other tasks assigned by the Board of Directors with the approval from the Audit Committee.

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

- **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, 2019, there were 9 members of Risk Management Committee consisting of

Name	Position	Join the meeting/Number of meetings	
		Risk Management Committee's Meeting	Reason for absence
1. Dr. Satit Viddayakorn, Ph.D.	Chairman of Risk Management Committee	4/4	-
2. Mr. Veera Srichanachaichok	Member of Risk Management Committee	4/4	-
3. Mr. Sirichai Towiriyawate	Member of Risk Management Committee	4/4	-
4. Miss. Preeyaporn Apiwathwittaya	Member of Risk Management Committee	4/4	-
5. Ass. Prof. Korpong Rookkapan, M.D. ^{1/}	Member of Risk Management Committee	2/2	-

Name	Position	Join the meeting/Number of meetings	
		Risk Management Committee's Meeting	Reason for absence
6. Mrs. Achara Ratanaphunsri	Member of Risk Management Committee	4/4	-
7. Dr. Soontorn Sritha, M.D.	Member of Risk Management Committee	4/4	-
8. Mrs. Tuanchai Keawwanna	Member of Risk Management Committee	3/4	On business
9. Miss. Ritima Jirasuradate	Member of Risk Management Committee and Secretary to Risk Management Committee	4/4	-

Remark : 1/ Ass. Prof. Korpong Rookkapan has resigned from Member of Risk Management Committee since August 1, 2019.

Authorities and Responsibilities of the Risk Management Committee

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

9.2 The Board of Directors' Meeting

The schedule for the Board of Directors' meeting shall be set in advance each year so that each member of the Board can arrange time to attend meeting. The Chairman of the Board shall set the meeting agenda by consulting with the Chief Executive Officer and consider the important issues proposed by other directors to be included in the meeting agenda. The Company shall send meeting documents to each director

in advance of the meeting so that director shall have time to review, consider, and make decision on each agenda item. Meeting procedures are as follows:

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

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

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

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

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

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

7. The Board of Directors may invite senior executives of the Company to attend Board meetings to provide additional information on the relevant issues.

8. Any director who may either have interest or involvement in any agenda must not vote or express views on that agenda.

9. The number of Board of Directors' meetings should be appropriate with the responsibilities of the Board of Directors and nature of business of the Company.

10. The minutes of the Board of Directors' meetings that contain the resolutions of the meeting and the comments of the Board of Directors must be clear for reference.

11. Each director should attend the Board of Director's meeting at least 80% of total number of meetings in a year.

12. Every director should have 75% attendance of total number of Board of Director's meeting within a year.

13. Board of Directors set the policy regarding the minimum quorum when there is a vote in the Board of Directors' meeting that there must be at least two-third of total number of directors. In case there is a vote for only non-conflict of interest directors, there must be non-conflict of interest directors at least two-third of total number of non-conflict of interest.

14. Arrange the meeting for non-executive directors without the attendance of management team at least once a year.

9.3 Selection and Appointment of Directors and Removal of Directors

- The appointment of Independent Director

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

1. Hold shares not exceeding 1% of all shares with voting rights of the Company, its subsidiaries, related companies, major shareholder or entity with controlling power, including shares held by related persons of such independent director.

2. Shall not be nor have ever been a director with management authority, employee, staff member, advisor who receives salary or is an entity with controlling authority of the Company, its subsidiary companies, related companies, major shareholder or entities with controlling power.

3. Shall not be a person having blood relationship or legal registration as father, mother, spouse, sibling, or child of the director, major shareholder, an entity with controlling power, or a person to be nominated as a director, executive or entity with controlling power of the Company, its subsidiary, or related company.

4. Shall neither have nor have ever had business relationship with the Company, subsidiary, related company, major shareholder or entity with controlling power, in such a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or entity with controlling power of any person having a business relationship with the Company, its subsidiary, related company, major shareholder or entity with controlling power.

5. Shall not be nor have ever been an auditor of the Company, subsidiary, related company, major shareholder or entity with controlling power, and not be a significant shareholder, entity with controlling power,

or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, related company, major shareholder or entity with controlling power.

6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding Baht 2 million per year from the Company, its subsidiary, related company, major shareholder or entity with controlling power, and not be a significant shareholder, entity with controlling power or partner of the provider of professional services.

7. Shall not be a director appointed as a representative of the directors, major shareholder or shareholder who is related to major shareholders of the Company.

8. Shall not engage in any business with the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of all shares with voting rights of another company which engages in business of the same nature and in competition with the business of the Company or its subsidiaries.

9. Shall not have any other characteristic which prevents him/her from expressing opinion freely on the operation of the Company.

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

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

a) Business relationship or professional services which make that person's qualifications don't comply with the specified rule.

b) Reasons and the necessity to keep or appoint such person to be an independent director.

c) Board of directors' opinion to appoint such person as an independent director.

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

- **Appointment of the Board members**

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

1. The appointment of a director shall be in accordance with the Articles of Association of the Company and the provisions of relevant laws. Incidentally, the appointment of director must be transparent and clear. The consideration must include the educational record and professional experience and track record of such person with sufficient information to support the decision of the Board of Directors and the shareholders of the Company.

2. A director of the Company must be a knowledgeable, capable, transparent, honest person, has business ethics and has sufficient time to devote his/her knowledge, ability to perform duty for the Company.

3. A director is not allowed to be a partner or a director of any other juristic person that operates the same business or being a competitor with the Company, unless the shareholders is notified before the release of meeting resolution. Also, a director shall immediately inform the Company if he/she has conflict of interest in the agreement entered into by the Company, or holding shares or debenture up or down in the Company or the subsidiary companies or the affiliated companies.

4. A director must possess qualifications with no prohibited characteristics pursuant to the law governing the public limited company and the law governing securities and stock market.

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

1. Each shareholder shall have 1 vote per 1 share

2. Each shareholder shall use all his or her votes under no. 1 to elect one or several candidates as a Director. However, he or she may not divide his or her votes among the candidates.

3. Those who receive the highest number of votes shall be elected as directors of the Company on descending basis until the required number of directors is appointed. In the event of a tie, the chairman of the meeting shall have the decisive vote.

- **Selection and Appointment of Senior Executives**

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

- **Removal and Discharge of Directors**

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

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

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

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

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

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

9.4 Performance evaluation of the Board of Directors

9.4.1 Performance evaluation of Board members

1. The Company has a policy to evaluate Board of Directors on the annual basis. The evaluation is based on the performance of the Committee collectively. The director shall evaluate the Board of Director's performance as a whole. The evaluation result will be analyzed and summarize to improve the working efficiency of the Board of Directors in the future.

2. The Company submits the evaluation report and comment to the Board of Directors' meeting to support and improve the performance of the Board of Directors.

3. Chief Executive Officer should participate in explaining his expectation to obtain support from the Board of Directors.

9.4.2 Performance evaluation of Chief Executive Officer

1. The Company shall conduct the performance evaluation of Chief Executive Officer annually for the Board of Directors' consideration.

2. The Company has set 3 evaluation criteria with different weight given to each criteria.

2.1 Corporate key performance indication (KPI)

2.2 Leadership competency

2.3 Budget and project management

3. The evaluation result shall be taken into consideration for salary adjustment of Chief Executive Officer and shall be proposed to the Board of Directors' meeting for approval.

9.5 Remuneration of Directors and Chief Executive Officer

1. The Company has remuneration policy for determining the remuneration of its directors and Chief Executive Officer, which have to be attractive and comparable to the remuneration of the companies in the same industry. The remuneration shall be linked with the performance and responsibilities of the directors as well as the performance of the Company. The Board of Directors shall determine such remuneration and propose to the general shareholders' meeting for approval.

2. The directors who are assigned more tasks and responsibilities shall receive additional remuneration in corresponding to their assigned responsibilities. The Chairman of the Board may receive higher remuneration than other directors.

3. The Board of Directors shall prepare report on directors' remuneration policy, its rationale, and the objectives of the policy and disclose in annual report and financial statements of the Company.

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

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

9.6 Directors and Executives Training

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

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

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

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

9.7 Compliance and Review

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

9.8 Subsidiary companies' and associated companies' operational control

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

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

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

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

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

9.9 Safeguarding confidentiality and use of inside information

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

1. Educate the directors and executives to acknowledge their duties to report the securities holding by themselves, by their spouses and by their underage children as well as penalty under Securities and Exchange Act B.E 2535 and the requirements of the Stock Exchange of Thailand.

2. Designate the executives to report the movement of their securities holding to the Securities and Exchange Commission and submit a copy of such report to the Company on the same day of submitting the report to Securities and Exchange Commission.

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

9.10 Auditor's fee

The auditor's fee for the review of financial statement during the year and the audit of financial statement for the fiscal year 2019 of the Company and its subsidiaries was totaling Baht 13.38 million, increasing from what has been approved by ordinary shareholder meeting in 2019 because there is audit fee for 3 newly opened companies in 2019.

9.11 Compliance with other good corporate governance policy

9.11.1 Anti-corruption

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

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

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

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

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

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

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

Fraud and corruption protection guidelines

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

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

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

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

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

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

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

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

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

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

7.4 There is starting and ending period of the activities

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

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

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

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

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

Roles and responsibilities of each level

Board of Directors' roles and responsibilities are as follows:

1. Set the policy and efficient system to support the anti-corruption and make sure that every employee aware of the importance of anti-corruption
2. Review the appropriateness of the change in anti-corruption policy from the executive to suit the business environment and organization culture
3. Understand about the factors that cause the risk from corruption and ensure the executive about the measure to manage such risk.
4. Act as a role model in showing honesty and determination to oppose every form of corruption
5. Create good corporate governance organization culture to protect and against corruption
6. Support independent units including Audit Committee, Risk Management Committee and Internal Auditor in other business units of the subsidiaries as well as external auditor to perform task in order to protect and anti-corruption
7. Communicate and emphasis on the expectation of Board of Directors and executives against corruption to all staff level including third party that are related to the Company

Audit Committee's roles and responsibilities are as follows:

1. Review the anti-corruption policy from the executives to suit the business environment and organization culture
2. Review the appropriateness of the change in anti-corruption policy from the Executive Committee
3. Review audited financial statement and internal audit report as well as anti-corruption risk evaluation as suggested by internal auditor to ensure that such system can minimize the risk from anti-corruption effect to operating and financial performance of the Company and also suitable to business of the Company conform to international standard, modern and efficient.

Risk Management Committee's roles and responsibilities are as follows:

- (1) Consider the policy and anti-corruption risk management
- (2) Monitor and evaluate anti-corruption risk to report to Board of Directors

Executives' roles and responsibilities are as follows:

1. Perform as a role model and promote business ethics to the staff and third party that are related to the Company. Set the system to support anti-corruption policy and communicate to all employee and related party. Review the suitability of the system and measures. Set the operating procedure to protect corruption. For example, the division of responsibilities of the operator to cross check the correctness and the document preparation.
2. Set internal control procedures to protect corruption risk within the business unit and working procedure under his/her responsibilities
3. Review and monitor the operation of the staff to ensure that it complies with the rules, regulations, announcement and orders of the Company.
4. Report corruption case to Audit Committee or Board of Director as the case may be
5. Encourage and motivate the staff to perform his/her work with honesty, devotion, and compliment good person and against the corruption.
6. Create the awareness, communicate the reporting channel for the corruption to the staff
7. Encourage the Company to create non-corruption organization culture, protect the staff who rejects the corruption such no demotion or no punishment the staff who rejects corruption despite causing the loss in business opportunities.

Staff's roles and responsibilities are as follows:

1. Perform according to the policy, rules, regulation and orders related to anti-corruption and code of business ethics of the Company
2. Report suspicious event or corrupted behavior of Board of Directors, Executives and staff including outsider including trading partners, customers, related party etc.
3. Support and co-ordinate to protect and against corruption
4. Create non-corruption organization culture and give value to the good ethical performance
5. Every staff must disclose the conflict of interest transaction to the Company

Remark: The investor can read more details about anti-corruption policy, code of business ethics and Charter for Directors in the Company's website http://www.principalcapital.co.th/investor/good_corporate.html

9.11.2 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 emphasis on corporate governance principles, equitable treatment to all groups of stakeholders with fairness and transparency, as well as considering and respecting rights of all groups of stakeholders in order to create proper balance in society. List of code of ethics for executives are as follows:

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

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

9.11.3 Disclosure of the Company's major policies

After the Board of Director prepared and formulated the important policies include corporate governance policy, risk management policy, information technology and confidentiality policy, anti-corruption on November 26, 2015 and amendment of such policy on March 21, 2017 and the latest amendment on July 24, 2018. The Company publishes those policies in the Company' website <http://www.principalcapital.co.th> and intranet of the Company for the employee of the Company and its subsidiaries. Also, the Company has arranges the meeting to clarify those policies and to provide an opportunity for employees to ask for more details as well as to sign for acknowledgement of those policies.

