

# REPORT OF THE EXECUTIVE COMMITTEE

## Dear Shareholders,

Principal Capital Public Company Limited (“PRINC”) was managed to get through another year of uncertainty. Political instability and economic slowdown led to a drop in number of tourists from overseas, as well as local travelers, resulted in a more than 10% decrease in revenue of most listed company in the hotel industry for the 9-month period of 2014, compared to the same period of 2013. However, the management’s policy to invest in other businesses with potential served the Company well. Past year growth of 28 percent in revenue was partly due to the drive from the subsidiary, Convergence Systems Company Limited, whose business is in the IT sector. Though, with it being in the phase of growth, human resources were required to be added in order to fulfill the demand from large organizations, especially government agencies. This also means an increase in both expenses and days of outstanding debts. Considered these customers to be valuable reference sites which can lead to many more growth, the two issues were worth the effort. Nevertheless, the management will have to keep close monitoring to ensure the efficiency of such a growth and assure adequate funding for sustaining operation.

On the contrary, Marriott Executive Apartment Sathorn Vista-Bangkok is in the saturation phase which generally has minimal growth. The management therefore urged for more efficiency from existing resources. The year 2014 might not be the year of new investments PRINC continues to focus on the strategy to expand either through investing or merger and acquisition in both real estate developments directly and property in other fields of expertise of the management. It is our aim that the intended projects should create values for the investors within 1-3 years ahead.

For operation management, the ISO 9001:2008 standard has been implemented throughout the Company to develop a quality system. It is expected that PRINC will be certified with the ISO standard within 2015. In view that the Company will expand its business while trying to maintain the number of staffs, the use of information technology to help automated various tasks such as accounting, human resources and office management, was increasing with the purpose of improving efficiency. Moreover, it is also our intention to provide outsourcing services for building management, human resource management, and accounting services, for external parties, so this can be another channel of revenue and a mean to better utilize existing resources.

The performance of the year 2014 was moderately delivered with a 12.96 THB million of net profit, compared to a net loss of 1.2 THB million in 2013. For 2015, rest assured that the management will continue to lead the Company on to more accomplishments and uphold the values and morals of good governance to bring about the utmost benefits for all shareholders.



Dr. Satit Viddayakorn  
Chairman of  
the Executive Committee

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