

PRINCIPAL CAPITAL PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2022



Independent Auditor's Report

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

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Principal Capital Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matter

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Goodwill impairment assessment. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter

How my audit addressed the key audit matter

Goodwill impairment assessment

Refer to Note 7 to the financial statements for critical estimates, assumptions and judgements and Note 19 to the financial statements for goodwill.

According to Thai Accounting Standards, TAS 36 - Impairment of assets, the Group shall test the impairment of goodwill annually.

Goodwill of the Group was allocated to a group of cash generating units (CGUs) identified according to hospital segment by management. The goodwill had a book value of Baht 2,009 million.

The management determined the recoverable amount for the group of CGUs based on their value in use by a discounted forecast of future cash flows and compared this to the book value to consider the need to set up an impairment allowance.

In this regard, the Group considered there was no need to set up an allowance for goodwill impairment allocated to the group of CGUs because the recoverable amount exceeded the net book value. Current business volatility, both external and internal factors, significantly affected assumptions used in the projected cash flows such as revenue growth rate and discount rate. In response, the management determined that the assumptions used in the cash flow projections reflect the current situation as precisely as possible. This is my key focus because they have considerable impact on the recoverable amount and as well as on the goodwill impairment due to current sensitivities.

From the procedures performed above, I found that the recoverable amount assessment and management's key assumptions were within the acceptable range.

I mathematically tested key figures derived from the estimation according to the above assumptions to calculate the recoverable amount and compared this to the net book value.

I challenged the reasonableness of the procedures and assumptions relating to management's forecast for the revenue growth rate and discount rate, as to whether they were in line with current business volatility, comparable component of weighted average cost of capital considered by my valuation expert.

I obtained information about the forecasted future cash flows of the CGUs provided by the Group's management and gained an understanding of the procedures used to prepare the forecast.



Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

PricewaterhouseCoopers ABAS Ltd.

Sanicha Akarattilap
Certified Public Accountant (Thailand) No. 8470
Bangkok
24 February 2023

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

Director _____
Director _____

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

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

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

	2022	2021	2022	2021
Consolidated	Baht	Baht	Separate	Baht
financial statements			financial statements	
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Note				

Liabilities and equity (Cont'd)

Equity

26

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

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

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

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

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

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

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

	Consolidated financial statements													
	Attributable to owners of the parent					Other components								
	Retained earnings (deficits)		Difference arising from business combination under common control		Difference arising from change in ownership interest in subsidiaries		Total other components of equity		Total owners of the parent		Non-controlling interests		Total equity	
Issued and paid-up share capital	Premium on paid-up share capital	Appropriated - legal reserve	Unappropriated	from business combination under common control	from change in ownership interest in subsidiaries	components of equity	Total owners of the parent	Non-controlling interests	Total equity					
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2021	3,462,336,820	5,163,517,392	61,735,874	(1,155,337,368)	764,129,669	743,504	764,873,173	8,297,125,891	1,027,791,543	9,324,917,434				
Legal reserve	-	-	11,265,447	(11,265,447)	-	-	-	-	-	-	60,000,000	-	60,000,000	-
Proceeds from share issuance	346,233,682	1,069,862,077	-	-	-	-	-	1,416,095,759	-	1,416,095,759	-	-	1,416,095,759	-
Proceeds from ordinary shares issued of a subsidiary	-	-	-	-	-	-	-	-	-	-	60,000,000	-	60,000,000	-
Change in ownership interest in subsidiaries	-	-	-	-	-	5,016,763	5,016,763	5,016,763	(49,016,763)	(44,000,000)	-	-	(44,000,000)	-
Total comprehensive income for the year	-	-	-	89,939,418	-	-	-	89,939,418	13,502,402	103,441,820	-	-	103,441,820	-
Closing balance as at 31 December 2021	3,808,570,502	6,233,379,469	73,001,321	(1,076,663,397)	764,129,669	5,760,267	769,889,936	9,808,177,831	1,052,277,182	10,860,455,013				
Opening balance as at 1 January 2022	3,808,570,502	6,233,379,469	73,001,321	(1,076,663,397)	764,129,669	5,760,267	769,889,936	9,808,177,831	1,052,277,182	10,860,455,013				
Business combination	-	-	-	-	-	-	-	-	93,188,309	93,188,309	-	-	93,188,309	-
Dividend paid	-	-	-	-	-	-	-	-	(4,941,628)	(4,941,628)	-	-	(4,941,628)	-
Change in ownership interest in subsidiaries	-	-	-	-	-	(549,848,833)	(549,848,833)	(549,848,833)	(391,455,467)	(941,304,300)	-	-	(941,304,300)	-
Total comprehensive income for the year	-	-	-	246,790,466	-	-	-	246,790,466	66,747,585	313,538,051	-	-	313,538,051	-
Closing balance as at 31 December 2022	3,808,570,502	6,233,379,469	73,001,321	(829,872,931)	764,129,669	(544,088,566)	220,041,103	9,505,119,464	815,815,981	10,320,935,445				