9.11.4 Scope of role and responsibility of Senior Executive and Corporate SecretaryRoles, Duties and Responsibilities of Chairman of Executive Committee

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

Roles, Duties and Responsibilities of Chief Executive Officer

1. Control the business operation and/or manage day-to-day operation of the Company.
2. Manage the operation in accordance with the policies, plans, and budgets approved by the Executive Committee and/or the Board of Directors of the Company.
3. Empower to manage the businesses of the Company to meet the Company's objectives, articles, policies, procedures, guidelines, orders, resolutions of shareholders' meetings and/or resolutions of the Board of Directors' meetings and the Executives Committee's meeting in all aspects.

4. Appoint and manage working committees for the benefit and efficiency of good and transparent business operation, and have the power to delegate authority and/or authorize any other person to perform specific tasks on his behalf. The delegated authority and/or assignment shall be under the scope of authority as stipulated in the power of attorney, which was approved by the Board of Directors and/or to comply with rules and regulations or orders of the Chief Executive Officer or the order of the Board of Directors Company.
5. Set the mission, objectives, guidelines, policies, as well as manage overall operations to achieve highest benefits.
6. Monitor and evaluate the operations of the Company on a regular basis to prevent the various internal and external risk factors.
7. Empower to employ, appoint, transfer, and removal for cross-functional/departments/divisions or terminate the employment of the employees.
8. Empower to issue orders, regulations, notifications, and memorandum for the operation in compliance with the policy and benefits of the Company in order to maintain procedures and discipline within the organization.
9. Perform other duties as assigned by the Board of Directors.
10. Financial approval limit of CEO is based on the manual declared by the Company.

However, the power of Chairman of the Executive Committee and Chief Executive Officer as well as to delegated authority to any persons that deems appropriate does not include the authority and/or the delegated authority to approve any transaction that the delegated authority persons have any conflict of interest or any conflict of interest with the Company in accordance with the regulation of the Office of the Stock Exchange Commission (SEC), and the Stock Exchange of Thailand (SET). Those transactions must be proposed to the Board of Directors' meeting and/or at a shareholders' meeting for consideration and approval in compliance with the Company's regulations or related law.

Roles, Duties and Responsibilities of Corporate Secretary

1. Prepare and keep the important documents of the Company.
2. Keep the reports on the connected transactions, and perform the activities as assigned by the Securities Exchange Commission (SEC) and Stock Exchange of Thailand (SET).

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

9.11.5 Check and Balance of Non-Executive Directors

The Company has 9 directors. The details are as follows:

- Executive director 4 persons
- Non-executive director 2 persons
- Independent director 3 persons

10. Corporate Social Responsibilities

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

1. Good corporate governance

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

2. Doing business with fairness

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

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

3. Human rights and employment treatment

The Company treats its employees equitably and fairly, providing welfare, safety and hygiene in line with labor standards. Employee compensation covers more than wages, salaries and bonuses. Training is also provided to develop employee skills in various areas. Relationships within the organization are promoted, as

well as effective communications and teamwork. Specialized training is provided, such as Senior Supervisor and Leadership Skill Development courses for officials, physicians and nurses of Pitsanuvej Hospital.

4. Responsibilities to Customers

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

5. Environment and Security

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

6. Participation in Community and Society Development

The Company conducts CSR-In process activities, which are social and environmental activities affecting to an organization's stakeholders and surroundings. CSR – After process, which covers activities for society and the environment not directly related to the organization's operation, is also executed. During 2019, the following activities were conducted.

Social Activities of Principal Capital PCL.

- Fund raising for a mission of giving cosmetic surgery for Cleft Lip of Operation Smile Thailand. This project has continued for many years and this year fund raising amount from the customers and company's staff was Baht 91,859
- Organize "Wish Upon a Star" activity to raise fund from customers and employees to purchase gifts, sport equipment, stationery, donated things to the students of Bangkiao School in Cha-am district, Phetchaburi province. The Company donated amounting to Baht 16,681
- Organize "Run to Give" activities to raise fund for donation to Siriraj Hospital for new hospital building construction. The Company donated total revenue from sale of T-shirt of Baht 22,750
- The Company conducted activities for breast cancer patients, raising funds totaling 900 Baht (after expense deduction), by organizing goods selling booths for donating to the Queen Sirikit Centre for Breast Cancer Foundation for breast cancer patients on the occasion of the International Women's Day

Social Activities of Pitsanuloke Medical Co., Ltd.

- Pitsanuvej Hospital organized “Ton Kla Haeng Kwam Dee” voluntary activities for 2019, presenting scholarships, teaching aids, books, computers, clothes, and household drugs to students of Forest Industry Organization School 2, Phitsanulok Province.
- Pitsanuvej Hospital presented relief items and money to flood victims in Wang Thong District, Phitsanulok Province.
- Hospital personnel provided basic first aid training to students of Imperial School as part of the Safety Day and Disaster Activities for Academic Year 2019.
- Pitsanuvej Hospital conducted panel discussions to educate people on various topics; e.g., smart exercises for better life.
- A mobile medical team provided first aid services as part of the Ban Mung Noen Ma Prang Marathon Event.

Social Activities of Paknampo Hospital Co., Ltd.

- Princ Paknampo Hospital presented 50 life jackets to Nakhon Sawan Municipality for use by officials working for safety of boat commuters and tourists.
- Princ Paknampo Hospital in cooperation with Nakhon Sawan Municipality set up Sawan Park Health Center to impart health knowledge and provide basic health services to people of Nakhon Sawan Province.
- Officials of Princ Paknampo hospital provided AED training to personnel of agencies to which the hospital had donated automated external defibrillators (AED) for them to use the equipment properly.
- Princ Paknampo Hospital took part in the blood donation event in cooperation with Regional Blood Center VIII, Nakhon Sawan Province. 72 units of blood was donated by the hospital’s service users and employees.
- The Hemodialysis Center of Princ Paknampo Hospital 2 provides free hemodialysis service to low-income patients with kidney diseases.

Social Activities of Union Pichit Doctors Co., Ltd.

Pitsanuvej Pichit Hospital’s mobile medical team provided basic health check-ups in cooperation with agencies of the public and private sectors. The Hospital also presented money and 50 dozens of water bottles for relief of flood victims to the Pichit Provincial Administration Organization. It also presented dried food in support of the Center for Road Safety during the New Year’s Festival and provided basic first aid training under the Rescue Project of Pichit Province. Its medical personnel took part in the basic fire drill at Tops Plaza, Pichit Province.

7. **Giving an importance to Social Responsibility Activity**

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

Remark: Please read for further details in Sustainability Report year 2018 in the Company's website;

http://www.principalcapital.co.th/investor/good_corporate.html

11. Internal Control and Risk Management

11.1 Internal Control Policy

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

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

The Company has set the following internal control guidelines.

1. All executives have duties and responsibilities to monitor and review internal control system within their units to ensure the efficiency and in compliance with the operating standards with efficient internal control system. Every department must have manual prescribing standard operating procedures of the department and must comply with the quality standard of the Company as well as important policies and guidelines on corporate governance principles.

2. Internal control system with assessment and risk management can ensure that each department has self-assessment mechanism of its business process with the controlling measures to minimize the probability and impact of risk. Therefore, the Company expects employees at all level to cooperate in risk assessment and control in order to prevent loss and damage that may occur.

3. The internal audit department shall support the executives in all departments to put in place the internal control system and review periodically as appropriate to ensure that all departments have efficient internal control system and consistently comply with the operating procedures which will lead to further improvement of working process.

4. Audit and evaluation procedures shall be conducted in a constructive way for the improvement in working process. Internal audit report, which is agreed by owner of work process, shall be proposed to audit committee for approval before implementation. In case that there is any improvement required to enhance

efficiency and effectiveness, it deems as the responsibilities of all related departments to fix and improve the process. This function shall be a part of performance evaluation of related personnel.

11.2 Risk Management Policy

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

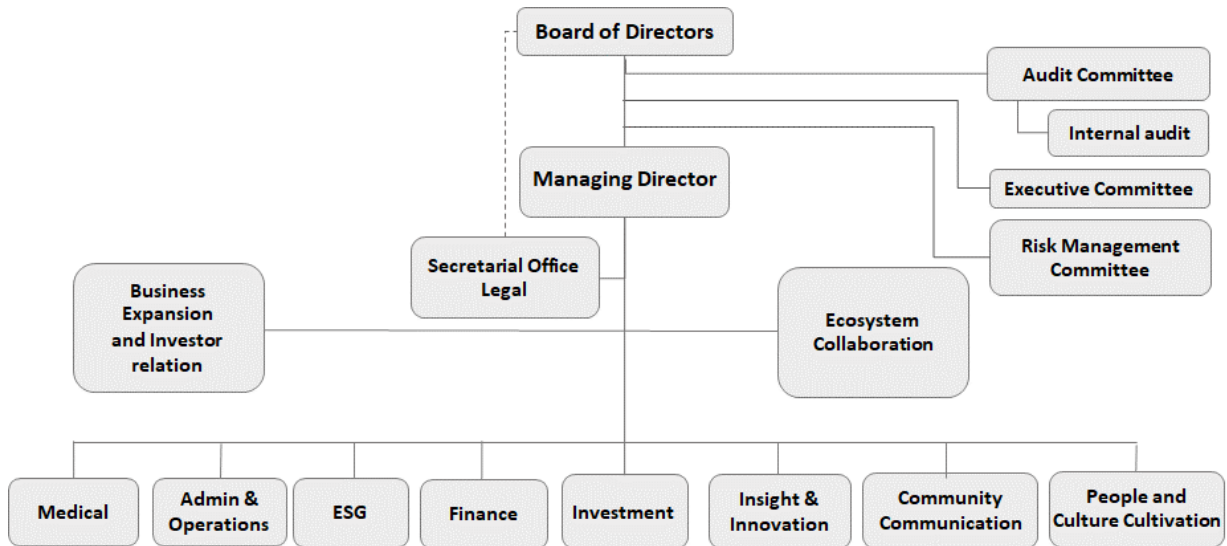
The Company gives an importance to risk management starting from finding, identifying, analyzing, evaluating, managing and controlling as well as following up and reporting result by applying ISO 31000 standard to develop the framework for risk management with reference to internal control guideline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

Risk Management Approaches are as follows:

1. The Company operates business under 6 areas of risk, consisting of investment, finance, operation, politic and governmental policies, good corporate governance and regulation, and the reputation/brand image. Therefore, the Company requires to manage risk systematically and regularly both at the organization and project level by using the same standard set by the Company.
2. Management must communicate to personnel in all departments to aware of the importance of risk management and the Company's risks. The Company's personnel must be able to show risk status of their related works and use it for making decision to manage their department as well as to formulate the guidelines for proper operations and the contingency plan to deal with those risks.
3. Each department shall use risk map and risk management tools according to risk management manual in order to find, identify risk factors and risk models that affect the operation, analyze and evaluate the identified risks, specify the risk level as well as the acceptable criteria, formulate operational guidelines/measures or risk management plan that shall prevent, mitigate, avoid or control risk effectively as well as supervise, monitor, review and evaluate the results of risk management in order to improve risk management process.
4. The responsible persons of each department shall report the monitoring and evaluation result on risk management as required by the Company to the Risk Management Committee.

