

PRINCIPAL CAPITAL PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION
(UNAUDITED)**

31 MARCH 2020

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

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

I have reviewed the interim consolidated financial information of Principal Capital Public Company Limited and its subsidiaries, and the interim separate financial information of Principal Capital Public Company Limited. These comprise the consolidated and separate statements of financial position as at 31 March 2020, the consolidated and separate statements of comprehensive income for the three-month period then ended, and the related consolidated and separate statements of changes in equity and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Emphasis of matter

I draw attention to note 4 of the interim financial information, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. My conclusion is not modified in respect to this matter.

PricewaterhouseCoopers ABAS Ltd.

Chanchai Chaiprasit

Certified Public Accountant (Thailand) No. 3760

Bangkok

14 May 2020

Principal Capital Public Company Limited
Statement of Financial Position
As at 31 March 2020

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 31 March 2020 Baht	Audited 31 December 2019 Baht	Unaudited 31 March 2020 Baht	Audited 31 December 2019 Baht
Assets					
Current assets					
Cash and cash equivalents		191,926,241	395,864,506	47,446,729	53,079,771
Financial assets measured at fair value through profit or loss	9	171,375,797	-	108,268,703	-
Short-term fixed deposits		5,682,943	-	3,987,151	-
Short-term investments		-	525,827,195	-	484,568,615
Restricted deposits at financial institutions - current		5,000,000	5,000,000	5,000,000	5,000,000
Trade and other receivables, net Current portion of receivables under finance lease, net	10	255,339,611	233,450,311	59,921,993	48,066,031
Short-term loans to subsidiaries	18	-	-	1,975,204,083	1,355,988,644
Short-term loan to third party		39,273,810	39,044,440	39,273,810	39,044,440
Inventories, net		107,904,539	59,120,105	7,694,813	5,058,708
Other current assets		56,098,941	54,495,093	14,448,460	12,504,764
Total current assets		832,601,882	1,312,801,650	2,262,866,211	2,004,921,739
Non-current assets					
Restricted deposits at financial institutions		2,799,725	2,799,725	-	-
Receivables under finance lease, net		-	-	6,469,614	6,743,766
Investment in an associate		440,578	410,724	-	-
Investments in subsidiaries	11	-	-	7,968,353,340	7,963,253,540
Financial assets measured at fair value through profit or loss	9	330,000	-	330,000	-
Long-term investments		-	330,000	-	330,000
Investment property, net	12	1,564,469,479	1,576,376,289	-	-
Property, plant and equipment, net	13	9,969,761,195	9,896,169,674	2,980,811,545	3,033,818,641
Intangible assets, net		93,467,552	93,977,215	4,346,957	4,631,436
Right-of-use assets, net	14	375,443,976	-	87,702,432	-
Leasehold rights		-	26,512,846	-	-
Goodwill		1,813,595,853	1,657,153,409	-	-
Deferred tax assets		22,988,785	23,278,149	-	-
Other non-current assets		191,425,702	30,235,735	7,204,503	3,533,695
Total non-current assets		14,034,722,845	13,307,243,766	11,055,218,391	11,012,311,078
Total assets		14,867,324,727	14,620,045,416	13,318,084,602	13,017,232,817

Director _____ Director _____

Principal Capital Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 March 2020

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		31 March	31 December	31 March	31 December
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	16	-	50,010,959	-	-
Trade and other payables	15	453,528,299	485,984,915	103,712,850	91,469,880
Advances received from customers - current		31,703,299	36,796,688	6,553,674	10,560,023
Short-term borrowings from related parties	16, 18	349,773,967	348,416,234	1,968,991,709	1,886,110,809
Current portion of lease liabilities	16	72,233,908	64,811,684	30,958,312	27,249,664
Current portion of long-term borrowings from financial institutions	16	303,305,222	260,324,773	121,343,653	95,611,054
Current portion of promissory notes from a related party	16, 18	541,564,977	539,337,616	541,564,977	539,337,616
Income tax payable		19,984,458	15,457,743	-	-
Deposits received from customers - current		27,622,639	24,638,843	7,994,163	7,187,000
Other current liabilities		64,603,203	92,631,682	8,635,228	6,446,686
Total current liabilities		1,864,319,972	1,918,411,137	2,789,754,566	2,663,972,732
Non-current liabilities					
Lease liabilities	16	227,516,008	204,917,951	87,457,222	90,691,684
Long-term borrowings from financial institutions	16	2,554,420,484	2,267,470,954	1,692,812,663	1,457,763,495
Deposits received from customers		21,887,912	24,479,412	-	-
Deferred tax liabilities		381,548,342	333,879,767	163,901,790	164,789,591
Employee benefit obligations		137,283,540	117,847,500	19,890,753	18,534,694
Other non-current liabilities		46,120,471	41,812,005	15,227,330	17,436,987
Total non-current liabilities		3,368,776,757	2,990,407,589	1,979,289,758	1,749,216,451
Total liabilities		5,233,096,729	4,908,818,726	4,769,044,324	4,413,189,183

Principal Capital Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 March 2020

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2020 Baht	Audited 31 December 2019 Baht	Unaudited 31 March 2020 Baht	Audited 31 December 2019 Baht
Liabilities and equity (Cont'd)				
Equity				
Share capital				
Authorised share capital				
3,564,096,272 ordinary shares				
at a par value of Baht 1 each	3,564,096,272	3,564,096,272	3,564,096,272	3,564,096,272
Issued and paid-up share capital				
3,462,336,820 paid-up ordinary shares				
at a par value of Baht 1 each	3,462,336,820	3,462,336,820	3,462,336,820	3,462,336,820
Premium on paid-up share capital	5,163,517,392	5,163,517,392	5,163,517,392	5,163,517,392
Retained earnings (deficits)				
Appropriated - legal reserve	44,199,790	44,199,790	44,199,790	44,199,790
Unappropriated	(744,044,492)	(626,349,548)	(121,013,724)	(66,010,368)
Other components of equity	766,023,166	766,023,166	-	-
Equity attributable to owners of the parent	8,692,032,676	8,809,727,620	8,549,040,278	8,604,043,634
Non-controlling interests	942,195,322	901,499,070	-	-
Total equity	9,634,227,998	9,711,226,690	8,549,040,278	8,604,043,634
Total liabilities and equity	14,867,324,727	14,620,045,416	13,318,084,602	13,017,232,817