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

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

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

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

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

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

	2022	2021
Consolidated	Baht	Baht
Separate	2022	2021
financial statements	Baht	Baht

Cash and cash equivalents include the

following for the purposes of

the statement of cash flows:

Cash and cash equivalents

Bank overdrafts from a financial institution

514,206,776	488,647,627	48,976,454	164,043,605
(4,844,763)	-	-	-
509,362,013	488,647,627	48,976,454	164,043,605

Non-cash transactions

Significant non-cash transactions for the year ended

31 December are as follows:

Purchases of plant and equipment not yet paid for

Purchases of equipment under lease contracts

Subsidiary's shares acquisition payables

186,503,061	44,894,579	2,020,424	4,551,610
217,092,283	31,735,741	48,331,931	3,720,535
47,791,166	-	-	-

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

1 General information

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

No. 29, 23rd floor, Bangkok Business Center Building, Sukhumvit 63 Road, Klongtonnua, Wattana, Bangkok.
In addition, the Company has branches located at No.35/2, Moo 12, Bangna-Trad Road, Bangkaew, Bangphli, Samut Prakan.

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

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

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

2 Basis of preparation

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

The consolidated and separate financial statements have been prepared under the historical cost convention except certain financial assets and liabilities (including derivative instrument), and employee benefit obligations. The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

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

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

3 New and amended financial reporting standards

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

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

a) Amendment to TAS 16 - Property, plant and equipment clarified to prohibit entities from deducting from the cost of an item of PPE any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.

b) Amendment to TFRS 3 - Business combinations clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.

c) Amendment to TFRS 9 - Financial Instruments clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

4.1 Principles of consolidation accounting

4 Accounting policies

a) **Subsidiaries**

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

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

b) **Associates**

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

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

c) **Equity method**

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

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

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

d) **Changes in ownership interests**

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

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

e) **Intercompany transactions on consolidation**

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

4.2 Business combination

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

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

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

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

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

Acquisition-related cost

Acquisition-related cost are recognised as expenses.

As in fair value of contingent consideration paid/received

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

4.3 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

4.4 Cash and cash equivalents

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

4.5 Trade receivables

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

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

The impairment of trade receivables are disclosed in Note 5.1.2 b).

4.6 Inventories

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

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

4.7 Financial assets

a) Classification

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

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

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

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

b) Recognition and derecognition

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

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

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

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

- FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.

- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Equity instruments

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

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

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

f) Impairment

The Group applies the IFRS 9 simplified approach in measuring the impairment of trade receivables, which applies lifetime expected credit loss, from initial recognition, for all trade receivables.

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

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

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

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

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

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

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

4.8 Investment property

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

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

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

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

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

Building and building improvements

5 to 20 years

4.9 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

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

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

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

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

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

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

4.10 Goodwill

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

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

4.11 Intangible assets

Acquired intangible assets

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

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

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

Trademark	5 and 20 years
Customer relationships	4 and 10 years
Know-How	10 years
Computer software	3 to 10 years

4.12 Impairment of assets

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

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

4.13 Leases

Leases - where the Group is the lessee

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

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

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

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

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

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

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

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

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

Leases - where the Group is the lessor

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

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

4.14 Financial liabilities

a) Classification

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

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

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

b) Measurement

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

c) Derecognition and modification

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

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

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

4.15 Borrowing costs

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

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

4.16 Current and deferred income taxes

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

Current tax

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

Deferred income tax

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

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

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

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

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

4.17 Employee benefits

a) Short-term employee benefits

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

b) Defined contribution plan

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

c) *Defined benefit plans*

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

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

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

Past service costs are recognised immediately in profit or loss.