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

Risk Management Structure with responsibilities (As of December 31, 2019)



1. Board of Directors are responsible for the overview of risk management of the Company.
2. Audit Committee are responsible for supporting Board of Director in reviewing independently to ensure that risk management system is suitable and effective.
3. Executive Committee is responsible for reviewing and monitoring risk in business and internal control of the Company.
4. Chairman of Executive Committee is responsible for pursuing the risk management policy and controlling risk management procedures to be implemented throughout the organization to ensure that the Company has appropriate risk management plan.
5. Risk Management Committee have following responsibilities:
 - 5.1 Set the policy, target and risk management strategy.
 - 5.2 Develop organization wide risk management system efficiently and stimulate the co-ordination in risk management at all level continuously.
 - 5.3 Follow up and review risk of business units and propose recommendation for improvement.
 - 5.4 Control and monitor effectiveness of risk management procedures.
 - 5.5 Report risk and risk management result to the Board of Director as scheduled.

Expected Outcomes from Risk Management

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

Policy review

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

12. Related Party Transactions

12.1 Disclosure of related party transactions with possible conflict of interest

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

12.2 Necessity and Reasonability of Related Party Transactions

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

12.3 Related Party Transaction Policy

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

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

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

If there is related party transaction, the Company shall process to approve such transaction without the involvement of those who may have conflict of interest. As such, the Audit Committee is responsible for giving an opinion regarding the entering into every transaction. The approval process to enter into connected transaction is based on the requirements or notifications of the Securities and Exchange Commission, requirements on connected party transactions of the Stock Exchange of Thailand as well as other relevant rules and guidelines strictly. The price, remuneration or any fees related to related party transactions must be quoted

with reference to the market price as well as the accounting standard specified by the Federation of Accounting Professions of Thailand, including taking into account the reasonableness of transactions and the benefits to the Company as a major priority and shall disclose the relevant details in the Company's notes to financial statement and annual report.

12.4 Shareholding details of Directors and Executive on latest book closing date

	Name	Shareholding %		Shareholding %	
		As of February 7, 2020		As of March 13, 2020	
		Number of common share	%	Number of common share	%
1	Dr. Pongsak Viddayakorn, M.D.	-	-	-	-
	Spouse and child	-	-	-	-
2	Mr. John LEE Kohshun	-	-	-	-
	Spouse and child	-	-	-	-
3	Mr. Yarnsak Manomaiphiboon	-	-	-	-
	Spouse and child	-	-	-	-
4	Dr. Satit Viddayakorn, Ph.D.	806,728,800	24.89	806,728,800	23.30
	Spouse and child	-	-	-	-
5	Mr. Veera Srichanachaichok	10,000,000	0.30	10,000,000	0.29
	Spouse and child	-	-	-	-
6	Dr. Soontorn Sritha, M.D.	15,149,000	0.46	15,149,000	0.44
	Spouse and child	100,000	0.003	130,000	0.004
7	Ms. Aranya Chalernpornvarodom	-	-	-	-
	Spouse and child	-	-	-	-
8	Dr. Jutamas Ingpochai, Ph.D.	-	-	-	-
	Spouse and child	-	-	-	-
9	Ms. Tanatorn Viddayakorn	22,985,100	0.71	22,985,100	0.66
	Spouse and child	-	-	-	-
10	Ms. Preeyaporn Aphiwathwittaya	-	-	-	-
	Spouse and child	-	-	-	-
11	Ms. Ritima Jirasuradate	-	-	-	-
	Spouse and child	-	-	-	-
12	Ms. Satita Viddayakorn	1,917,852,143	59.19	1,917,852,143	55.39
	Spouse and child	-	-	-	-
13	Mrs. Achara Ratanaphunsri	10,120,000	0.31	10,120,000	0.29
	Spouse and child	-	-	2,136,100	0.06
14	Mr. Sirichai Towiriyawate	372,800	0.01	372,800	0.01
	Spouse and child	-	-	-	-
15	Mr. Supawat Pongsiripanich	-	-	-	-
	Spouse and child	-	-	-	-

	Name	Shareholding % As of February 7, 2020		Shareholding % As of March 13, 2020	
		Number of common share	%	Number of common share	%
16	Mrs. Samerkae Sattapong	100,000	0.003	100,000	0.003
	Spouse and child	-	-	-	-
17	Ms. Thiranan Sangphungtham	474,200	0.01	474,200	0.01
	Spouse and child	-	-	100,000	0.002
18	Mrs. Sukanit Mahanukul	-	-	-	-
	Spouse and child	-	-	-	-
19	Ms. Pear Hovarongkura	-	-	-	-
	Spouse and child	-	-	-	-
20	Ms. Napatporn Rodsa	-	-	-	-
	Spouse and child	-	-	-	-
21	Ms. Janpen Jongjirangsap	98,000	0.003	98,000	0.003
	Spouse and child	-	-	-	-
22	Mr. Naruepol Phansupamongkol	21,000	0.0006	21,000	0.0006
	Spouse and child	-	-	-	-
23	Mrs. Tuenjai Kaewwanna	-	-	-	-
	Spouse and child	-	-	-	-
24	Mr. Chote Nisoong	-	-	-	-
	Spouse and child	-	-	-	-
25	Dr. Atiwat Noiprasit, M.D.	2,542,000	0.07	2,548,000	0.07
	Spouse and child	-	-	-	-
26	Dr.Suradanai Naorungrot, M.D.	-	-	-	-
	Spouse and child	-	-	-	-
27	Dr.Narongsak Wongroj, M.D.	-	-	-	-
	Spouse and child	-	-	-	-
28	Mrs. Pimyada Boontem	-	-	-	-
	Spouse and child	-	-	-	-
29	Mrs.Pimyada Ruananukoon	-	-	-	-
	Spouse and child	-	-	-	-
30	Ms. Kanokwan Udomkitkosol	29,600	0.0009	29,600	0.0009
	Spouse and child	-	-	-	-
31	Dr.Suebpong Intralawan, M.D.	-	-	-	-
	Spouse and child	-	-	-	-
32	Ms.Patkamol Sakarthornsap	-	-	-	-
	Spouse and child	-	-	-	-
33	Dr.Varan Tiensong, M.D.	-	-	-	-
	Spouse and child	-	-	-	-
34	Ms. Atiya Awachanakarn	-	-	151,700	0.004

	Name	Shareholding % As of February 7, 2020		Shareholding % As of March 13, 2020	
		Number of common share	%	Number of common share	%
	Spouse and child	-	-	220,000	0.006
35	Ms.Budsakorn Kaewboonthum	-	-	28,300	0.0008
	Spouse and child	-	-	-	-
36	Dr.Bunchana Petchployngam, M.D.	-	-	-	-
	Spouse and child	-	-	-	-
37	Ms.Tissana Toviriyavate	-	-	-	-
	Spouse and child	-	-	-	-
38	Ms. Sudamas Boonwan	-	-	-	-
	Spouse and child	-	-	-	-
39	Ms. Nipaporn Nimpitakpong	-	-	-	-
	Spouse and child	-	-	-	-
40	Mrs. Wannasiri Nimpitakpong	3,009,800	0.09	3,009,800	0.09
	Spouse and child	-	-	-	-
41	Ms. Kongchanok Teeravarakan	-	-	-	-
	Spouse and child	-	-	-	-
42	Mr.Voratus Palakawong Na Ayudhya	-	-	150,000	0.004
	Spouse and child	-	-	-	-
43	Mr. Sittichai Vongnitchakul	-	-	-	-
	Spouse and child	-	-	-	-
44	Mr. Thisarin Takkametha	-	-	-	-
	Spouse and child	-	-	-	-
45	Mr. Siripong Angkasakullkai	-	-	-	-
	Spouse and child	-	-	-	-
46	Dr. Korpong Rookkapan, M.D.	-	-	-	-
	Spouse and child	-	-	-	-

Remark: The number of shares held by Ms. Satita Viddayakorn included shares held by Peak Development Holding Co., Ltd because Ms. Satita is a major shareholder own 55.39 stake in Peak Development Holding Co., Ltd. also included the shares held by UBS AG HONG KONG BRANCH because it is Ms. Satita's custodian.

Part 3 Financial Position and Operating Performance

13. Key Financial Information

13.1 Financial Statement

13.1.1 Auditor's Report

Auditor's report in the past 3 years, financial statement for the year 2017-2019 was audited by Mr. Chanchai Chaiprasit, a certified auditor number 3760 from PriceWaterhouse Coopers ABAS Co., Ltd. which was in the approved list of Securities and Exchange Commission, give an unqualified opinion with the comment that the consolidated financial statement of Principal Capital Public Company Limited (Company) and its subsidiaries (business group) as well as the financial statement for the Company show the financial position of business group of the Company, operating result and cash flow statement of the Company only and were prepared accurately in substance based on standard of financial report. This financial statement was verified and certified by the Board of Directors

13.1.2 Financial Statements

Principal Capital Public Company Limited and it Subsidiaries
 Statement of Financial Position
 As of December 31

Unit : Baht in Thousand	Consolidated Financial Statement						Seperated Financial Statement					
	2019		2018		2017		2019		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Assets												
Current assets												
Cash and cash equivalents	395,865	2.71	449,319	3.14	371,922	2.84	53,080	0.41	91,810	0.81	71,738	0.74
Short-term investments	525,827	3.60	6,064	0.04	647,920	4.95	484,568	3.72	3,930	0.03	46,531	0.48
Restricted bank deposits at a financial institution	5,000	0.03	5,446	0.04	5,446	0.04	5,000	0.04	5,000	0.04	5,000	0.05
Trade and other receivables -net	233,450	1.60	267,617	1.87	199,956	1.53	48,066	0.37	43,687	0.38	13,375	0.14
Current portion of receivables-under finance lease, net	-	-	-	-	-	-	1,611	0.01	-	-	-	-
Short-term loan to a subsidiary	-	-	-	-	-	0.00	1,355,989	10.42	520,836	4.57	101,749	1.06
Short-term loan to third party	39,044	0.27	-	-	-	-	39,044	0.30	-	-	-	-
Inventories - net	59,120	0.40	49,572	0.35	49,984	0.38	5,059	0.04	5,891	0.05	308	0.00
Work in progress under services contracts	-	-	-	0.00	12,937	0.10	-	0.00	-	-	-	-
Other current assets	54,495	0.37	96,599	0.67	85,286	0.65	12,505	0.10	9,016	0.08	6,341	0.07
Total current assets	1,312,801	8.98	874,616	6.11	1,373,451	10.49	2,004,922	15.40	680,169	5.97	245,042	2.54

Unit : Baht in Thousand	Consolidated Financial Statement						Seperated Financial Statement					
	2019		2018		2017		2019		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Non-current assets												
Restricted deposits at a financial institutions	2,800	0.02	12,166	0.08	13,600	0.10	-	-	-	-	-	-
Receivables under finance lease, net	-	-	-	-	-	-	6,744	0.05	-	-	-	-
Investment in an associate	411	0.00	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	-	-	-	-	-	0.00	7,963,253	61.17	8,013,254	70.34	8,013,254	83.17
Long-term investments	330	0.00	330	0.00	-	0.00	330	0.00	330	0.00	-	-
Investment property - net	1,576,376	10.78	2,719,903	19.00	2,754,026	21.04	-	-	-	-	-	-
Property, plant and equipment – net	9,896,170	67.69	8,942,750	62.46	7,187,430	54.92	3,033,819	23.31	2,679,825	23.52	1,366,438	14.18
Intangible assets – net	93,977	0.64	69,632	0.49	77,062	0.59	4,631	0.04	3,677	0.03	3,817	0.04
Leasehold rights	26,513	0.18	25,222	0.18	22,423	0.17	-	-	-	-	-	-
Goodwill	1,657,153	11.33	1,648,636	11.51	1,648,636	12.60	-	-	-	-	-	-
Deferred tax assets	23,278	0.16	4,604	0.03	5,301	0.04	-	-	-	-	2,468	0.03
Non-current assets	30,236	0.21	20,222	0.14	6,285	0.05	3,534	0.03	14,492	0.13	4,341	0.05
Total Non-Current Assets	13,307,244	91.02	13,443,465	93.89	11,714,762	89.51	11,012,311	84.60	10,711,578	94.03	9,390,318	97.46
Total Assets	14,620,045	100.00	14,318,081	100.00	13,088,213	100.00	13,017,233	100.00	11,391,747	100.00	9,635,360	100.00
Liabilities and shareholders' equity												
Current Liabilities												
Overdraft	-	-	7,415	0.05	1,448	0.01	-	-	-	-	-	-
Short-term loan	50,011	0.34	1,030,400	7.20	30,000	0.23	-	-	1,000,400	8.78	-	-