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 31 March 2020

	Note	Consolidated		Separate	
		financial information		financial information	
		Unaudited 2020 Baht	Unaudited 2019 Baht	Unaudited 2020 Baht	Unaudited 2019 Baht
Revenues from hospital operations	7	580,049,237	548,385,979	45,910,147	55,620,019
Revenues from sales and services	7	130,510,669	153,733,114	68,528,430	75,865,042
Costs of hospital operations		(507,758,776)	(422,044,312)	(69,752,675)	(56,837,201)
Costs of sales and services		(84,978,595)	(102,234,656)	(35,221,508)	(34,946,564)
Gross profit		117,822,535	177,840,125	9,464,394	39,701,296
Other income		13,667,857	10,487,577	19,125,571	6,557,406
Selling expenses		(15,238,634)	(14,687,565)	(4,315,565)	(3,771,242)
Administrative expenses		(196,892,917)	(191,043,463)	(51,249,013)	(49,664,684)
Other expenses		(3,942,629)	(3,722,490)	-	-
Finance costs		(32,224,540)	(38,215,818)	(28,916,544)	(25,065,736)
Share of profit of an associate		29,854	-	-	-
Loss before income tax expense		(116,778,474)	(59,341,634)	(55,891,157)	(32,242,960)
Income tax (expense) income		(4,648,835)	(9,566,294)	887,801	96,640
Loss for the period		(121,427,309)	(68,907,928)	(55,003,356)	(32,146,320)
Other comprehensive income		-	-	-	-
Total comprehensive expense for the period		(121,427,309)	(68,907,928)	(55,003,356)	(32,146,320)
Profit (loss) attributable to:					
Owner of the parent		(117,694,944)	(73,565,375)	(55,003,356)	(32,146,320)
Non-controlling interests		(3,732,365)	4,657,447	-	-
		(121,427,309)	(68,907,928)	(55,003,356)	(32,146,320)
Total comprehensive income (expense) attributable to:					
Owner of the parent		(117,694,944)	(73,565,375)	(55,003,356)	(32,146,320)
Non-controlling interests		(3,732,365)	4,657,447	-	-
		(121,427,309)	(68,907,928)	(55,003,356)	(32,146,320)
Loss per share (Baht)					
Basic loss per share		(0.034)	(0.023)	(0.016)	(0.010)

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Changes in Equity
For the three-month period ended 31 March 2020

Consolidated financial information (Unaudited)										
Attributable to owners of the parent										
	Retained earnings (deficits)				Other components of equity			Total owners of the parent Baht	Non-controlling interests Baht	Total equity Baht
	Issued and paid-up share capital Baht	Premium on share capital Baht	Appropriated - legal reserve Baht	Unappropriated Baht	Difference arising from business combination under common control Baht	Difference arising from change in ownership interest in subsidiaries Baht	Total other components of equity Baht			
Note										
Opening balance as at 1 January 2019	3,240,087,520	4,476,767,055	44,199,790	(447,622,766)	764,129,669	-	764,129,669	8,077,561,268	764,057,968	8,841,619,236
Proceeds from ordinary shares issued of a subsidiary	-	-	-	-	-	-	-	-	60,000,000	60,000,000
Entire business transfer	-	-	-	-	-	-	-	-	20,726,768	20,726,768
Change in ownership interest in a subsidiary	-	-	-	-	-	185,390	185,390	185,390	15,814,610	16,000,000
Total comprehensive expense for the period	-	-	-	(73,565,375)	-	-	-	(73,565,375)	4,657,447	(68,907,928)
Closing balance as at 31 March 2019	3,240,087,520	4,476,767,055	44,199,790	(521,188,141)	764,129,669	185,390	764,315,059	8,004,181,283	865,256,793	8,869,438,076
Opening balance as at 1 January 2020	3,462,336,820	5,163,517,392	44,199,790	(626,349,548)	764,129,669	1,893,497	766,023,166	8,809,727,620	901,499,070	9,711,226,690
Subsidiary establishment	-	-	-	-	-	-	-	-	4,900,000	4,900,000
Entire business transfer	-	-	-	-	-	-	-	-	39,528,617	39,528,617
Total comprehensive expense for the period	-	-	-	(117,694,944)	-	-	-	(117,694,944)	(3,732,365)	(121,427,309)
Closing balance as at 31 March 2020	3,462,336,820	5,163,517,392	44,199,790	(744,044,492)	764,129,669	1,893,497	766,023,166	8,692,032,676	942,195,322	9,634,227,998

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Changes in Equity (Cont'd)
For the three-month period ended 31 March 2020

	Separate financial information (Unaudited)				Total equity Baht
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings (deficits)		
			Appropriated - legal reserve Baht	Unappropriated Baht	
Opening balance as at 1 January 2019	3,240,087,520	4,476,767,055	44,199,790	187,111,539	7,948,165,904
Total comprehensive expense for the period	-	-	-	(32,146,320)	(32,146,320)
Closing balance as at 31 March 2019	<u>3,240,087,520</u>	<u>4,476,767,055</u>	<u>44,199,790</u>	<u>154,965,219</u>	<u>7,916,019,584</u>
Opening balance as at 1 January 2020	3,462,336,820	5,163,517,392	44,199,790	(66,010,368)	8,604,043,634
Total comprehensive expense for the period	-	-	-	(55,003,356)	(55,003,356)
Closing balance as at 31 March 2020	<u>3,462,336,820</u>	<u>5,163,517,392</u>	<u>44,199,790</u>	<u>(121,013,724)</u>	<u>8,549,040,278</u>

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Cash Flows
For the three-month period ended 31 March 2020