4.18 Provisions

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

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

4.19 Share capital

Ordinary shares with discretionary dividends are classified as equity.

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

4.20 Revenue recognition

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

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

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

Revenues from healthcare services

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

Revenues from services

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

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

Revenues from rental operations

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

Other income

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

Contract assets and liabilities

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

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

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

4.21 Dividend distribution

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

4.22 Legal reserve

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

5 Financial risk management

5.1 Financial risk factors

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

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

5.1.1 Market risk

a) Cash flow and fair value interest rate risk

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

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

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

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

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings. An analysis by maturities is provided in note 5.1.3.

b) Foreign exchange risk

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

5.1.2 Credit risk

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

a) Risk management

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

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

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

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

b) Impairment of financial assets

The Group and the Company has 3 types of financial assets that are subject to the expected credit loss model:

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

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

Trade receivables and contract assets

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

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

The expected loss rates are based on the payment profiles of sales over a period of 24 - 48 months before 31 December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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

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

Consolidated financial statements						
Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	12 months More than	Total	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
149,884	171,163	125,105	382,373	154,280	982,805	As of 31 December 2022 Gross carrying amount (Note 11.1) - trade receivables - third parties - trade receivables - related parties 230
30,945	-	-	-	-	30,945	- contract assets
716	2,159	3,881	14,074	11,819	32,649	Loss allowance
141,052	424,797	162,325	174,995	40,289	943,458	As of 31 December 2021 Gross carrying amount (Note 11.1) - trade receivables - third parties - trade receivables - related parties 232
61,665	-	-	-	-	61,665	- contract assets
933	2,497	623	1,088	11,517	16,658	Loss allowance
Separate financial statements						
21,650	39,389	80,693	264,083	112,277	518,092	As of 31 December 2022 Gross carrying amount (Note 11.1) - trade receivables - third parties - trade receivables - related parties 6,758
6,758	323	-	357	-	7,438	- contract assets
47	768	3,740	10,271	6,718	21,544	Loss allowance
10,126	170,567	150,540	168,846	6,877	506,956	As of 31 December 2021 Gross carrying amount (Note 11.1) - trade receivables - third parties - trade receivables - related parties 14,568
14,568	2,581	1	45	-	17,195	- contract assets
18,167	-	-	-	-	18,167	Loss allowance
86	449	460	524	5,308	6,827	Loss allowance

5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits and debt investments at call of Baht 514.2 million and Baht 582.0 million, respectively (2021: Baht 488.6 million and Baht 400.5 million, respectively) that are expected to readily generate cash inflows for managing liquidity risk.

Due to the dynamic nature of the underlying businesses, the Group reasurs maintains flexibility in funding from financial institutions committed credit facilities.

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

a) Financing arrangements

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

	Consolidated		Separate	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Floating rate				
Expiring within one year	15,000	250,000	-	-
- bank overdraft and bill facility				
Expiring beyond one year	215,000	-	-	-
- bank overdraft and bill facility				
- bank loans	210,000	309,260	-	-
	440,000	559,260	-	-
			180,850	180,850

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

Separate financial statements	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	
					Thousand Baht	Value
	83,520	83,520	-	-	83,520	83,520
	-	515,554	-	-	515,554	515,554
	-	1,825	-	-	1,825	1,825
	-	42,200	55,728	-	97,928	93,462
	-	136,369	615,074	-	751,443	692,643
	-	-	112	-	112	112
Total	-	779,468	670,914	-	1,450,382	1,387,116

Separate financial statements	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	
					Thousand Baht	Value
	-	200,505	-	-	200,505	200,505
	-	520,132	-	-	520,132	520,132
	-	17,288	-	-	17,288	17,288
	-	34,594	50,937	-	85,531	84,179
	-	274,702	1,882,877	131,023	2,288,602	2,286,935
	-	-	1,493	-	1,493	1,493
Total	-	1,047,221	1,935,307	131,023	3,113,551	3,110,532

5.2 Capital management

5.2.1 Risk management

The objectives when managing capital are to:

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

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

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

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

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

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

Loan covenants

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

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

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

7 Critical estimates assumptions and judgements

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

a) *Goodwill impairment*

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

Cash flows beyond the 5th year period are extrapolated using the estimated average revenue growth rates stated in note 19. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

b) *Useful life of intangible asset*

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

Trademark	Customer relationships	Know-How
5 and 20 years	4 and 10 years	10 years

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

c) *Defined retirement benefit obligations*

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 25.