Unit : Baht in Thousand	Consolidated Financial Statement						Seperated Financial Statement					
	2019		2018		2017		2019		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Trade and other payables	485,985	3.32	463,546	3.24	1,370,900	10.47	91,470	0.70	98,774	0.87	1,053,985	10.94
Advanced received from customer-current	36,797	0.25	24,502	0.17	23,707	0.18	10,560	0.08	6,076	0.05	4,078	0.04
Short-term loan from a related party	348,416	2.38	461,891	3.23	445,619	3.40	1,886,111	14.49	614,851	5.40	-	-
Current portion of financial lease	64,812	0.44	26,437	0.18	8,706	0.07	27,249	0.21	-	-	-	-
Current portion of long-term loan	260,325	1.78	184,000	1.29	138,199	1.06	95,611	0.73	32,818	0.29	-	-
Current portion of long-term loan from related party	539,338	3.69	530,404	3.70	-	-	539,338	4.14	530,404	4.66	-	-
Income tax payable	15,458	0.11	18,944	0.13	71,779	0.55	-	-	-	-	-	-
Deposits received from customers – current	24,638	0.17	30,674	0.21	49,054	0.37	7,187	0.06	9,203	0.08	29,076	0.30
Other current liabilities	92,631	0.63	75,224	0.53	75,598	0.58	6,446	0.05	5,830	0.05	4,871	0.05
Total current liabilities	1,918,411	13.12	2,853,437	19.93	2,215,008	16.92	2,663,972	20.46	2,307,636	20.26	1,092,010	11.33
Non-current liabilities												
Financial lease	204,918	1.40	74,640	0.52	11,057	0.08	90,692	0.70	31,522	0.28	-	-
Long-term borrowing from a financial institution	2,267,471	15.51	2,063,843	14.41	1,102,412	8.42	1,457,763	11.20	915,501	8.04	-	-
Advances received from customers	-	-	3,320	0.02	9,635	0.07	-	-	-	-	-	-
Deposits received from customers	24,479	0.17	19,193	0.13	19,676	0.15	-	-	-	-	-	-
Long-term promissory note from related party	-	-	-	-	521,470	3.98	-	-	-	-	521,470	5.41

Unit : Baht in Thousand	Consolidated Financial Statement						Seperated Financial Statement					
	2019		2018		2017		2019		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Deferred tax liabilities	333,880	2.28	333,153	2.33	171,398	1.31	164,790	1.27	170,322	1.50	-	-
Employee benefit obligations	117,847	0.81	85,163	0.59	71,012	0.54	18,535	0.14	15,152	0.13	12,681	0.13
Other non-current liabilities	41,812	0.29	43,713	0.31	42,443	0.32	17,437	0.13	3,446	0.03	27,620	0.29
Total non-current liabilities	2,990,407	20.45	2,623,025	18.32	1,949,103	14.89	1,749,216	13.44	1,135,945	9.97	561,771	5.83
Total liabilities	4,908,818	33.58	5,476,462	38.25	4,164,111	31.82	4,413,189	33.90	3,443,581	30.23	1,653,781	17.16
Equity												
Issued and paid up capital	3,462,337	23.68	3,240,088	22.63	3,240,088	24.76	3,462,337	26.60	3,240,088	28.44	3,240,088	33.63
Premium on share capital	5,163,517	35.32	4,476,767	31.27	4,476,767	34.20	5,163,517	39.67	4,476,767	39.30	4,476,767	46.46
Retained earnings												
Appropriated – legal reserve	44,200	0.30	44,200	0.31	44,200	0.34	44,200	0.34	44,200	0.39	44,200	0.46
Unappropriated	(626,349)	(4.28)	(447,623)	(3.13)	(278,896)	(2.13)	(66,010)	(0.51)	187,112	1.64	220,525	2.29
Other components of equity	766,023	5.24	764,130	5.34	764,130	5.84	-	-	-	-	-	-
Equity attributable to owners of the parent	8,809,728	60.26	8,077,561	56.42	8,246,288	63.01	8,604,044	66.10	7,948,166	69.77	7,981,579	82.84
Non-controlling interests	901,499	6.17	764,058	5.34	677,813	5.18	-	-	-	-	-	-
Total equity	9,711,227	66.42	8,841,619	61.75	8,924,101	68.18	8,604,044	66.10	7,948,166	69.77	7,981,579	82.84
Total liabilities and equity	14,620,045	100.00	14,318,081	100.00	13,088,213	100.00	13,017,233	100.00	11,391,747	100.00	9,635,360	100.00

Principal Capital Public Company Limited and it Subsidiaries
 Statement of Comprehensive Income
 For the year ended December 31

Unit : Baht in Thousand	Consolidated Financial Statement						Seperated Financial Statement					
	2019		2018		2017		2019		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Revenue from hospital business	2,296,171	79.97	2,084,631	76.56	1,690,423	75.54	227,379	44.05	206,947	41.91	-	-
Revenue from sale and services	575,270	20.03	574,240	21.60	547,348	24.46	288,754	55.95	286,784	58.09	280,254	100.00
Cost of hospital business	(1,879,283)	(65.45)	(1,577,358)	(59.32)	(1,274,462)	(56.95)	(251,700)	(48.77)	(172,493)	(34.94)	-	-
Costs of sales and services	(353,286)	(12.30)	(376,029)	(14.14)	(453,257)	(20.25)	(137,816)	(26.70)	(162,004)	(32.81)	(138,946)	(49.58)
Gross profit	638,872	22.25	705,484	26.53	510,051	22.79	126,617	24.53	159,234	32.25	141,308	50.42
Other income	46,890	1.63	51,145	1.92	166,524	7.44	30,703	5.95	23,846	4.83	143,332	51.14
Gain (loss) on disposal of investment in subsidiaries	240,375	8.37	-	-	-	-	(45,000)	(8.72)	-	-	-	-
Gain from asset acquisition at lower fair value	-	-	82,544	3.10	-	-	-	-	82,544	16.72	-	-
Selling expenses	(66,870)	(2.33)	(60,303)	(2.27)	(45,388)	(2.03)	(20,485)	(3.97)	(18,370)	(3.72)	(12,425)	(4.43)
Administrative expenses	(842,341)	(29.34)	(725,419)	(27.28)	(761,051)	(34.01)	(250,915)	(48.61)	(212,042)	(42.95)	(159,626)	(56.96)
Other expenses	(16,965)	(0.59)	(16,579)	(0.62)	(8,324)	(0.37)	-	-	-	-	-	-
Finance costs	(153,190)	(5.33)	(126,109)	(4.74)	(69,120)	(3.09)	(100,982)	(19.57)	(74,702)	(15.13)	(8,934)	(3.19)
Share of profit from an associate	161	0.01	-	-	-	-	-	-	-	-	-	-
Profit (loss) before income tax expenses	(153,069)	(5.33)	(89,237)	(3.36)	(207,308)	(9.26)	(260,061)	(50.39)	(39,488)	(8.00)	103,656	36.99

Unit : Baht in Thousand	Consolidated Financial Statement						Seperated Financial Statement					
	2019		2018		2017		2019		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
In come tax (expense) income	(2,434)	(0.08)	(31,211)	(1.17)	(164,306)	(7.34)	5,814	1.13	4,253	0.86	(7,245)	(2.59)
Loss from continuing operations	(155,503)	(5.42)	(120,448)	(4.53)	(371,614)	(16.61)	(254,247)	(49.26)	(35,235)	(7.14)	96,411	34.40
Loss from discontinued operations	(31,439)	(1.09)	(32,195)	(1.21)	-	-	-	-	-	-	-	-
Loss for the year	(186,942)	(6.51)	(152,643)	(5.74)	(371,614)	(16.61)	(254,247)	(49.26)	(35,235)	(7.14)	96,411	34.40
Other comprehensive income												
Remeasurements of employee benefit obligations	4,155	0.14	4,702	0.18	11,494	0.51	1,406	0.27	2,277	0.46	(50)	(0.02)
Deferred income tax on Remeasurements of employee benefit obligations	(831)	(0.03)	(940)	(0.04)	(2,298)	(0.10)	(281)	(0.05)	(455)	(0.09)	10	0.00
Items that will not be reclassified to profit or loss	3,324	0.12	3,761	0.14	9,195	0.41	1,125	0.22	1,822	0.37	-	-
Other comprehensive income (expense) for the year, net of tax	3,324	0.12	3,761	0.14	9,195	0.41	1,125	0.22	1,822	0.37	(40)	(0.01)
Total comprehensive income (expense) for the year	(183,618)	(6.39)	(148,882)	(5.60)	(362,418)	(16.20)	(253,122)	(49.04)	(33,413)	(6.77)	96,371	34.39
Profit (loss) attributable to												
Owner of the parent	(181,717)	(6.33)	(173,397)	(6.52)	(345,096)	(15.42)	(254,247)	(49.26)	(35,235)	(7.14)	96,411	34.40
Non-controlling interests	(5,225)	(0.18)	20,754	0.78	(26,518)	(1.19)	-	-	-	-	-	-
	(186,942)	(6.51)	(152,643)	(5.74)	(371,614)	(16.61)	(254,247)	(49.26)	(35,235)	(7.14)	96,411	34.40
Total comprehensive income												

Unit : Baht in Thousand	Consolidated Financial Statement						Seperated Financial Statement					
	2019		2018		2017		2019		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(expense) attributable to												
Owner of the parent	(178,726)	(6.22)	(168,727)	(6.35)	(343,177)	(15.34)	(253,122)	(49.04)	(33,413)	(6.77)	96,371	34.39
Non-controlling interests	(4,892)	(0.17)	19,845	0.75	(19,241)	(0.86)	-	-	-	-	-	-
	(183,618)	(6.39)	(148,882)	(5.60)	(362,418)	(16.20)	(253,122)	(49.04)	(33,413)	(6.77)	96,371	34.39
Earnings (loss) per share (Baht)	(0.056)		(0.054)		(0.107)		(0.078)		(0.011)		0.030	

Principal Capital Public Company Limited and its Subsidiaries
Summary of Statement of Cash Flow
For the Year ended December 31

Unit : Baht in thousand	Consolidated Financial Statement			Separated Financial Statement		
	2019	2018	2017	2019	2018	2017
Cash flows from operating activities	193,019	15,459	112,328	(79,702)	(112,893)	192,656
Cash flows from investing activities	(400,965)	(2,001,298)	97,818	(1,708,802)	(2,412,100)	(167,893)
Cash flows from financing activities	161,906	2,057,270	(113,773)	1,749,774	2,545,065	-
Net increase (decrease) in cash and cash equivalents	(46,040)	71,431	96,373	(38,730)	20,072	24,763
Cash and cash equivalents at the beginning of the year	441,905	370,474	274,101	91,810	71,738	46,975
Cash and cash equivalents at the end of the year	395,865	441,905	370,474	53,080	91,810	71,738

13.1.3 Significant Financial Ratio

	Unit	Consolidated Financial Statement			Separated Financial Statement		
		2019	2018	2017	2019	2018	2017
Liquidity Ratio							
Current Ratio	Times	0.68	0.31	0.62	0.75	0.29	0.22
Quick Ratio	Times	0.60	0.25	0.55	0.22	0.06	0.12
Activity Ratio							
Accounts Receivables turnover	Times	17.76	21.46	15.70	14.97	25.58	24.36
Average collection period	Days	21	17	23	24	14	15
Total assets turnover	Days	0.34	0.35	0.35	0.19	0.30	0.31
Accounts payable turnover	Times	16.60	12.83	10.12	15.00	16.89	8.99
Average payment period	Days	22	28	36	24	22	41
Cash cycle	Days	7	(2)	(3)	5	(4)	(25)
Inventory turnover	Times	41.08	40.75	35.45	71.14	107.92	332.41
Average selling period	Days	9	9	10	5	3	1
Profitability Ratio							
Gross profit margin	%	22.25	26.53	22.79	24.53	32.25	50.42
Net profit margin	%	(5.75)	(6.21)	(14.35)	(46.49)	(5.87)	22.76
Return on equity	%	(2.15)	(2.12)	(4.29)	(3.07)	(0.44)	1.22
Return on assets	%	(1.29)	(1.11)	(2.70)	(2.08)	(0.34)	1.06
Financial Policy Ratio							
Debt to equity ratio	Times	0.56	0.68	0.50	0.51	0.43	0.21
Interest coverage ratio	Times	2.61	1.90	4.31	0.06	(0.74)	22.55
Information per share							
Earnings (losses) per share	Baht	(0.056)	(0.054)	(0.107)	(0.078)	(0.011)	0.030
Book value per share	Baht	2.54	2.49	2.55	2.49	2.45	2.46

14. Management Discussion and Analysis**Major developments in 2019**

On February 28, 2019, Principal Healthcare - Lamphun Co., Ltd., a subsidiary of which shares are held indirectly by the Company, acquired and accepted the Entire Business Transfer (EBT) of Lamphun Ruamphat Company Limited which was operating a private hospital business under the name "Sirivej Lamphun Hospital", located in Lamphun Province. The objective was to expand the coverage of the Business Group's private hospital business network in order to enhance the Group's future revenue generating capability. The subsidiary paid a consideration of 96.0 million Baht. The transaction resulted in a goodwill of 13.09 million Baht in the Consolidate Financial Statement.