	Consolidated		Separate	
	financial information		financial information	
	Unaudited 2020 Baht	Unaudited 2019 Baht	Unaudited 2020 Baht	Unaudited 2019 Baht
Cash flows from operating activities				
Loss before income tax	(116,778,474)	(59,341,634)	(55,891,157)	(32,242,960)
Adjustments for:				
Depreciation and amortisation	130,600,134	107,904,278	30,922,507	21,046,652
Allowance for (reversal of)				
- doubtful accounts - trade and other receivables	362,850	(98,045)	331,890	323
Realised gains on disposals of trading securities	(451,237)	-	(451,237)	-
Unrealised gains on changes in				
fair values of trading securities	(324,029)	(23)	(236,002)	-
Gain on disposals of equipment	(160,960)	-	(160,960)	-
Loss on write-offs of equipment	395,900	17,570	-	-
Employee benefit expenses	7,472,887	5,534,976	1,356,059	1,135,687
Interest income	(275,323)	(58,765)	(15,010,658)	(4,037,283)
Finance costs	32,224,540	38,215,818	28,916,544	25,065,736
Share of profit from an associate	(29,854)	-	-	-
Profit (loss) from operating activities before changes				
in operating assets and liabilities	53,036,434	92,174,175	(10,223,014)	10,968,155
Trade and other receivables	(21,185,165)	9,047,289	(12,216,162)	(12,090,550)
Inventories	(40,996,786)	(960,621)	(2,636,105)	(516,979)
Other current assets	1,142,718	1,927,583	(1,074,787)	(287,608)
Other non-current assets	(16,269,967)	(1,688,880)	(3,670,808)	(74,331)
Trade and other payables	(7,491,866)	63,113,159	(7,932,320)	(7,928,532)
Advances received from customers	(5,093,389)	2,499,869	(4,006,349)	725,106
Deposits received from customers	392,296	(1,232,068)	807,163	(2,128,334)
Other current liabilities	(28,028,479)	(20,974,280)	2,188,542	(570,886)
Employee benefits paid	(926,863)	(382,420)	-	-
Other non-current liabilities	4,308,466	5,650,710	(2,209,657)	4,341,134
Cash (used in) generated from operations	(61,112,601)	149,174,516	(40,973,497)	(7,562,825)
Interest paid	(28,461,543)	(33,352,168)	(15,825,797)	(20,215,361)
Income tax paid	(5,778,031)	(8,093,559)	(868,910)	(952,033)
Net cash (used in) generated from operating activities	(95,352,175)	107,728,789	(57,668,204)	(28,730,219)

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Cash Flows (Cont'd)
For the three-month period ended 31 March 2020

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited 2020 Baht	Unaudited 2019 Baht	Unaudited 2020 Baht	Unaudited 2019 Baht
Cash flows from investing activities					
Proceeds from disposals of short-term investments		373,549,911	474,262	373,000,000	-
Purchases of short-term investments		(24,006,190)	-	-	-
Cash received from short-term loans to subsidiaries		-	-	27,000,000	245,000,000
Payments of short-term loans to subsidiaries		-	-	(631,499,970)	(199,999,978)
Payments for subsidiary establishment	11	-	-	(5,099,800)	-
Payments for entire business transfer	17	(529,850,000)	(96,000,000)	-	-
Cash received from receivables under finance lease		-	-	264,449	-
Cash received from interest income		44,146	58,759	67,147	31,486
Proceeds from disposals of equipment		948,158	-	948,158	-
Purchases of investment property		(451,777)	-	-	-
Purchases of plant and equipment		(214,873,865)	(244,438,991)	(37,386,243)	(94,750,749)
Purchases of intangible assets		(5,846,253)	(17,750,607)	-	-
Payments for leasehold rights		-	(1,291,156)	-	-
Net cash payments in investing activities		(400,485,870)	(358,947,733)	(272,706,259)	(49,719,241)
Cash flows from financing activities					
Payments for financing fees		-	(1,500,000)	-	(1,500,000)
Proceeds from borrowings from financial institutions		384,556,969	1,305,573,223	284,818,498	1,262,819,374
Repayments of borrowings from financial institutions		(104,102,773)	(1,271,606,528)	(23,649,999)	(1,003,395,833)
Proceeds from borrowings from related parties		-	200,000,000	86,143,785	5,000,000
Payments on borrowings from related parties		(2,000,000)	-	(15,000,000)	(200,000,000)
Payments on lease liabilities		(18,454,416)	(7,123,221)	(7,570,863)	(2,412,664)
Proceeds from a subsidiary establishment		4,900,000	-	-	-
Proceeds from share issuance		-	60,000,000	-	-
Proceeds from partial disposal of investment in subsidiaries		27,000,000	16,000,000	-	-
Net cash receipts from financing activities		291,899,780	301,343,474	324,741,421	60,510,877
Net (decrease) increase in cash and cash equivalents		(203,938,265)	50,124,530	(5,633,042)	(17,938,583)
Cash and cash equivalents at the beginning of the period, net		395,864,506	441,904,877	53,079,771	91,809,673
Cash and cash equivalents at end of the period		191,926,241	492,029,407	47,446,729	73,871,090

The accompanying notes are an integral part of this interim financial information.

Principal Capital Public Company Limited
Statement of Cash Flows (Cont'd)
For the three-month period ended 31 March 2020

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Unaudited	Unaudited	Unaudited
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Cash and cash equivalents include the following for the purposes of the statement of cash flows:				
Cash and cash equivalents	191,926,241	499,134,705	47,446,729	73,871,090
Bank overdrafts from a financial institution	-	(7,105,298)	-	-
	<u>191,926,241</u>	<u>492,029,407</u>	<u>47,446,729</u>	<u>73,871,090</u>

Non-cash transactions

Significant non-cash transactions for the three-month period ended 31 March are as follows:

Purchases of investment property not yet paid for	-	210,600	-	-
Purchases of plant and equipment not yet paid for	72,139,476	197,210,390	27,081,697	22,410,380
Purchases of equipment under finance lease contracts	-	11,678,000	-	7,678,000
Purchases of intangible assets not yet paid for	-	228,599	-	-

The accompanying notes are an integral part of this interim financial information.