d) *Determination of lease terms*

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

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

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

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

e) *Determination of discount rate applied to leases*

The Group determines the incremental borrowing rate as follows:

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

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

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

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

8 Segment Information

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

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

9 Cash and cash equivalents

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

10 Non-current assets held-for-sale

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

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

11 Trade receivables, other receivables and prepayments, net

11.1 Trade and others receivable

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

11.2 Impairments of trade receivables and financial assets

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

12. Financial assets and liabilities

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

	Consolidated		Separate	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht

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

12.1 Other financial assets at amortised cost

a) Classification of financial assets at amortised cost

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

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

Other receivables

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

b) Fair values of other financial assets at amortised cost

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

As at 31 December 2022 long-term loans to a subsidiary at a carrying amount of Baht 1,114.2 million (2021: Baht 2,821.6 million) have a fair value of Baht 1,028.0 million (2021: Baht 2,393.4 million). The fair values were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

c) Loss allowance

Information about the impairment of financial assets at amortised cost and the Group's exposure to credit risk is disclosed in Note 5.1.2.

12.2 Financial assets at fair value through profit or loss

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

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the entity has irrevocably not elected at initial recognition to recognise fair value gains and losses through OCI.

b) Amounts recognised in profit or loss

The following gains/(losses) were recognised in profit or loss during the year as follows:

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

13 Inventories, net

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

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

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

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

14 Restricted bank deposits

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

15 Investments in subsidiaries

As at 31 December 2022, the Group included the following subsidiaries in the preparation of consolidated financial statements. The subsidiaries have ordinary shares and preference shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

Investments in subsidiaries as at 31 December comprised the following:

Ownership interests held by non-controlling interests	Ownership interests held by the Group		Nature of business	Country of incorporation	Company's name
	2022	2021			
	Percent	Percent			

	92.00	92.00	Medical services	Thailand	Capital Public Company Limited
	-	99.99	Property development	Thailand	Kiai Baan Kaijai Co., Ltd.
	-	99.99	Property development	Thailand	Bangkok Center District Co., Ltd.
	-	99.99	Property development	Thailand	V Brilliant Group Holding Co., Ltd.
	-	99.99	Investment holding and hospital management	Thailand	Principal Healthcare Co., Ltd.
	49.00	49.00	Medical services	Thailand	Principal NKG Co., Ltd.
	-	99.99	Service apartment rental	Thailand	Indirect: Subsidiaries under V Brilliant Group Holding Co., Ltd.
	-	99.99	Service apartment rental	Thailand	V Residence Co., Ltd.
	-	99.99	Service apartment rental	Thailand	Ban Chang Business District Co., Ltd.
	-	99.99	Service apartment rental	Thailand	VMEA Co., Ltd.
	40.00	60.00	Hospital	Thailand	Indirect: Subsidiaries under Principal Healthcare Co., Ltd.
	15.00	60.00	Hospital	Thailand	Pitsanuoke Medical Co., Ltd.
	8.47	91.53	Hospital	Thailand	Paknampo Hospital Co., Ltd.
	-	99.99	Hospital	Thailand	Principal Healthcare - Uthai Co., Ltd.
	13.33	86.67	Hospital	Thailand	Principal Healthcare - Lamphun Co., Ltd.
	40.00	60.00	Hospital	Thailand	Principal Healthcare - Sisaket Co., Ltd.
	10.00	90.00	Hospital	Thailand	Principal Healthcare - Chumphon Co., Ltd.
	40.00	60.00	Hospital	Thailand	Principal Healthcare - Ubon Ratchathani Co., Ltd.
	20.00	80.00	Hospital	Thailand	Principal Healthcare - Sakonnakhon Co., Ltd.
	-	99.99	Hospital	Thailand	Pewdee Clinic Esthetics Co., Ltd.
	40.00	60.00	Aesthetic clinic	Thailand	Indirect: Subsidiaries under Pitsanuoke Medical Co., Ltd.
	40.00	60.00	Hospital	Thailand	Union Pichit Doctors Co., Ltd.
	40.00	60.00	Hospital	Thailand	Pitsanuvej Utradit Hospital Co., Ltd.