On March 29, 2019, the Company launched an opening of Pitsanuvej Uttaradit Hospital, the only private hospital in Uttaradit Province. The hospital features 50 inpatient rooms and seven critical care rooms equipped with ventilators, international standard operation rooms and modern storage for medical devices (e.g. a multislice CT scanner, a mammogram machine, a 4-D ultrasound machine, cardiac stress test equipment, and an echocardiography machine). It also has an Emergency and Trauma Center with emergency medicine physicians ready to take care of patients in the locality and nearby provinces, such as Sukhothai, Phrae, and Nan, as well as neighboring Lao PDR, and capable of transferring patients to a network hospital around the clock.

On September 27, 2019, V Brilliant Group Holding Co., Ltd., a subsidiary of the Company, disposed of ordinary shares of Bangkok Management Co., Ltd., a subsidiary of V Brilliant Group Holding Co., Ltd., of which the only remaining assets were a land plot with an area of 651 square wah and a sixty-room old hotel building. The disposition was made to VMS Development Co., Ltd., which is a connected person of the Company, at a price of 1,329.0 million Baht. The transaction generated a gain on sale of investment in a subsidiary of 240.4 million Baht, which is reflected in the Interim Statement of Comprehensive Income.

On November 12, 2019, an opening ceremony was held for Princ Uthai Thani Hospital, the first private hospital of Uthai Thani Province. The 60-bed hospital has the capacity to provide treatment services, including check-ups, with the focus on medical treatment for emergency patients by its Emergency and Trauma Center with a team of emergency medicine physicians and specialists, coming complete with sophisticated medical devices and technologies. The hospital can accommodate people in Uthai Thani and nearby provinces, such as Chai Nat and Nakhon Sawan, and can provide consultancy and 24-hour transfer service to a network hospital; e.g., Princ Hospital Paknampo in Nakhon Sawan Province.

On November 14, 2019, Principal Healthcare Company Limited, a subsidiary of the Company, entered into a Joint Venture Agreement with Sisaket Meditech Company Limited, to operate a private hospital in Sisaket Province under the name "PRINC Hospital Sisaket". Construction of the hospital, which will be the

first private hospital in the province - with 59 beds - will begin in the first quarter of 2020 and services will be available in the first half of 2021.

On November 28, 2019, the Company disposed of 222.25 million newly issued ordinary shares to, and received payment, from the International Finance Corporation (IFC). The new shares were issued in accordance with the resolution passed by the 2019 Annual General Meeting of Shareholders convened on April 25, 2019, approving a general mandate, and sold at 4.09 Baht per share. (The seven-day and fourteen-day average market prices per share were 4.18 and 4.14 Baht, respectively.) The total value of the disposition was 909.0 million Baht. The payment was divided into the par value and the share premium of 222.25 and 686.75 million Baht, respectively.

On November 29, 2019, the Company made a sale of investment in Convergence Systems Co., Ltd., a subsidiary engaged in providing IT systems installation services. The sale was made to Full Stack Enterprise Co., Ltd. at 5.0 million Baht. The transaction resulted in a loss on disposal of investment in a subsidiary in an amount of 45.0 million Baht in the Separate Financial Statement and a gain from a sale of investment in a subsidiary in an amount of 5.6 million Baht in the Consolidated Financial Statement. The reason was the Company had transferred personnel of the functions dealing with development and installation of hospital systems to another subsidiary - Principal Healthcare Company Limited - prior to the sale of this company.

On December 2, 2019, Princ Suvarnabhumi Hospital was officially opened. This leading tertiary hospital is a center of specialists and serves as a center for transfers to other hospitals in the Group. It has also formed alliances in order to build on other related medical businesses. An example is the alliance with Bumrungrad Hospital formed to launch a new business model - "Bumrungrad Health Network- Growing Together Model" - whereby a medical excellence center is established to offer access to standard medical treatment. In the first phase, a Spine and Joint Center has been set up at Princ Hospital Suvarnabhumi. Another example is the joint venture formed with Nihon Keiei Group (NKG) to coinvest in establishing an Elderly Care Center.

A resolution was passed by the Company's Board of Directors on December 17, 2019, approving incorporation of a new subsidiary, Principal Healthcare - Chumphon Company Limited, to accommodate investment and business expansion in Chumphon Province. The new company has a registered capital of 270.0 million Baht, divided into 27 ordinary shares, each with a par value of 10 Baht per share. The Board also granted approval for Principal Healthcare - Chumphon Company Limited to acquire and accept the transfer of a private hospital in Chumphon Province operated by Virajsilp Hospital Co., Ltd. under the name "Virajsilp Hospital", registered for 100 beds. In this transaction, Principal Healthcare - Chumphon Company Limited will pay a consideration not exceeding 540.0 million Baht in total. The Company expects the acquisition of Virajsilp Hospital to mark a move to increase its business coverage in the regions of the

country, particularly in the South. The move would add to its growth and enhance its potential and competitiveness as well as future revenue generating.

Another resolution was passed on December 17, 2019, to approve formation of a joint venture for elderly care business with the NK Group. A Joint Venture Agreement was made on December 18, 2019, for a joint elderly care business. Approval was also granted for establishment of a new subsidiary under the name Princ NKG Company Limited, with the objective of investing in elderly care business. The Company holds 51% of the shares in the new company and the other 49% is held by NK Group. The company's concept of elderly care focuses on self-reliance, whereby elderly people resume their healthy condition and capability of conducting their Activities of Daily Living (ADL) with their family members. The aim is to assist the elderly in rehabilitating their physical and mental strength for maximum self-reliance. According to the plan, the service will be first offered at Princ Suvarnabhumi Hospital in 2020.

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

The private hospital business has had an average annual growth rate of revenue around 10 % over the past 5-6 years during which net profit grew by approximately 10.7% per year on average. This was due in part to the rise in revenues from medical treatment which have been correspondent with the level of treatment, complexity of illnesses and technologies used, as well as the increase in investment in new private hospitals. The main drivers of private hospitals' business have been foreign patients, particularly medical tourists, and patients who have bought health insurance for themselves, the majority of whom have moderate to high purchasing power.

Net profit of listed private hospital businesses is projected to grow by 3-6%, somewhat slowing down from growth in 2019. This holds particularly true for private hospitals targeting patients with moderate to high purchasing power due to fierce competition from the increasing number of competitors, yet the number of patients with required potential has not increased proportionately. This imposes pressure on revenue growth in contrast with consistently rising expenses due to changes made by the business operators, such as medical personnel expenses, and investment in technologies and specialization for differentiation purposes, or even discount offers to certain patient groups. Consequently, over the past 1-2 years, there have been signs of lower growth rates of revenue and profitability of the private hospital business group. There are also other developments deserving monitoring, particularly the measures taken to control the prices of medicines, medical supplies and medical services. Such measures are likely to impose pressure on profitability of individual private hospitals in varying degrees. Although, on one hand, the measures make it convenient for patients to become aware of relevant information and to be able to compare prices of medicines which they can choose to buy outside the hospital, the regulation may put profitability of private hospital businesses

under pressure in the future as revenues from medicines constitute the majority of the revenues in private hospital businesses.

Nevertheless, some private hospital businesses are likely to continue to make increasing profits in 2020, particularly those operating hospitals in locations with no competitors and focusing on patients exercising rights from their own health insurance plans. Amid the current economic condition, which is not recovering yet, patients without their own health insurance plans and have to pay cash out of their own pocket are more likely to exercise their rights granted by the state. The revenues and thus profitability of this group of private hospital businesses are likely to increase in 2020 if there is positive adjustment of the capitation payment under the social security health scheme.

Moving forward, in order to diversify risks associated with generating revenues and profits from hospitals in the PRINC Group, there should be strategy adjustments to explore new sources of revenues to supplement medical services which are the major revenue source, in addition to introduction of technologies for cost reduction and service quality maintenance. Some non-hospital service groups are interesting and are likely to expand, such as the elderly care business. This strategy should be adopted by the private hospital business.

The Company plans to continue to increase the number of hospitals in the next 3-5 years. The focus will be on the provinces where there are no private hospitals, with a sizeable population and demand for medical services. The hospitals will be located in all the regions. Emphasis will be placed on service quality and cost control. What the Company has done and has proved very effective is putting in place shared services, particularly in terms of technology. Service functions in similar departments are consolidated on a single database. Examples are the personnel department, the accounting department, and the medicine and medical supply storage. Such centralization can bring about cost reduction. Also, procurement of equipment as a network can also reduce costs. Besides, patient registration and files are entered into the Hospital Information System to enhance efficiency, minimize errors and provide speedy services. The latest achievement in upgrading hospital operation was introduction of electronic medical record systems at Princ Paknampo Hospital in Nakhon Sawan Province, enabling it to achieve Stage 7 on the HIMSS Analytics Electronic Medical Records Adoption Model (EMRAM). This reflects the hospital's excellence in terms of healthcare information technology. It is the first and only hospital in Thailand to have become a stage 7 organization.

Going forward, the Company remains committed to adding health services, such as businesses related to the aging society due to increasing human longevity, which will lead to greater demand for health services for elderly people. The Company sees this as an extension of its health service business and

focuses on providing quality services to middle income earners by offering elderly care in all forms for their greater well-being.

2019 operating results

Statement of Comprehensive Income	Y2019	Y2018	Increase (decrease)	Change %
Unit: million				
Revenues from hospital operations	2,296.2	2,084.6	211.6	10.1
Revenues from sales and services	575.3	574.2	1.1	0.2
Costs of hospital operations	1,879.3	1,577.4	301.9	19.1
Costs of sales and services	353.3	376.0	(22.7)	-6.0
Gross profit	638.9	705.5	(66.6)	-9.4
Other income	46.9	51.1	(4.2)	-8.3
Gain on disposal of investment in a subsidiary	240.4	-	240.4	100.0
Gain on bargain purchase	-	82.5	(82.5)	-100.0
Selling and Administrative expenses	926.2	802.3	123.9	15.4
Finance costs	153.2	126.1	27.1	21.5
Loss before income tax expense	(153.1)	(89.2)	63.9	71.5
Income tax expense	(2.4)	(31.2)	(28.8)	-92.2
Loss from continuing operations	(155.5)	(120.4)	35.1	29.1
Loss from discontinued operations	(31.4)	(32.2)	(0.8)	-2.3
Loss for the year	(186.9)	(152.6)	34.3	22.5
Total comprehensive expense for the year	(183.6)	(148.8)	34.8	23.3

In 2019, the Company and the subsidiaries generated revenues totaling 2,296.2 million Baht from the hospital business and incurred costs totaling 1,879.3 million Baht from the hospital business, and revenues from sales and services totaling 575.3. Costs of sales and services totaled 353.3 million Baht. There was a gain of 240.4 million Baht on disposal of investment in subsidiary. Selling and administrative expenses totaled 926.2 million Baht and financial costs totaled 153.2 million Baht. There was a resultant loss for the year of 155.5 million Baht from the going concern. The Company also incurred a loss of 31.4 million Baht from discontinued operations. As a result, the Company's loss for the year totaled 186.9 million Baht.