1 General information

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

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

In addition, the Company has branches located at No. 1, Soi Suanplu, Sathorn Road, Thungmahamek, Sathorn, Bangkok, and No.35/2, Moo 12, Bangna-Trad Road, Bangkaew, Bangphli, Samut Prakan.

The principal business operations of the Company and its subsidiaries (“the Group”) are operating private hospitals, serviced apartments, office building rental and property development and rental.

The interim consolidated and separate financial information are presented in Thai Baht and rounded to the nearest thousand, unless otherwise stated.

The interim consolidated financial information were authorised for issue by the Board of Directors on 14 May 2020.

2 Significant events during the current period

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has adverse effects on the operating results for the 3-month period ended 31 March 2020 particularly on the hotel businesses. It resulted in 16.50% hotel booking cancellation during the first quarter of 2020, a high season for hotel businesses. Consequently, the revenue from hotel businesses dropped by Baht 18.86 million or 16.04% comparing to prior year. The series of precautionary measures continued to be implemented across regions including certain level of restrictions and controls over travelling has resulted in a decrease in revenue of hospital businesses since March 2020. Management expected that the precautionary measures will continue to affect the hospital operation throughout the year 2020. The Group is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the operation while strategizing effective solutions.

3 Basis of preparation

The interim consolidated and separated financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting, accounting guidance issued by the Federation of Accounting Professions (TFAC) and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

An English version of these interim consolidated and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

Principal Capital Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2020

4 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019, except for the following:

- 1) the adoption of the new financial reporting as described in Note 5; and
- 2) the following application of the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by TFAC for the reporting periods ending between 1 January 2020 and 31 December 2020.

Impairment of assets

The Group has chosen to exclude information related to COVID-19 as an indication of the impairment of assets.

For goodwill that the Group has to test for impairment annually, the Group has chosen not to include information related to COVID-19 that potentially affect financial projections to consider for the asset's impairment testing.

5 Adoption of new financial reporting standards and changes in accounting policies

The Group has adopted financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) retrospectively from 1 January 2020, but has not restated comparatives for the 2019 reporting period, and leases standard (TFRS 16) by applied simplified approach, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

	Consolidated financial information			
	As at 31 December 2019 Previously reported Baht	TAS 32 and TFRS 9 Reclassifications and adjustments Baht	TFRS 16 Reclassifications and adjustments Baht	As at 1 January 2020 Restated Baht
Assets				
Current assets				
Financial assets measured at fair value through profit or loss	-	519,600,530	-	519,600,530
Short-term fixed deposits*	-	6,226,665	-	6,226,665
Short-term investments	525,827,195	(525,827,195)	-	-
Trade and other receivables*	233,450,311	-	-	233,450,311
Total current assets	1,312,801,650	-	-	1,312,801,650
Non-current assets				
Financial assets measured at fair value through profit or loss	-	330,000	-	330,000
Long-term investments	330,000	(330,000)	-	-
Property, plant and equipment	9,896,169,674	-	(236,487,065)	9,659,682,609
Right-of-use assets	-	-	287,540,597	287,540,597
Leasehold rights	26,512,846	-	(26,512,846)	-
Deferred tax assets	23,278,149	-	-	23,278,149
Total non-current assets	13,307,243,766	-	24,540,686	13,331,784,452
Total assets	14,620,045,416	-	24,540,686	14,644,586,102

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	Consolidated financial information			
	As at 31 December 2019 Previously reported Baht	TAS 32 and TFRS 9 Reclassifications and adjustments Baht	TFRS 16 Reclassifications and adjustments Baht	As at 1 January 2020 Restated Baht
Liabilities and equity				
Current liabilities				
Current portion of lease liabilities	64,811,684	-	7,011,426	71,823,110
Total current liabilities	1,918,411,137	-	7,011,426	1,925,422,563
Non-current liabilities				
Lease liabilities	204,917,951	-	17,529,260	222,447,211
Deposits received from customers*	24,479,412	-	-	24,479,412
Deferred tax liabilities	333,879,767	-	-	333,879,767
Other non-current liabilities*	41,812,005	-	-	41,812,005
Total non-current liabilities	2,990,407,589	-	17,529,260	3,007,936,849
Total liabilities	4,908,818,726	-	24,540,686	4,933,359,412
Equity				
Retained earnings	(626,349,548)	-	-	(626,349,548)
Other components of equity	766,023,166	-	-	766,023,166
Total equity	9,711,226,690	-	-	9,711,226,690
Total liabilities and equity	14,620,045,416	-	24,540,686	14,644,586,102

* Financial assets and financial liabilities measured at amortised cost.

	Separate financial information			
	As at 31 December 2019 Previously reported Baht	TAS 32 and TFRS 9 Reclassifications and adjustments Baht	TFRS 16 Reclassifications and adjustments Baht	As at 1 January 2020 Restated Baht
Assets				
Current assets				
Financial assets measured at fair value through profit or loss	-	480,581,464	-	480,581,464
Short-term fixed deposits*	-	3,987,151	-	3,987,151
Short-term investments	484,568,615	(484,568,615)	-	-
Trade and other receivables*	48,066,031	-	-	48,066,031
Total current assets	2,004,921,739	-	-	2,004,921,739
Non-current assets				
Financial assets measured at fair value through profit or loss	-	330,000	-	330,000
Long-term investments	330,000	(330,000)	-	-
Property, plant and equipment	3,033,818,641	-	(83,231,541)	2,950,587,100
Right-of-use assets	-	-	91,276,590	91,276,590
Total non-current assets	11,012,311,078	-	8,045,049	11,020,356,127
Total assets	13,017,232,817	-	8,045,049	13,025,277,866

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	Separate financial information			
	As at 31 December 2019 Previously reported Baht	TAS 32 and TFRS 9 Reclassifications and adjustments Baht	TFRS 16 Reclassifications and adjustments Baht	As at 1 January 2020 Restated Baht
Liabilities and equity				
Current liabilities				
Current portion of lease liabilities	27,249,664	-	3,491,374	30,741,038
Total current liabilities	2,663,972,732	-	3,491,374	2,667,464,106
Non-current liabilities				
Lease liabilities	90,691,684	-	4,553,675	95,245,359
Deferred tax liabilities	164,789,591	-	-	164,789,591
Other non-current liabilities*	14,774,570	-	-	14,774,570
Total non-current liabilities	1,749,216,451	-	4,553,675	1,753,770,126
Total liabilities	4,413,189,183	-	8,045,049	4,421,234,232
Liabilities and equity				
Equity				
Retained earnings	(66,010,368)	-	-	(66,010,368)
Total equity	8,604,043,634	-	-	8,604,043,634
Total liabilities and equity	13,017,232,817	-	8,045,049	13,025,277,866

* Financial assets and financial liabilities measured at amortised cost.