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

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

Capital increase

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

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

Capital decrease

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

The company liquidation

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

Share purchase

On 14 March 2022, Principal Healthcare Co., Ltd. entered into a share purchase agreement with a group of companies to buy 55,000% of Pawdee Clinic Esthetics Co., Ltd.'s registered ordinary shares at Baht 5,000 per share. The 50,500 ordinary shares were held by the contract party, which represents 45.91% of the total shares and 10,000 shares were newly issued ordinary shares, representing 9.09% of the total shares. The subsidiary partially paid for the shares, amounting to Baht 226.8 million and amounting to Baht 25.3 million on 14 March 2022 and 30 August 2022, respectively.

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

Sale of shares

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

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

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised statement of financial position

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

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

Summarised statement of comprehensive income

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

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

Summarised statement of cash flows

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

16 Investment property, net

Consolidated financial statements		Building and building improvements		Land improvements		Total	
Consolidated financial statements		Baht Thousand		Baht Thousand		Baht Thousand	
2022		2021		2022		2021	
As at 1 January 2021							
Cost		602,666	841,099	1,443,765			
Less Accumulated depreciation		-	(288,710)	(288,710)			
Net book amount		602,666	552,389	1,155,055			
For the year ended 31 December 2021							
Opening net book amount		602,666	552,389	1,155,055			
Reclassified as non-current asset held-for-sales (Note 10)		(482,166)	(527,500)	(1,009,666)			
Additions		-	777	777			
Depreciation charges		-	(9,694)	(9,694)			
Closing net book amount		120,500	15,972	136,472			
As at 31 December 2021							
Cost		120,500	314,376	434,876			
Less Accumulated depreciation		-	(298,404)	(298,404)			
Net book amount		120,500	15,972	136,472			
For the year ended 31 December 2022							
Opening net book amount		120,500	15,972	136,472			
Reclassified from non-current assets held-for-sale (Note 10)		482,166	527,500	1,009,666			
Additions		-	551	551			
Depreciation charges		-	(19,157)	(19,157)			
Closing net book amount		602,666	524,866	1,127,532			
As at 31 December 2022							
Cost		602,666	842,427	1,445,093			
Less Accumulated depreciation		-	(317,561)	(317,561)			
Net book amount		602,666	524,866	1,127,532			

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

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

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

17 Property, plant and equipment, net

		Consolidated financial statements						
		Building and building improvements	Medical equipment	Furniture, fixtures, and office equipment	Vehicles	Construction in process	Total	
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
At 1 January 2021								
Cost		2,938,849	10,404,241	1,095,180	751,984	80,357	672,718	15,943,329
Less: Accumulated depreciation		-	(3,536,917)	(765,421)	(587,701)	(65,705)	-	(4,955,744)
Net book amount		2,938,849	6,867,324	329,759	164,283	14,652	672,718	10,987,585
For the year ended 31 December 2021								
Opening net book amount		2,938,849	6,867,324	329,759	164,283	14,652	672,718	10,987,585
Additions		-	85,578	210,459	75,627	15,561	163,528	550,753
Reclassified as non-current asset held-for-sales (Note 10)		-	(1,088)	-	-	-	-	(1,088)
Disposals and write-offs		-	(856)	(4,034)	(2,311)	-	(2,730)	(9,931)
Transfer in (out)		-	801,247	1,179	16,375	-	(818,801)	-
Depreciation charge		-	(301,571)	(95,890)	(65,342)	(5,783)	-	(468,586)
Closing net book amount		2,938,849	7,450,634	441,473	188,632	24,430	14,715	11,058,733
At 31 December 2021								
Cost		2,938,849	10,270,484	1,300,018	800,458	88,717	14,715	15,413,241
Less: Accumulated depreciation		-	(2,819,850)	(858,545)	(611,826)	(64,287)	-	(4,354,508)
Net book amount		2,938,849	7,450,634	441,473	188,632	24,430	14,715	11,058,733

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

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

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

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

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

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

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

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

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

18 Right-of-use assets, net

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

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

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

19 Goodwill

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

Goodwill is allocated to the Group's cash-generating units (CGUs).
A segment-level summary of the goodwill allocation categorised by business segments is presented below:

	Consolidated financial statements	
	2022	2021
	Thousand Baht	Thousand Baht
Goodwill allocation to: Healthcare services business	2,008,997	1,823,978

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

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

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

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

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

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

20 Intangible assets, net

Consolidated financial statements						
	Computer software	Computer progress	Trademark	Customer relationships	Know-How	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
At 1 January 2021	260,266	11,615	101,500	30,000	(2,492)	403,381
Less Accumulated amortisation	(109,797)	-	(4,216)	(2,492)	-	(116,505)
Net book amount	150,469	11,615	97,284	27,508	-	286,876
For the year ended 31 December 2021	150,469	11,615	97,284	27,508	-	286,876
Opening net book amount	150,469	11,615	97,284	27,508	-	286,876
Additions	2,834	9,390	-	-	-	12,224
Write off	(71)	(128)	-	-	-	(199)
Transfers in (out)	3,161	(3,161)	-	-	-	-
Amortisation charge	(45,150)	-	(5,075)	(3,000)	-	(53,225)
Closing net book amount	111,243	17,716	92,209	24,508	-	245,676
At 31 December 2021	266,190	17,716	101,500	30,000	(5,492)	415,406
Less Accumulated amortisation	(154,947)	-	(9,291)	(5,492)	-	(169,730)
Net book amount	111,243	17,716	92,209	24,508	-	245,676

Consolidated financial statements						
Computer software	Computer software in progress	Trademark	Customer relationships	Know-How	Total	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
111,243	17,716	92,209	24,508	-	245,676	Opening net book amount (Note 27)
60	-	-	12,799	13,482	55,537	Additions
13,208	14,722	-	-	-	27,930	Write off
-	(789)	-	-	-	(789)	Transfers in (out)
8,365	(8,365)	-	-	-	-	Amortisation charge
(46,546)	-	(9,455)	(5,400)	(1,011)	(62,412)	Closing net book amount
86,330	23,284	111,950	31,907	12,471	265,942	At 31 December 2022
287,823	23,284	130,696	42,799	13,482	498,084	Cost
(201,493)	-	(18,746)	(10,892)	(1,011)	(232,142)	Less Accumulated amortisation
86,330	23,284	111,950	31,907	12,471	265,942	Net book amount

Separate financial statements
Thousand Baht

8,651	(5,729)	2,922	Net book amount
Cost	Less Accumulated amortisation		
At 1 January 2021			

2,922	1,513	(657)	Opening net book amount
Additions	Amortisation charge		
For the year ended 31 December 2021			

3,778	(6,386)	3,778	Opening net book amount
Cost	Less Accumulated amortisation		
At 31 December 2021			

3,778	391	(947)	Opening net book amount
Additions	Amortisation charge		
For the year ended 31 December 2022			

3,222	10,555	(7,333)	Opening net book amount
Cost	Less Accumulated amortisation		
At 31 December 2022			

3,222	3,222		Net book amount
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Principal Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

21 Deferred income taxes

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

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

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

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

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

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

Deferred tax liabilities:

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 540.7 million (2021: Baht 573.3 million) in respect of losses amounting to Baht 2,703.3 million (2021: Baht 2,866.3 million) that can be carried forward against future taxable income. Losses amounting to Baht 141.7 million (2021: Baht 359.5 million) which will be expired in 2026) will be expired in 2027.

22 Borrowings

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

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

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

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

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

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

Consolidated financial statements			
Carrying amounts		Fair values	
2022	2021	2022	2021
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
4,112,668	3,490,899	4,131,090	3,345,263
Long-term borrowings from financial institutions			

Separate financial statements			
Carrying amounts		Fair values	
2022	2021	2022	2021
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
579,082	2,012,778	579,313	1,861,575
Long-term borrowings from financial institutions			
1,500,000	-	1,504,662	-
Long-term borrowings from a subsidiary			

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

The fair values of long-term borrowings are based on discounted cash flows using a discount rate based upon the borrowing market rate of MLR - 1.50% to MLR - 2.65% (2021: MLR - 2.00% to MLR - 3.10%) and are within the level 3 of the fair value hierarchy.