Losses for 2019 and 2018. One-off adjusting entries are combined from:

Statement of Comprehensive Income	Y2019	Y2018	Increase (decrease)	Change %
Unit: million				
Loss for the year	(186.9)	(152.6)	34.3	22.5
Loss from discontinued operations	(31.4)	(32.2)	(0.8)	-2.3
Gain on disposal of investment in a subsidiary	240.4	-	240.4	100.0
Gain on bargain purchase	-	82.5	(82.5)	-100.0
Loss for the year (excluded adjustment transaction)	(395.9)	(202.9)	193.0	95.1

It can be seen that, if the adjusting entries are not included, the Company and the subsidiaries incurred a loss for the year of 395.9 million Baht - 193.0 million Baht higher than the previous year. This was because:

- During the year, three new hospitals were opened; namely, Sirivej Lamphun Hospital, Pitsanuvej Uttaradit Hospital and Princ Uthai Thani Hospital, although they are not yet fully operational. This has led to unusually high direct costs, and selling and public relations as well as administrative expenses.
- Princ Hospital Suvarnabhumi is undergoing renovation of the in-patient and out-patient buildings, causing inconvenience to service users and patients on some floors. Services to patients under the National Health Security Program (the Gold Card Program) were discontinued. Revenues generated during the year therefore did not reach the maximum potential although the costs and expenses did not decrease proportionately. The renovation was completed in early December, 2019 and the hospital has now been officially opened.
- In the third and fourth quarters of 2019, revenues of both the hospital and property business groups grew at a lower rate than what it should have been, compared to the corresponding period of the previous year. This was attributed to climate change which caused fewer epidemics. Also, the general economic condition was not conducive to business growth of both the hospital and the serviced apartment businesses.

The following explains the operating results by business group.

Revenues from sales and services

Unit: million	Y2019		Y2018		Change
	Amount	%	Amount	%	%
Hospital business	2,296.2	80.0	2,084.6	78.4	10.1
Property development and property rental business	575.3	20.0	574.2	21.6	0.2
Total	2,871.5	100.0	2,658.8	100.0	8.0

The Company and the subsidiaries generated revenues from sales and the rendering of services totaling 2,871.5 million Baht, an increase of 212.7 million Baht or 8.0 %. The increase resulted from the following:

- The hospital business' revenues increased by 211.6 million Baht, or 10.1% due mainly to:
 - Revenues of the new hospitals opened in 2019; namely, Sirivej Lamphun Hospital, Pitsanuvej Uttaradit Hospital and Princ Uthai Thani Hospital, totaled 162.2 million Baht. Princ Suvarnabhumi Hospital generated revenues totaling 20.8 million Baht. In 2018, the hospital did not recognize revenues for the whole year.
 - Revenues of existing hospitals – Pitsanuvej Hospital and Princ Hospital Paknampo – totaled 56.3 million Baht.
- The property development and rental business had a revenue increase of 1.1 million Baht, or 0.2 %, due mainly to the following:
 - The Marriott Executive Apartment Sathorn Vista – Bangkok Project had a revenue increase of 5.9 million Baht because the occupancy rate rose from 81.7 % in 2018 to 86.8 % in 2019, and the average daily rate (ADR) increased from 4,024 to 4,093 Baht.
 - The Bangkok Business Center Building, which is for office space rental, had a revenue increase of 0.8 million Baht.

Gross profit was 66.6 million Baht lower than 2018, for the following main reasons:

- Costs of the new hospitals (Sirivej Lamphun Hospital, Pitsanuvej Uttaradit Hospital and Princ Uthai Thani Hospital) in 2019 totaled 174.8 million Baht, and Princ Suvarnabhumi Hospital incurred costs totaling 57.5 million Baht. The costs for 2018 were not recognized for the whole year.
- Moreover, existing hospitals incurred higher personnel and physician costs.
- Depreciation of both new and existing hospitals increased.

Gain on disposal of investment in a subsidiary of 240.4 million Baht. This one-off item resulted from disposition of ordinary shares of Bangkok Management Co., Ltd.

Selling and administrative expenses were 123.9 million Baht (15.4 %) higher than 2018 due to:

- Selling and administrative expenses of the new hospitals opened in 2019 (Sirivej Lamphun Hospital, Pitsanuvej Uttaradit Hospital and Princ Uthai Thani Hospital) totaling 68.1 million Baht
- Marketing and public relations expenses, as well as other expenses of the hospitals opened during the year pushed up the selling and administrative expenses.
- Expenses for financial and legal advisors increased as there were two transactions involving sales of investments in subsidiaries and sales of newly issued ordinary shares. Besides, the Company is currently undergoing restructuring for future expansion and needs to hire experts for consultancy.
- The new Labor Protection Act entitles employees to severance pays not less than an equivalent of 400 days times their last wage, as against the original 300 days. This has led to an increase in administrative expenses of 8.7 million Baht on the parts of the Company and the subsidiaries.

EBITDA:

Unit: million	Y2019	Y2018	Increase (decrease)	Change %
EBITDA	472.5	458.4	14.1	3.1
Finance costs	153.2	126.1	27.1	21.5
Depreciation and amortisation	472.4	421.5	50.9	12.1
Profit before income tax	(153.1)	(89.2)	63.9	71.5
Income tax expense	(2.4)	(31.2)	(28.8)	-92.2
Loss for the year	(155.5)	(120.4)	35.1	29.1
**EBITDA excluded adjustment transaction	232.1	375.9	(143.8)	-38.3

EBITDA for 2019 totaled 472.5 million Baht, which was 14.1 million Baht, or 3.1% higher than the previous year because:

- There was a one-off item – a gain on disposal of investment in a subsidiary – of 240.4 million Baht.
- There were direct costs, marketing and public relations expenses as well as other expenses of newly opened hospitals, increasing selling and administrative expenses.

EBITDA of the Company and the subsidiaries, excluding this adjusting entry, totaled 232.1 million Baht, 143.8 million Baht lower than the previous year due to lower gross profits and the increases in the expenses of newly opened hospitals, and investment in physicians and medical units.

Interest expenses rose by 27.1 million Baht, as a result of the increase in borrowings from financial institutions for the newly opened hospitals and renovation and modernization of hospital buildings to suit customers' requirements.

Appreciation increased by 50.9 million Baht as there were three new hospitals and innovation work at some hospitals had been completed; hence, higher depreciation was booked.

Loss for the year The Company and the subsidiaries incurred a loss of 155.5 million Baht in 2019 (excluding the losses incurred from discontinued operations). The loss amount is greater than that of 2018 and resulted from the increases in the costs of sales and services, expenses of the subsidiaries, interest expenses and depreciation.

Financial Position

Statement of Financial Position	31 December	31 December	Increase	Change
Unit: million	2019	2018	(Decrease)	%
Total assets	14,620.0	14,318.1	301.9	2.1
Total liabilities	4,908.8	5,476.5	(567.7)	-10.4
Equity attributable to owners of the parent	8,809.7	8,077.6	732.1	9.1
Debt to Equity Ratio (times)	0.56	0.68		

As at December 31, 2019, the Company and the subsidiaries has assets totaling 14,620.0 million Baht, increasing from total assets as at December 31, 2018 by 301.9 million Baht, resulting from:

- An increase in short-terms investments by 519.8 million Baht as a result of the receiving by the parent company of proceeds from the sale of newly issued ordinary shares and by the subsidiaries of proceeds from the sale of investment in the subsidiaries.
- Property, plant and equipment and intangible assets increased by 977.8 million Baht in total due to opening of the new hospitals and renovation of the existing ones.
- Investment property, meanwhile, decreased by 1,143.5 million Baht due mainly to the sales of investments in subsidiaries.

Liabilities of the Company and the subsidiaries as at December 31, 2019 totaled 4,908.8 million Baht, decreasing from total liabilities as at December 31, 2018 by 567.7 million Baht, for the following reasons:

- The Company's short-term borrowings from financial institutions decreased by 1,000.0 million Baht and the subsidiaries' short-term borrowings from related parties decreased by 113.5 million Baht as a result of the repayments made during Q4/2019.

- Long-term borrowings from financial institutions increased by 280.0 million Baht, resulting from investments in the new hospitals and in renovation of the existing hospitals.
- Liabilities from financial lease of the subsidiaries rose by 168.7 million Baht, resulting from investments in additional medical supplies and equipment.

Shareholders' equity increased by 732.1 million Baht from:

- The increase of issued and paid-up capital and ordinary share premium, totaling 909.0 million Baht as a result of the sale of newly issued ordinary shares to the IFC.
- Losses incurred by the Company during the year totaling 178.7 million Baht.

The debt-to-equity (D/E) ratio stood at 0.56, down from 0.68 on December 31, 2018, resulting from repayments of short-term borrowings from financial institutions and borrowings from related parties.

Shareholders' equity increased due to receipt of payments for new share subscriptions.

5) Commitments and contingencies

5.1) Contingent liabilities for capital expenditure

Unit: Baht in million	2019	2018
Building and equipment	21.91	473.36

5.2) Operating lease commitments

The Company and its subsidiaries entered into non-cancellable operating lease agreements with respect to leases of equipment and service agreements. The terms of the agreements generally range between 1 to 13 years.

Unit: Baht in million	2019	2018
Not later than 1 year	33.64	36.94
More than 1 year but not later than 5 years	16.89	18.19
More than 5 years	8.34	9.29
Total	58.88	64.42

5.3) Long-term service commitments

On January 24, 2007, the Company entered into management agreements with a group company of a well-known international hotel chain, appointing the hotel group to manage the Company's serviced apartment. Under the conditions of the agreements, the Company has to pay service fees to the hotel group at the rates stipulated in the agreements. The terms of the serviced apartment management agreements are

30 years, starting from the commencement of operations, with the right to extend for a period of at least 10 years, depending upon certain conditions specified in the agreements. Consulting fees and expenses under the contract for the year ended December 31, 2019 were Baht 16.8 million.

On January 14, 2016, the Group entered into management agreements with a group company of a well-known international hotel chain, appointing the hotel group to manage the Company's serviced apartment. Under the conditions of the agreements, the Company has to pay service fees to the hotel group at the rates stipulated in the agreements. The terms of the serviced apartment management agreements are 10 years, starting from the commencement of operations with the right to extend for a period of at least 10 years, depending upon certain conditions specified in the agreements. Consulting fees and expenses under the contract for the year ended December 31, 2019 were Baht 15.1 million.

5.4) Entire business transfer commitment

On 18 December 2019, the Group entered into an entire business transfer agreement of a private hospital in Chumphon province at a consideration of not exceeding Baht 570 million. The Group paid deposit as at the agreement date for Baht 20 million. The Group expects the transfer and obtaining control will incur in the first quarter of 2020.

5.5) Joint venture commitment

On 18 December 2019, the Company signed a joint venture agreement with a company to study the feasibility of the elderly care business and establish health care service and facility of service center for elderly care for support expansion of elderly care business in the future.

Part 4 Certification for the Correctness of Information

The Company reviews the information shown in this report with caution. The Company certifies that the information is correct, complete and not falsely presented or not miss any information required to be disclosed. In addition, the Company certifies that

(1) Financial statement and summary of financial data that is shown in this report were correct and complete in substance related to financial position, operating performance and cash flow of the Company and its subsidiaries.

(2) The Company has good disclosure system to ensure that the information that is an important substance of the Company and its subsidiaries are correctly disclosed and monitor to comply with the disclosure system.

(3) The Company has good internal control system and monitor to comply with such system. The Company reported the assessment result of internal control system as of December 31, 2019 to the auditor and Audit Committee, which include the error and significant change of the internal control system as well as any bad action that may have an effect to prepare the financial statement of the Company and its subsidiaries.

In this regard, to ensure that this document is the same document that has been certified, the Company delegated authority to Ms. Ritima Jirasuradate to sign on every page of this document. Any document has no signature of Ms. Ritima Jirasuradate, I would deem that is not the information that has been certified.