The Group has adopted the new financial reporting standards relating to financial instruments from 1 January 2020 by applying the modified retrospective approach.

The adoption of the new financial reporting standards on financial instruments mainly affects the Group's accounting treatment as follows;

Classification and measurement of investments in equity instruments (previously called general investments)

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without subsequent recycling to profit or loss.

Currently, the Group has equity instruments measured at cost of Baht 330,000. These instruments will be reclassified and remeasured to fair value through profit or loss. However, there is no significant impact from remeasurement to the opening balance of retained earnings.

Impairment

The new requirements on the impairment losses will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. As of 1 January 2020, the Group assesses impairment losses of trade receivables by applied simplified approach. The application of the remeasurement not have significant impact to the opening balance of retained earnings.

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

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

	Consolidated financial information Baht	Separate financial information Baht
Operating lease commitments disclosed as at 31 December 2019	58,876,537	10,352,248
(Less): discounted using the lessee's incremental borrowing rate of at the date of initial application	(4,006,942)	(395,638)
Add: finance lease liabilities recognised as at 31 December 2019	269,729,636	117,941,348
(Less): short-term leases recognised on a straight-line basis as expense	(1,341,955)	-
(Less): low-value leases recognised on a straight-line basis as expense	(768,536)	-
(Less): contracts reassessed as service agreements / service portion included in leases	(28,218,419)	(1,911,562)
Lease liability recognised as at 1 January 2020	294,270,321	125,986,396
Current lease liabilities	71,823,110	30,741,037
Non-current lease liabilities	222,447,211	95,245,359
	294,270,321	125,986,396

The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid and accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	Consolidated financial information		Separate financial information	
	31 March 2020 Baht	1 January 2020 Baht	31 March 2020 Baht	1 January 2020 Baht
Properties	140,381,450	41,309,509	6,696,658	7,516,621
Equipment	222,073,249	232,309,789	76,679,164	79,059,334
Motor vehicles	12,989,277	13,921,299	4,326,610	4,700,635
Total right-of-use assets	375,443,976	287,540,597	87,702,432	91,276,590

Practical expedients applied

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

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

Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases

Financial assets

Classification and measurements

From 1 January 2020, the Group classifies its financial assets as follows:

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

The Group initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except financial assets that are measured at FVPL whose transaction costs are expensed in profit or loss.

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

Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows that represent solely payments of principal and interest (SPPI) are measured at amortised cost. Interest income is included in finance income using the effective interest method. Any gain or loss on derecognition is presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item.
- FVOCI: Assets that are held for collection of contractual cash flows that represent SPPI and for selling the financial assets are measured at FVOCI. Movements in the carrying amount are taken through OCI, except impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. Interest revenue is included in finance income. Foreign exchange gains and losses are presented in other gains/(losses). Impairment losses are presented as separate line item. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss in other gains/(losses).
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on subsequent measurement is presented in other gains/(losses).

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

Equity instruments

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without subsequent recycling to profit or loss. The classification of equity instruments is considered on investment-by-investment basis. Dividends from such investment continue to be recognised in profit or loss as other income.

Impairment

From 1 January 2020, the Group assesses expected credit loss on a forward looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except trade receivables, contract assets, and lease receivables which the Group applies the simplified approach in determining its expected credit loss.

Lease agreements

The group leases various lands, offices, equipment and cars. Rental contracts are typically made for fixed periods of 2 to 30 years but may have extension options.

Before 2020 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2020, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis including:

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

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

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and include any lease payments made at or before the commencement date less any lease incentives received and restoration costs. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of IT-equipment, small items of office furniture, cars, billboards and room.

6 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The Group's management assess that the short-term loans to subsidiaries and third party have low default risks. Management decide not to reserve provision for doubtful of these loans during this quarter. However, management will consider the new event and information which may affect to this estimate frequently. If the event might significant effect to this accounting estimate, management will reconsider for reassessment this estimate.

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7 Segment reporting

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

	Consolidated financial information									
	For the three-month period ended 31 March									
	Hospital business		Property development and rental business		Other business		Eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Revenues from sales and services										
External customers	580.1	548.4	130.5	152.1	-	1.6	-	-	710.6	702.1
Inter-segment	28.6	23.1	14.3	14.6	-	0.3	(42.9)	(38.0)	-	-
Total	608.7	571.5	144.8	166.7	-	1.9	(42.9)	(38.0)	710.6	702.1
Timing of revenue recognition										
At a point in time	501.2	467.7	9.6	11.0	-	0.5	(1.4)	(0.5)	509.4	478.7
Over time	107.5	103.8	135.2	155.7	-	1.4	(41.5)	(37.5)	201.2	223.4
Total revenue	608.7	571.5	144.8	166.7	-	1.9	(42.9)	(38.0)	710.6	702.1
Gross profit (loss)	105.5	155.6	59.3	79.2	-	(11.7)	(47.0)	(45.3)	117.8	177.8
Selling and administrative expenses	(172.7)	(172.2)	(51.0)	(58.0)	(0.1)	(5.0)	11.7	29.5	(212.1)	(205.7)
Profit (loss) before income tax expense	(128.7)	(33.8)	16.4	9.8	(0.1)	(17.5)	(4.4)	(17.8)	(116.8)	(59.3)
Income tax (expense) income	(2.2)	(7.8)	(1.6)	(4.1)	-	0.1	(0.8)	2.2	(4.6)	(9.6)
Profit (loss) for the period	(130.9)	(41.6)	14.8	5.7	(0.1)	(17.4)	(5.2)	(15.6)	(121.4)	(68.9)
As at 31 March										
Investment property, net	-	-	1,564.5	2,704.8	-	-	-	-	1,564.5	2,704.8
Property, plant and equipment, net	6,326.4	5,511.0	3,643.4	3,738.8	-	0.2	-	-	9,969.8	9,250.0
Goodwill	1,813.6	1,657.2	-	-	-	4.5	-	-	1,813.6	1,661.7
Total assets	9,244.1	7,269.9	12,332.4	10,445.0	1.8	92.1	(6,711.0)	(3,111.5)	14,867.3	14,695.5