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

23 Trade and other payables

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

24 Advances received from customers

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

25 Employee benefit obligations

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

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

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

The significant actuarial assumptions used were as follows:

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

The sensitivity analysis for significant principal actuarial assumptions can be analysed as follow:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Change in assumption	Increase in assumption	Increase in assumption	Increase in assumption	Increase in assumption
Discount rate	1%	Decreased by 9.12%	Decreased by 9.06%	Decreased by 11.16%
Salary growth rate	1%	Increased by 10.57%	Increased by 10.08%	Decreased by 9.85%
Staff turnover rate (depending on age)	1%	Decreased by 9.75%	Decreased by 9.63%	Increased by 5.10%
				Increased by 4.83%

Separate financial statements	Impact on defined employee benefit obligations	
	2022	2021
Change in assumption	Increase in assumption	Increase in assumption
2022	2022	2021

Discount rate	1%	1%	Decreased by	5.06%	3.72%	Decreased by	4.62%	Increased by	3.34%
Salary growth rate	1%	1%	Increased by	7.19%	4.24%	Increased by	6.45%	Decreased by	3.80%
Staff turnover rate (depending on age)	1%	1%	Decreased by	5.41%	3.96%	Decreased by	1.78%	Increased by	1.22%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The duration of the defined benefit obligation of each entity in the Group is 6.61 to 29.72 years (2021: 7.61 to 29.00 years).

26 Share capital and premium on share capital

	Share	Ordinary shares	Number of	Share	Total
	premium	shares	shares	premium	Share
	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht
As at 1 January 2021	5,163,517	3,462,337	346,234	1,069,862	8,625,854
Issuance of shares	-	-	-	-	1,416,096
As at 31 December 2021	5,163,517	3,462,337	346,234	1,069,862	10,041,950
As at 31 December 2022	5,163,517	3,462,337	346,234	1,069,862	10,041,950
Issuance of shares	-	-	-	-	-
As at 31 December 2022	5,163,517	3,462,337	346,234	1,069,862	10,041,950

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

27 Business combination

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

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

Thousand Baht	
Net purchase consideration	226,750
Present value of business acquisition payables	72,456
	<u>299,206</u>
	<u>Fair value</u>
	<u>Thousand Baht</u>

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

Goodwill recognised from expected ability of the acquiree enhance the incremental yield from fair value of net identified assets acquired.

The Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed of Pewdee Clinic Esthetics Co., Ltd. during the fourth quarter of 2022. Fair value measurement of identifiable assets and liabilities acquired is reliable.

Acquired identifiable intangible assets

The fair value of the acquired identifiable intangible assets of Baht 55.5 million was assessed by the independent expert. Intangible assets including trademark Baht 29.2 million, know-how Baht 13.5 million and customer relationships Baht 12.8 million (Note 20).

28 Liabilities relating to contracts with customers

28.1 Contract liabilities

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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Contract liabilities - current	75,765	657,502	12,004	210,109
Revenue recognised in relation to contract liabilities				
Revenue recognised in 2022 reporting period relates to carried-forward contract liabilities.				

Revenue recognised that was included in the contract liability balance at the beginning of the period

- Medical services
- Building and office services

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
	620,834	13,704	207,169	1,235
	13,589	5,117	-	-
	634,423	18,821	207,169	1,235

28.2 Unsatisfied long-term contracts

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

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

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

29 Finance costs

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

30 Expense by nature

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

31 Income tax expense

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

Income tax expense for the year comprises the following:

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

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit (loss) before tax	398,892	208,627	(20,019)	292,246

Tax calculated at a tax rate of 20%

Tax effect of:
(2021: 20%)

Associate's results reported net of tax	26	(15)	-	-
Income not subject to tax	(9,355)	-	-	-
Expenses not deductible for tax purpose	64,581	24,738	18,888	17,141
Additional expenses deductible for tax purpose	(29,434)	(77,400)	(12,496)	(9,876)
Utilisation of previously unrecognised tax losses	(39,093)	(6,246)	-	-
Tax losses for which no deferred income tax assets were recognised	22,709	118,171	-	-
Write-offs withholding tax receivables	3,374	14,775	2,973	1,223
Income tax expense	92,586	115,748	5,361	66,938

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

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

Remeasurement on retirement benefit obligations

32 Earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the profit (loss) attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

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

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

33 Change in liabilities arising from financing activities

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

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

Separate financial statements		
Leases	Borrowings	Total
Thousand Baht	Thousand Baht	Thousand Baht