Name	Position	Signature
1. Dr. Satit Viddayakorn, Ph.D.	Authorized Director
2. Mr. Veera Srichanachaichok	Authorized Director
3. Dr. Soontorn Sritha, M.D.	Authorized Director

4. Ms. Tanatorn Viddayakorn Authorized Director

5. Ms. Preeyaporn Aphiwathwittaya Director of Accounting

Proxy by

Name	Position	Signature
1. Ms. Ritima Jirasuradate	Corporate Secretary

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Mr. John LEE Kohshun Chairman of the Board of Director Director	76	- Master of Public Health (MPH), Loma Linda University. - MBA Philosophy MA., Adventist University of the Philippines. - Bachelor of Philosophy MA. Adventist University of the Philippines. Training <u>Thai Institute of Directors Association</u> - Role of the Chairman Program 2018 (RCP 43/2018) - Director Certification Program 2002 (DCP 23/2002) <u>Clinical Training</u> - St Lukes Medical Center, Quezon City, Philippines 1969 - Loma Linda University Medical Center, Loma Linda CA, USA 1973	None	None	Aug 2019 - Present	Chairman of the Board of Director	Principal Capital PCL. <u>Listed Companies</u> Samitivej PCL. Bangkok Dusit Medical Services PCL. <u>Non-listed Companies</u> Premiere Home Healthcare Co., Ltd. Bangkok Hospital Rayong Bangkok Hospital Chanthaburi MuziHealth Consulting Pte Ltd. (Singapore) Parkway Health, (now part of IHH Healthcare, listed in Kuala Lumpur & Singapore) - Gleneagles Intan Medical Center, Kuala Lumpur. - Gleneagles International
					Feb 2019 - Present	Director	
					2000 - 2007	Director	
					2000 - 2007	Chief Executive Officer	
					2008 - 2010	Deputy President	
					2008 - 2010	Executive Director	
					2017 - 2019	Chairman	
					2009 - 2010	Chairman	
					2009 - 2010	Chairman	
					2010 - Present	Managing Director & Principal Consultant	
					1998 - 2000	Chief Executive Officer	
					1996 - 1998	Manager	

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Mr. Yansak Manomaiphiboon Independent Director and Chairman of the Audit Committee	57	- BSc. 2nd Honor, Engineering Chulalongkorn University	None	None	April 2013 - Present	Independent Director and Chairman of the Audit	Principal Capital PCL.
		- MBA, Finance and Management - Indiana University, Boomington, USA			March 2017 - Present	Independent Director and Audit Committee	Chememan PCL.
		<u>Training</u>			February 2012 - Present	Independent Director and Audit Committee	Sahaviriya Steel Industry PCL.
		- Program on Corporate Governance for Directors and Senior Management of State Enterprise and Public Organizaiton Class 3			February 2018 - Present	Director	Asco Business Promotion Co., Ltd.
		- Executive Class 5 Capital Market Academy			February 2018 - Present	Director	National Digital IT Co., Ltd.
		<u>Thai Institute of Directors Association</u>			May 2012 - Present	Secretariat	Association of Thai Securities Company
		- Director Certification Program 2005 (DCP 60/2005)			2014 - 2016	Chairman	Federation of Thai Capital Market
		- Director Accreditation Program 2004 (DAP 23/2004)			2014 - 2016	Executive Director	The Krungthep Thanakom Co., Ltd.
- Director Certification Program 2015 (DCP 199/2015)							

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Dr. Satit Vichayakorn, Ph.D. Managing Director Chairman of the Executive Committee Chairman of the Risk Management Committee Director					<u>Non-listed Companies (continued)</u>		
					2018 - Present	Director	Udon Business District Co., Ltd.
						Shareholder 0.001%	(VBrilliant Group Holding Co., Ltd.'s subsidiary)
					2018 - Present	Director	P.N.P. Hospital Co., Ltd. (Paknampo Co., Ltd.'s subsidiary)
					2018 - Present	Director	Paknampo Hospital Co., Ltd. (Principal Healthcare PCL.'s subsidiary)
					2017 - Present	Director	Principal Healthcare Co., Ltd. (Principal Capital PCL.'s subsidiary)
					2017 - Present	Director	Pisanuvej Pattana Co., Ltd. (Pitsanuloke Medical Co., Ltd.'s subsidiary)
					2017 - Present	Director	Pitsanuvej Uttaradit Hospital Co., Ltd. (Pitsanuloke Medical Co., Ltd.'s subsidiary)
					2016 - Present	Director	Union Pichit Doctors Co., Ltd. (Pitsanuloke Medical Co., Ltd.'s subsidiary)
					2017 - Present	Director	Service Station Co., Ltd.
2015 - Present	Shareholder 0.001%						
	Director/Managing Director	Pitsanuloke Medical Co., Ltd. (Principal Healthcare Co., Ltd.'s subsidiary)					

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years				
					Period	Position	Organization/Company/Type of business		
Dr. Satit Vddayakorn, Ph.D. Managing Director Chairman of the Executive Committee Chairman of the Risk Management Committee Director							Non-listed Companies (continued)		
							October 2016 – Present	Director	V Brilliant Group Co., Ltd. (Principal Capital PCL.'s subsidiary)
							October 2016 – Present	Director	V Intelligence Co., Ltd. (V Brilliant Group Holding Co., Ltd.'s
							October 2016 – Present	Director	V Residence Co., Ltd. (V Brilliant Group Holding Co., Ltd.'s
							October 2016 – Present	Director	V33 Co., Ltd. (V Brilliant Group Holding Co., Ltd.'s
							October 2016 – Present	Director	Bangkok Management Co., Ltd.
							November 2015 - Present	Chairman	Wiwatta Foundation
							August 2015 - Present	Chairman	Wiwatta Clinic Co., Ltd.
							October 2016 – Present	Shareholder 99.998%	
							October 2016 – Present	Director (Shareholder)	Bangkok Center District Co., Ltd. (Principal Capital PCL.'s subsidiary)
April 2014 -Present	Director	Hospital Management Training and Institute							
July 2013 - Present	Shareholder 0.001%								
July 2013 - Present	Director	Principal Investment Co., Ltd. (Principal Capital PCL.'s subsidiary)							
July 2013 - Present	Shareholder 0.002%								

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Mr. Veera Srichanachaichok Acting Chief Executive Officer Executive Director Member of Risk Management Committee Director					2018 - Present	Director	Non-Listed Companies (continued) Pitsanuvej Co., Ltd. (Principal Healthcare Co., Ltd.'s subsidiary)
					2018 - Present	Director	Paknampo Hospital Co., Ltd. (Principal Healthcare PCL.'s subsidiary)
					2018 - Present	Director	Union Pichit Doctors Co., Ltd. (Principal Healthcare Co., Ltd.'s subsidiary)
					2018-Present	Director	Banchang Business District Co., Ltd.
						Shareholder 0.001%	(VBrilliant Group Holding Co., Ltd.'s subsidiary)
					2018-Present	Director	Udon Business District Co., Ltd. (VBrilliant Group Holding Co., Ltd.'s subsidiary)
						Shareholder 0.001%	
					2017 - Present	Director	Principal Healthcare Co., Ltd. (Principal Capital PCL.'s subsidiary)
	October 2016 -Present	Director	VBrilliant Group Holding Co., Ltd. (Principal Capital PCL.'s subsidiary)				
	October 2016 -Present	Director	V Intelligence Co., Ltd. (VBrilliant Group Holding Co., Ltd.'s subsidiary)				

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Mr. Veera Srichanachaichok Acting Chief Executive Officer Executive Director Member of Risk Management Committee Director							Non-Listed Companies (continued)
					October 2016 -Present	Director	V Residence Co., Ltd. (V Brilliant Group Holding Co., Ltd.'s subsidiary)
					October 2016 -Present	Director	V33 Co., Ltd. (V Brilliant Group Holding Co., Ltd.'s subsidiary)
					October 2016 -Present	Director	Bangkok Management Co., Ltd. (V Brilliant Group Holding Co., Ltd.'s subsidiary)
					September 2016 – November 2019	Director	Convergence System Co., Ltd. (Principal Capital PCL.'s subsidiary)
				May 2016 - Present	Director	Bangkok Center District Co., Ltd. (Principal Capital PCL.'s subsidiary)	
				May 2016 - Present	Director	Principal Investment Co., Ltd. (Principal Capital PCL.'s subsidiary)	

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Dr. Soontorn Sritha, M.D. Acting Chief Investor Relations, Performance Coach Executive Director Member of Risk Management Committee Director		Training <u>Thai Institute of Directors Association</u> - Director Certification Program 2017 (DCP 250/2017)					<u>Non-Listed Companies (continued)</u> Pitsanuvej Pattana Co., Ltd. (Pitsanuvej Co., Ltd.'s subsidiary) Pitsanuvej Uttaradit Hospital Co., Ltd. (Pitsanuvej Co., Ltd.'s subsidiary) Union Pichit Doctors Co., Ltd. (Principal Healthcare Co., Ltd.'s subsidiary) P.N.P. Hospital Co., Ltd. (Principal Healthcare Co., Ltd.'s subsidiary) Paknampo Hospital Co., Ltd. (Principal Healthcare PCL.'s subsidiary) Principal Healthcare Co., Ltd. (Principal Capital PCL.'s subsidiary) Pitsanuloke Medical Co., Ltd. (Principal Healthcare PCL.'s subsidiary)

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Ms. Aranya Chalermponvarodom Independent Director the Audit Committee Member	72	- BBA Accounting, 2nd Honor Chulalongkorn University - MBA Accounting, Chulalongkorn University Training <u>Thai Institute of Directors Association</u> - Chief Financial Officer <u>Federation of Accounting Professional</u> - Directors Certification Program 2018 (DCP 252/2018) - Directors Accreditation Program April 2016 (DAP 24/2016)	None	None	April 2013 -Present	Independent Director and the Audit Committee Member	Principal Capital PCL.
					2008 - Present	Advisor to Executive Director	<u>Listed Companies</u> none <u>Non-Listed Companies</u> Regent Group

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Dr. Jutamas Ingpochai, Ph.D. Independent Director the Audit Committee Member	44	- BBA, Pine Manor College, USA - MBA, Boston University, USA - Ph. D, Business, Bangkok University Training <u>Thai Institute of Directors Association</u> - Family Business Governance 2018 - Directors Certification Program 2017 - IT Governance and Cyber Resilience Program 2017 (ITG 4/2017) - Advance Audit Committee Program 2016 (AACP 22/2016) - Risk Corporate Leader 2016 - Directors Accreditation Program 2012 - Company Secretary Program 2009	None	None	April 2014 - Present	Independent Director the Audit Committee Member	Principal Capital PCL.
							<u>Listed Companies</u>
					January 2011 -Present	Deputy President Investor Relation, Shareholder 0.40%	GFPT PCL.
					October 2008 -Present	Corporate Secretary, Shareholder 0.40%	GFPT PCL.
							<u>Non-listed companies</u>
					December 2015 -Present	Director	Minimax Venture Co., Ltd.
					Present	Shareholder 10%	

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Ms. Tanatorn Vddayakorn Chief Investment Officer Executive Director Director	28	Bachelor of Hospitality Management with Real Estate Finance and Revenue Management, Glion Institute of Higher Education, Switzerland. Glion Institute of Higher Education, Switzerland. Training <u>Thai Institute of Directors Association</u> - Director Certification Program 2017 (DCP 273/2019) <u>Thai Institute of Directors Association</u> Executive Development Program (EDP 2020)	0.66	Son of Dr.Satit Vddayakorn and Grandchild of De. Pongsak Vddayakorn	January 2020 - Present	Chief Investment Officer	Principal Capital PCL. <u>Listed Companies</u> None <u>Non-Listed Companies (continued)</u> Wiwatta Clinic Co., Ltd. VManagement Services Co., Ltd. Ratchada Business District Co., Ltd. Principal Healthcare Co., Ltd. Four Seasons Thailand
					November 2019 - Present	Executive Director	
					February 201 - Present	Director	
					June 2019 - Present	Director	
					2019 - Present	Director	
					2018 - Present	Director	
					2018 - Present	Deputy Chief Administrative Office	
					2017 - 2018	Manager in Training	