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8 Fair value

The following table presents financial assets that are measured at fair value, excluding where its fair value is approximating the carrying amount.

	Consolidated financial information							
	Level 1		Level 2		Level 3		Total	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets								
Financial assets measured at fair value through profit or loss								
Debt investments (Note 9)	171,376	519,600	-	-	-	-	171,376	519,600
	Separate financial information							
	Level 1		Level 2		Level 3		Total	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets								
Financial assets measured at fair value through profit or loss								
Debt investments (Note 9)	108,269	480,582	-	-	-	-	108,269	480,582

The fair values of all financial assets and financial liabilities approximates their carrying amounts.

9 Financial assets measured at fair value through profit or loss

Movements of investments in trading securities and investments in equity instruments for the three-month period ended 31 March 2020 is as follows:

	Consolidated financial information		Separate financial information	
	Trading securities	Investments in equity instruments	Trading securities	Investments in equity instruments
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening net book amount	519,601	330	480,582	330
Additions	24,000	-	-	-
Disposals	(373,000)	-	(373,000)	-
Realised gains on disposals	451	-	451	-
Change in fair value	324	-	236	-
Closing net book amount	171,376	330	108,269	330

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10 Trade and other receivables, net

Outstanding trade accounts receivable - third parties can be analysed as follows:

	Consolidated financial information		Separate financial information	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Not overdue (due within 1 month)	93,848	111,555	7,396	20,603
Overdue				
Up to 3 months	57,292	51,712	19,863	12,801
3 - 6 months	30,987	22,715	3,471	1,343
6 - 12 months	8,546	7,125	2,746	1,623
Over 12 months	5,857	7,327	1,478	1,157
	196,530	200,434	34,954	37,527
<u>Less</u> Allowance for doubtful accounts	(7,795)	(7,432)	(1,596)	(1,264)
	188,735	193,002	33,358	36,263

Outstanding trade accounts receivable - related parties can be analysed as follows:

	Consolidated financial information		Separate financial information	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Not overdue (due within 1 month)	294	321	7,364	4,627

11 Investments in subsidiaries

11.1 Investment details

As at 31 March 2020, the change of investments in subsidiaries that have been significantly changed from 31 December 2019 are as follows:

Entity name	Country of incorporation	Nature of business	% of ownership interest		Separate financial information Investment at cost method	
			31 March 2020	31 December 2019	31 March 2020	31 December 2019
			%	%	Baht	Baht
Subsidiaries						
Direct holding						
Principal NKG Co., Ltd.	Thailand	Medical Services	51.00	-	5,099,800	-
Indirect holding: A subsidiary under V Brilliant Group Holding Co., Ltd.						
V33 Co., Ltd.	Thailand	Property rental	99.99	99.99	-	-
Indirect holding: A subsidiary under Principal Healthcare Co., Ltd.						
Principal Healthcare-Chumphon Co., Ltd.	Thailand	Hospital	90.00	99.99	-	-

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11.2 Movements of investments

Movements of investment in subsidiaries for the three-month period ended 31 March 2020 and for the year ended 31 December 2019 are as follows:

	Separate financial information	
	31 March 2020	31 December 2019
	Thousand Baht	Thousand Baht
Opening net book value	7,963,254	8,013,254
Increase in investment	5,099	-
Disposal in investment	-	(50,000)
Closing net book value	7,968,353	7,963,254

At the Board of Directors' meeting held on 17 December 2019, the Board of Directors have passed a resolution to approve establishment of Principal NKG Co., Ltd. with authorised share capital of Baht 10,000,000 which consisted of 100,000 ordinary shares at a par value of Baht 100 each. The Company acquired 51.00% ownership interest. The Company's subsidiary registered the establishment with the Ministry of Commerce on 18 March 2020.

At the Extraordinary General meeting of Principal Healthcare-Chumphon Co., Ltd. held on 17 February 2020, the shareholders have passed a resolution to approve increase the Company's authorised share capital from 100,000 ordinary shares of par Baht 10 each to be 27,000,000 ordinary shares of par Baht 10 each to the existing shareholders in proportion to the number of shares held by each of them. The Company's subsidiary registered the increased share capital with the Ministry of Commerce on 28 February 2020.

At the Extraordinary General meeting of V33 Co., Ltd. held on 30 January 2020, the shareholders have passed a resolution to approve decrease in the Company's authorised share capital from 37,500,000 ordinary shares at par Baht 10 each to be 28,125,000 shares at par Baht 10 each in proportion to the number of shares held by each of them. The Company's subsidiary registered the decreased share capital with the Ministry of Commerce on 2 March 2020.

12 Investment property, net

The movements of investment property during the three-month period ended 31 March 2020 are as follows:

	Consolidated	Separate
	financial information	financial information
	Thousand Baht	Thousand Baht
Opening net book amount	1,576,376	-
Additions	452	-
Depreciation	(12,359)	-
Closing net book amount	1,564,469	-

As at 31 March 2020, the Group's land and buildings of net book value of Baht 1,052.9 million (31 December 2019: Baht 1,064.5 million) has been pledged as securities for borrowing facilities from a financial institution (Note 16).