Liabilities as at 1 January 2021		
Cash flows - proceeds from borrowings	811,985	811,985
Cash flows - repayments	(34,014)	(1,261,425)
Acquisitions - lease liabilities	3,721	-
Interest expense	3,074	80,759
Interest repayment	-	(80,758)
Other non-cash movements	-	(80,758)
- amortisation of financing fee	-	605
Liabilities as at 31 December 2021	84,179	2,807,067
Cash flows - proceeds from borrowings	4,375,564	4,375,564
Cash flows - repayments	(39,049)	(3,462,108)
Acquisitions - lease liabilities	42,944	-
Lease modifications and reassessments	5,388	-
Interest expense	2,658	101,692
Interest repayment	(2,658)	(85,093)
Financing fee	-	(1,025)
Other non-cash movements	-	(1,025)
- amortisation of financing fee	-	1,580
Liabilities as at 31 December 2022	93,462	3,737,677

34 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company are control by the Viddayakorn Family in the proportions of 68.54%. The remaining 31.46% of the shares are widely held.

The investments in subsidiaries are disclosed in Note 15.

Related transaction pricing policy as follow:

Related transaction	Pricing policy
---------------------	----------------

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

The following transactions were significant transactions with related parties:

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

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

The outstanding balances at the end of the period ended in relation to transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade accounts receivable	-	-	7,208	16,965
Subsidiaries	-	-	7,208	16,965
Related parties	-	-	230	230
Other accounts receivable	1,006	1,914	-	-
Related parties	1,006	1,914	-	-
Deposits	-	-	1,947	993
A subsidiary	-	-	1,947	993
Lease receivables	-	-	3,342	5,074
Subsidiaries	-	-	3,342	5,074
Accounts payable	-	-	9,014	18,200
Subsidiaries	-	-	9,014	18,200
Related parties	705	898	-	98
Accrued expenses	-	-	6,825	64,619
Subsidiaries	-	-	6,825	64,619
Related parties	-	6,178	-	-
Loans to subsidiaries	-	-	6,178	64,619

c) Loans to subsidiaries

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

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

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

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

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

Long-term loans to a subsidiary met the terms and conditions of borrowing. Long-term loans to a subsidiary have bear an interest rate MLR - 2.10% per annum and interest rate 12-month fixed deposit plus 1.00% per annum and an interest rate from source of borrowings plus 1.00% are due within 3 years from the borrowing date.

d) Borrowings from related parties

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

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

The Company has short-term borrowings from subsidiaries for its normal operation with interest rate of 3.25% and of 12-month fixed deposit plus 1.00% per annum is due within 6 months from the borrowing date.

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

The movements of long-term borrowings from a subsidiary can be analysed are as follows:

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

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

e) Key management compensation

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

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

35 Letter of guarantees

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

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

36 Commitments

36.1 Capital expenditure commitments

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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Plant and equipment	207,423	18,142	12,219	3,118

36.2 Operating lease commitments

The Group has entered into low-value assets leases agreements and short-term leases agreements with leases term less than 1 year which are non-cancellable lease agreements in respect to leases of equipment and its related service agreements. The lease terms are between 1 to 5 years. The future aggregate minimum lease payments which were not recognised as lease liabilities are as follows:

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

36.3 Long-term service commitments

On 24 January 2007, the Group entered into management agreements with a group company of well known international standard hotel chain, appointing the hotel group to manage the Group's serviced apartments. Under the conditions of the agreements, the Group has to pay service fees to the hotel group at the rates stipulated in the agreements. The terms of the serviced apartment management agreements are 30 years, starting from the commencement of operations, and could be extended for a further period of at least 10 years, depending upon certain conditions specified in the agreements. Consulting fees and expenses under the contract for the year ended 31 December 2022 were Baht 11.3 million (2021: Baht 2.5 million).

On 14 January 2016, the Group entered into management agreements with a group company of well known international standard hotel chain, appointing the hotel group to manage the Company's serviced apartments. Under the conditions of the agreements, the Company has to pay service fees to the hotel group at the rates stipulated in the agreements. The terms of the serviced apartment management agreements are 10 years, starting from the commencement of operations, and could be extended for a further period of at least 10 years, depending upon certain conditions specified in the agreements. Consulting fees and expenses under the contract for the year ended 31 December 2022 were Baht 13.4 million (2021: Baht 7.4 million).