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in	Board's Family Relationship	Work experience in the past 5 years						
					Period	Position	Organization/Company/Type of business				
Miss. Preeyaporn Aphiwathwithaya Chief Accountant	44	- Bachelor of Accounting (2nd degree) Thammasat University - Master Degree of Real Estate Business Program, Thammasat University - Certified public accountant - Training the Executive Program for Young Professionals of Fiscal Policy Class 3, Research Institute Foundation - Training Orientation Course - CFO focus on financial reporting, Class 6 - Training Program Chief Transformation : CTO Course, Class 1, SEC	None	None	2013 - Present	Associate Accounting Director	Principal Capital PCL.				
					2016 - Present	Executive Director					
						The Risk Management Member					
											Non-Listed Companies
					2018 - Present	Director	Banchang Business District Co., Ltd. (V Brilliant Group Holding Co., Ltd.'s				
					2018 - Present	Director	Udon Business District Co., Ltd. (V Brilliant Group Holding Co., Ltd.'s subsidiary)				
April 2018 - Present	Director	Wiwatta Clinic Co., Ltd.									
2017 - Present	Director	V Brilliant Group Holding Co., Ltd. (Principal Capital PCL.'s subsidiary)									

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Miss. Preeyaporn Aphiwathwitthaya Chief Accountant							<u>Non-Listed Companies</u> 2017 - Present Director V Intelligence Co., Ltd. (V Brilliant Group Holding Co., Ltd.'s subsidiary) 2017 - Present Director V Residence Co., Ltd. (V Brilliant Group Holding Co., Ltd.'s subsidiary) 2017 - Present Director V33 Co., Ltd. (V Brilliant Group Holding Co., Ltd.'s subsidiary) 2017 - Present Director Bangkok Center District Co., Ltd. (Principal Capital PCL.'s subsidiary) 2017 - Present Director Principal Investment Co., Ltd. (Principal Capital PCL.'s subsidiary) 2017 - Present Director Principal Healthcare Co., Ltd. (Principal Capital PCL.'s subsidiary) October 2016 - September 2019 Director Bangkok Management Co., Ltd. (V Brilliant Group Holding Co., Ltd.'s subsidiary)

Attachment 1: Details of Directors, Executives, Controlling Persons, Chief Accountant and Corporate Secretary (continue)

Name-Surname/Position	Age (Year)	Educational Background/ Training Record	Shareholding percentage in the Company	Board's Family Relationship	Work experience in the past 5 years		
					Period	Position	Organization/Company/Type of business
Ms. Ritima Jirasuradate MD Office Director Corporate Secretary Member of Risk Management Committee Executive Director	43	- Bachelor of Law Thammasat University - Barrister-At-Law (Thai Bar) The Thai Bar Association Training <u>Thai Institute of Directors Association</u> - Corporate Secretary Program , TLCA <u>Secretary Supporting Program from IOD</u> - Effective Minute Taking - Board Reporting Program - Company Reporting Program	None	None	January 2020 - Present May 2018 - Present Oct. 2016 - Apr. 2018 Oct. 2011 - Sep. 2016 January 2007- October 2011 July 2019 - Present	MD Office Director Corporate Secretary Member of Risk Management Committee Executive Director Vice President Compliance & Risk Assistant Vice President CEO Office Assistant Manager Corporate Secretary and Legal Office Director	Principal Capital PCL. GLand REIT Management Co., Ltd. Grand Canal Land PCL. Prinsiri PCL. <u>Listed Companies</u> None <u>Non-Listed Companies</u> Go Green Cleaning Co., Ltd

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

1. Dr. Satit Viddayakorn, Ph.D., Ms. Tanatorn Viddayakorn, Mr. Veera Srichanachaichok and Dr. Soontorn Sritha, M.D. are delegated authorized signatory as stipulated in affidavit of Department of Business Development (the appointment was approved by Board of Directors' meeting on February 26, 2019)
2. Shareholding proportion as of March 13, 2020.
3. Role and responsibility of Corporate Secretary are defined in Part 2, Section 9.11.4 roles and responsibility of senior executives and corporate secretary

Attachment 2 : Details about information of Directors and Executives of the Company and subsidiary companies

Name	PRINC	Subsidiary (The Company has more than 50% shareholding)																		
		Principal Healthcare Co., Ltd	Paknampo Hospital Co., Ltd.	P.N.P. Hospital Co., Ltd.	Pisanuloke Medical Co., Ltd.	Union Pichit Doctors Co., Ltd.	Pitsanuvej Uttaradit Hospital Co., Ltd.	Pitsanuvej Pattana Co., Ltd.	Principal Healthcare - Uthai Co., Ltd.	Principal Healthcare - Lamphun Co., Ltd.	Principal Healthcare - Chumphon Co., Ltd.	Principal Healthcare - Srisaket Co., Ltd.	Principal Investment Co., Ltd.	Bangkok Center District Co., Ltd.	V Brilliant Group Co., Ltd.	V Intelligence Co., Ltd.	V 33 Co., Ltd.	V Residence	Ban Chang Business District Co., Ltd.	Udon Business District Co., Ltd.
Dr.Pongsak Mddayakorn	HC, D	-	D	-	D	D	D	D	-	-	-	-	-	-	-	-	-	-	-	-
Mr.John LEE Kohshun	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Yarnsak Manomaiphobon	Id, Ca	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Satit Mddayakorn	D, Ce, Cr, MD	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D
Mr. Veera Srichanachaichok	D, Ed, Rd, E	D	D	-	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D
Dr. Soontorn Sritha, M.D.	D, Ed, Rd, IR, E	D	D	D	D	D	D	D	D	D	D	-	-	-	-	-	-	-	-	-
Ms. Aranya Chalernpornvarodom	Id, Ad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Jutamas Ingpochai	Id, Ad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Tanatorn Mddayakorn	D, Ed, E	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Ritima Jirasuradet	Cs, Rd, Ed, E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Achara Rattanaphansri	Rd, Ed, E	D, E	-	-	-	-	-	-	D	D	D	-	-	-	-	-	-	-	-	-
Ms. Preeyaporn Apiwatwittaya	Rd, Ed, E	D	-	-	-	-	-	-	-	-	-	-	D	D	D	D	D	D	D	D
Mr. Sirichai Towiriyawate	Rd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr.Suebpong Intralawan	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr.Varan Tiensong	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Attachment 2 : Details about information of Directors and Executives of the Company and subsidiary companies (continue)

Name	PRINC	Subsidiary (The Company has more than 50% shareholding)																		
		Principal Healthcare Co., Ltd	Paknampo Hospital Co., Ltd.	P.N.P. Hospital Co., Ltd.	Pisanuloke Medical Co., Ltd.	Union Pichit Doctors Co., Ltd.	Pitsanuvej Uttaradit Hospital Co., Ltd.	Pitsanuvej Pattana Co., Ltd.	Principal Healthcare - Uthai Co., Ltd.	Principal Healthcare - Lamphun Co., Ltd.	Principal Healthcare - Chumphon Co., Ltd.	Principal Healthcare - Srisaket Co., Ltd.	Principal Investment Co., Ltd.	Bangkok Center District Co., Ltd.	V Brilliant Group Co., Ltd.	V Intelligence Co., Ltd.	V 33 Co., Ltd.	V Residence	Ban Chang Business District Co., Ltd.	Udon Business District Co., Ltd.
Ms. Sudamas Boonwan	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr.Suradanai Naorungrot	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr.Narongsak Wongroj	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Supawas Pongsiriphanich	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Samerkae Sattapong	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Sukanit Mahanukul	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms.Pear Hovarongkura	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms.Napatporn Rodcha	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms.Janpen Jongjirangsap	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Tuanjai Kaewwanna	Rd	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Korpong Rukkhaphan, M.D.	-	-	-	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Athiwat Noiprasit, M.D.	-	E	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs.Pimyada Ruananukoon	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr.Naruepol Phansupamongkol	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Attachment 2 : Details about information of Directors and Executives of the Company and subsidiary companies (continue)

Name	PRINC	Subsidiary (The Company has more than 50% shareholding)																		
		Principal Healthcare Co., Ltd	Paknampo Hospital Co., Ltd.	P.N.P. Hospital Co., Ltd.	Pisanuloke Medical Co., Ltd.	Union Pichit Doctors Co., Ltd.	Pitsanuvej Uttaradit Hospital Co., Ltd.	Pitsanuvej Pattana Co., Ltd.	Principal Healthcare - Uthai Co., Ltd.	Principal Healthcare - Lamphun Co., Ltd.	Principal Healthcare - Chumphon Co., Ltd.	Principal Healthcare - Srisaket Co., Ltd.	Principal Investment Co., Ltd.	Bangkok Center District Co., Ltd.	V Brilliant Group Co., Ltd.	V Intelligence Co., Ltd.	V 33 Co., Ltd.	V Residence	Ban Chang Business District Co., Ltd.	Udon Business District Co., Ltd.
Ms.Kanokwan Udomkitkosol	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms.Tissana Toviriyavate	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms.Patkamol Sakarthornsup	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms.Atiya Awachanakarn	E	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms.Budsakorn Kaewboonthum	-	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr.Bunchana Petchployngam	-	E	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Satita Vddayakorn	-	-	-	-	-	-	-	-	-	-	-	-	-	D	D	D	D	D	-	-
Mrs. Niphaporn Nimphithakphong	-	-	-	-	D	D	D	D	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Wansiri Nimphithakphong	-	-	-	-	D	D	D	D	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Khongchanok Thirawarakan	-	-	-	-	D	D	D	D	-	-	-	-	-	-	-	-	-	-	-	-
Mr.Voratus Palakawong Na Ayudhya	-	-	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Sitthichai Wongnitchakul	-	-	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Attachment 2 : Details about information of Directors and Executives of the Company and subsidiary companies (continue)

Name	PRINC	Subsidiary (The Company has more than 50% shareholding)																		
		Principal Healthcare Co., Ltd	Paknampo Hospital Co., Ltd.	P.N.P. Hospital Co., Ltd.	Pisanuloke Medical Co., Ltd.	Union Pichit Doctors Co., Ltd.	Pitsanuvej Uttaradit Hospital Co., Ltd.	Pitsanuvej Pattana Co., Ltd.	Principal Healthcare - Uthai Co., Ltd.	Principal Healthcare - Lamphun Co., Ltd.	Principal Healthcare - Chumphon Co., Ltd.	Principal Healthcare - Srisaket Co., Ltd.	Principal Investment Co., Ltd.	Bangkok Center District Co., Ltd.	V Brilliant Group Co., Ltd.	V Intelligence Co., Ltd.	V 33 Co., Ltd.	V Residence	Ban Chang Business District Co., Ltd.	Udon Business District Co., Ltd.
Mrs.Pimyada Boontem	-	☒	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Chote Nisoong	-	☒	-	-	-	-	-	-	-	D	-	-	-	-	-	-	-	-	-	-
Ms. Thiranan Sangphungtham	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Thisarin Takkametha	-	-	-	-	-	-	-	-	-	-	-	D	-	-	-	-	-	-	-	-
Mr. Siripong Angkasakulkait	-	-	-	-	-	-	-	-	-	-	-	D	-	-	-	-	-	-	-	-

Position :

C – Chairman of the Board

D – Director

Cs – Corporate Secretary

E – Executive

Ca - Chairman of Audit Committee

Ad – Audit Committee

Id - Independence Director

IR – Investor Relation

Ce – Chairman of Executive Committee

Ed – Executive Director

Cr – Chairman of Risk Management Committee

Rd – Risk Management Director

Attachment 3 : Details about Internal Auditor

The company appointed AM Advisor Audit Co., Ltd. to be an internal auditor of the Company. The details of internal auditor are as follows:

Name-Last name/Position	Age (Year)	Education/Training	% shareholding in the Company	Board's family Relationship	Professional experience in the past 5 years		
					Period	Position	Organization/Company name/Business type
Ms. Kantima Kongsomyuti Internal Auditor	39	<ul style="list-style-type: none"> - Bachelor of Accounting Ramkamhaeng University - Master of Finance and Banking Ramkamhaeng University - Certified Public Accountant - <u>Training Courses</u> - Training Program for the Certificate of Internal Audit Class 7 of Federation of Accounting Professions - Training Program Anti-Corruption in the Organization Class 9 of Federation of Accounting Professions - 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 Class24 - Systematic Audit - Internal Control Review Class1/60 	None	None	2011 - Present	Internal Auditor	Principal Capital Public Company Limited <u>Listed company in Stock Exchange of Thailand</u> None <u>Non-listed company</u>
		2013 – Present			Director	AM Advisor Audit Co., Ltd	

Attachment 4 : Details about appraisal value of assets

No information

Attachment 5 : Other

No information