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13 Property, plant and equipment, net

The movements of property, plant and equipment during the three-month period ended 31 March 2020 are as follows:

	Consolidated financial information	Separate financial information
	Thousand Baht	Thousand Baht
Opening net book amount	9,896,170	3,033,819
Adjustment from adoption of TFRS 16 on 1 January 2020 (Note 5)	(236,487)	(83,232)
Entire business transfer		
- Property, plant and equipment (Note 17)	238,994	-
Additions	170,820	57,912
Disposals and write-offs	(399)	(793)
Depreciation	(99,337)	(26,894)
Closing net book amount	<u>9,969,761</u>	<u>2,980,812</u>

As at 31 March 2020, the Company's land and buildings of net book value of Baht 2,814.9 million (31 December 2019: Baht 2,764.5 million) has been pledged as securities for borrowing facilities from a financial institution (Note 16).

As at 31 March 2020, the Group's land and buildings of net book value of Baht 7,495.1 million (31 December 2019: Baht 7,485.3 million) has been pledged as securities for borrowing facilities from financial institutions (Note 16).

During the three-month period ended 31 March 2020, borrowing costs totaling Baht 0.8 million (31 December 2019: Baht 14.8 million), arising from financing specifically entered into for the construction of plant and equipment installation of Baht 0.5 million (31 December 2019: Baht 10.1 million) and financing generally of Baht 0.3 million (31 December 2019: Baht 4.7 million), were capitalised during the year and are included in additions. A capitalisation rate of 3.37% (31 December 2019: 3.67%) was used representing actual borrowing cost of the loan used to finance construction of plant and equipment installation.

14 Right-of-use assets, net

The movements of right-of-use assets during the three-month period ended 31 March 2020 are as follows:

	Consolidated financial information	Separate financial information
	Thousand Baht	Thousand Baht
Opening net book amount	-	-
Adjustment from adoption of TFRS 16 on 1 January 2020 (Note 5)	287,541	91,277
Entire business transfer - Right-of-use land (Note 17)	76,519	-
Additions	23,762	-
Depreciation	(12,378)	(3,575)
Closing net book amount	<u>375,444</u>	<u>87,702</u>

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15 Trade and other payables

	Consolidated financial information		Separate financial information	
	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht
Trade accounts payable - third parties	154,972	148,770	21,212	30,957
Trade accounts payable - related parties (Note 18)	1,519	1,717	1,499	3,299
Other payables	138,128	149,011	52,664	17,441
Hospital acquisition payable	9,350	-	-	-
Accrued expenses	145,464	173,046	24,243	26,332
Accrued management expenses	4,095	13,441	4,095	13,441
	453,528	485,985	103,713	91,470

16 Borrowings

	Consolidated financial information		Separate financial information	
	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht
Current				
Short-term borrowings				
- Bank borrowings	-	50,000	-	-
- Accrued interest	-	11	-	-
Current portion of long-term borrowings				
- Bank borrowings	303,070	259,820	121,175	95,309
- Accrued interest	235	505	169	302
- Lease liabilities	72,234	64,812	30,958	27,250
Short-term borrowings from related parties (Note 18)				
- Borrowings from related parties	315,000	317,000	1,923,896	1,852,752
- Accrued interest	34,774	31,416	45,096	33,359
Current portion of long-term promissory notes (Note 18)				
- Long-term promissory notes from a related party	510,510	510,510	510,510	510,510
- Accrued interest	31,055	28,828	31,055	28,828
Total current borrowings	1,266,878	1,262,902	2,662,859	2,548,310
Non-current				
Long-term borrowings				
- Bank borrowings	2,554,420	2,267,471	1,692,813	1,457,763
- Lease liabilities	227,516	204,918	87,457	90,692
Total non-current borrowings	2,781,936	2,472,389	1,780,270	1,548,455
Total borrowings	4,048,814	3,735,291	4,443,129	4,096,765

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The borrowings include secured liabilities in a total amount of Baht 2,857.5 million (31 December 2019: Baht 2,577.2 million). Borrowings from financial institutions are secured by land and buildings (Notes 12 and 13).

The movements of borrowings during the three-month period ended 31 March 2020 (excluding lease liabilities) are analysed as follows:

	Consolidated financial information	Separate financial information
	Thousand Baht	Thousand Baht
Opening balance	3,465,561	3,978,823
Additions		
- Principle	379,481	365,625
- Interest	29,091	27,597
Repayments		
- Principle	(100,762)	(33,312)
- Interest	(24,413)	(14,326)
Financing fee for principal drawdown during period	(256)	-
Amortisation of financing fee	362	307
Closing balance	3,749,064	4,324,714

17 Entire business transfer

On 2 March 2020, a subsidiary acquired Virajsilp Hospital, a private hospital operating in Chumphon. The purpose of the acquisition was to create a hub-and-spoke model for the Group's hospitals and enhance the profitability of the Group in the future. The acquisition was through an entire business transfer.

The amounts below are provisional amounts of assets acquired and liabilities assumed at the date of acquisition.

	Thousand Baht
Net purchase consideration - cash	512,200
	Fair value
	Thousand Baht
Inventories	7,788
Property, plant and equipment	238,994
Right-of-use land	76,519
Other non-current assets	145,920
Trade and other payables	(10,177)
Employee benefit obligations	(12,890)
Deferred tax liabilities	(50,867)
Net identifiable assets acquired (100%)	395,287
<u>Less</u> Non-controlling interests (10%)	<u>(39,529)</u>
Net identifiable assets acquired	355,758
<u>Add</u> Goodwill presented in consolidated financial information	<u>156,442</u>
	512,200

Net identifiable assets acquired from entire business transfer are provisional amounts at the date of acquisition. As at 31 March 2020, the initial accounting for the business combination was still incomplete. The adjustments to the provisional fair values of assets and liabilities will be made once the measurement has been done.

18 Related party transactions

The Company's shares are held by the Viddayakorn Family in the proportions of 80.83%. The remaining 19.17% of the shares are widely held.

Related transaction pricing policy as follow;

Related transaction	Pricing policy
Revenue from service, rental and its related service fees	Arm's Length Price
Interest income/expense	The Company's finance cost plus margin

The following material transactions were carried out with related parties:

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

	For the three-month period ended 31 March			
	Consolidated financial information		Separate financial information	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Revenue from services				
Subsidiaries	-	-	12,789	12,729
Related parties	825	615	825	615
	825	615	13,614	13,344
Revenue from rental				
Related parties	394	1,803	-	-
Interest income				
Subsidiaries	-	-	14,817	4,006
Rental and its related service fees				
Subsidiaries	-	-	160	1,133
Service fees				
Subsidiaries	-	-	2,255	-
Related parties	4,288	-	2,208	2,248
	4,288	-	4,463	2,248
Interest expenses				
Subsidiaries	-	-	11,738	3,341
Related parties	5,585	7,947	2,227	2,203
	5,585	7,947	13,965	5,544

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b) Outstanding balances arising from sales/purchases of goods and services

	Consolidated financial information		Separate financial information	
	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht
Accounts receivable				
Subsidiaries	-	-	7,070	4,306
Related parties	294	321	294	321
	294	321	7,364	4,627
Deposits				
Subsidiary	-	-	1,006	1,006
Accounts payable				
Subsidiaries	-	-	712	2,492
Related parties	1,519	1,717	787	807
	1,519	1,717	1,499	3,299
Accrued expenses				
Subsidiaries	-	-	43	33
Related parties	-	184	-	-
	-	184	43	33

c) Short-term loans to subsidiaries

The movements of short-term loans to subsidiaries during the three-month period ended 31 March 2020 and during the year ended 31 December 2020 are analysed as follows:

	Separate financial information	
	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht
Opening balance	1,355,989	520,836
Loans advanced during the period		
- principle	631,500	1,253,700
- interest	14,715	22,919
Loans repayment received		
- principle	(27,000)	(402,500)
Reclassified as short-term loan to other party	-	(38,966)
Closing balance	1,975,204	1,355,989
Short-term loans	1,935,200	1,330,700
Accrued interest	40,004	25,289

Short-term loans to subsidiaries were made on commercial terms and conditions. The loans have bear an interest rate of 12-month fixed deposits rate plus 1.00% per annum and an interest rate of source of borrowings plus 0.50% to 1.00% per annum and are due within 6 months from the borrowing date. No provision has been required in interim period and year ended 2019 for the short-term loans.

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d) Short-term borrowings from related parties

The movements of short-term borrowings from related parties during the three-month period ended 31 March 2020 and during the year ended 31 December 2019 are analysed as follows:

	Consolidated financial information		Separate financial information	
	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht
Opening balance	348,416	461,891	1,886,111	614,851
Borrowings received during the period				
- principle	-	200,000	117,487	1,597,479
- interest	3,358	22,838	11,738	21,112
Borrowings repaid during the period				
- principle	(2,000)	(324,500)	(46,344)	(347,228)
- interest	-	(11,813)	-	(103)
Closing balance	349,774	348,416	1,968,992	1,886,111
Short-term borrowings				
- Subsidiaries	-	-	1,923,896	1,852,752
- Related party	315,000	317,000	-	-
Accrued interest				
- Subsidiaries	-	-	45,096	33,359
- Related party	34,774	31,416	-	-

The Company has short-term borrowings from subsidiaries which were bear an interest rate of 12-month fixed deposit plus 1.00% to 1.50% per annum and are due within 6 months from the borrowing date.

The Group has short-term borrowings from a related party which were bear an interest rate of 4.25% per annum and are due within 6 months from the borrowing date.

e) Current portion of promissory notes from a related party

The movements of current portion of promissory notes from a related party during the three-month period ended 31 March 2020 are analysed as follows:

	Consolidated and separate financial information Thousand Baht
Opening balance	539,338
Additions - Interest	2,227
Closing balance	541,565
Current portion of long-term promissory notes as at 31 March 2020	510,510
Accrued interest as at 31 March 2020	31,055

Current portion of promissory notes from a related party bear an interest rate of 1.75% per annum and are due within 3 years from the borrowing date.

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f) Key management compensation of the Group

Key management compensation is as follows:

	For the three-month period ended 31 March			
	Consolidated financial information		Separate financial information	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Short-term benefits	17,673	22,678	7,292	7,953
Retirement benefits	1,683	1,587	834	691
	19,356	24,265	8,126	8,644

19 Letter of guarantees

As at 31 March 2020, the Company had letters of guarantee issued by financial institutions of Baht 18.5 million (31 December 2019: Baht 16.4 million) in respect of certain performance bonds in relation for medical services, obligation of property development business and guaranteeing electricity usages with Metropolitan Electricity Authority as required in the normal course of business.

As at 31 March 2020, the Group had letters of guarantee issued by financial institutions of Baht 29.1 million (31 December 2019: Baht 28.8 million) in respect of certain performance bonds in relation for medical services, obligation of property development business, guaranteeing electricity usages with Metropolitan Electricity Authority and Provincial Electricity Authority and guaranteeing gasoline filling as required in the normal course of business.

20 Commitments

20.1 Capital commitments

Capital expenditure contracted as at the statement of financial position date but not recognised in the financial information is as follows:

	Consolidated financial information		Separate financial information	
	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht
	Plant and equipment	299,976	21,909	11,315

20.2 Operating lease and service agreement commitments

The Group has entered into non-cancellable lease agreements in respect to leases of equipment and its related service agreements. The terms are between 1 to 4 years. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated financial information		Separate financial information	
	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht	31 March 2020 Thousand Baht	31 December 2019 Thousand Baht
Not later than 1 year	21,971	33,637	2,688	5,714
Later than 1 year but not later than 5 years	6,345	16,895	173	4,638
Later than 5 years	-	8,344	-	-
	28,316	58,876	2,861	10,352

20.3 Long-term service commitments

As at 31 March 2020, the Group and the Company have a contractual commitment with a few well-known international standard hotel chains to manage the Group's serviced apartments.

There are no significant changes in the contractual commitment from the disclosed information on 31 December 2019 financial statements.