



Annual Report 2018

The background of the cover is a photograph of a meeting. A man in a green shirt is writing on a whiteboard, while a woman in a blue shirt stands next to him. A large circular overlay with a green center and a red border is positioned in the middle of the image. The text '2018 ANNUAL REPORT' is written in white, bold, sans-serif font over the green center of the circle.

# 2018 ANNUAL REPORT

PP PRIME PUBLIC COMPANY LIMITED

EMPOWERING  
FOR SUSTAINABILITY



# Vision, Mission and Corporate Values

## Vision, Mission and Corporate Values;

Because humans are crucial force behind all of our businesses, we aim to improve the lives of humans to be more stable and sustainable. Through various innovative creations, we are determined to improve humans' lives and societies by choosing to invest in sustainable businesses, which provide ample wealth and high growth potential in the future.

## Mission:

1. Emphasize maximum profits and cash flow from business operations;
2. Enhance sustainable business growth;
3. Continuously develop working systems and processes for corporate efficiency
4. Develop human resources to obtain more knowledge and working capacities and creative thinking;
5. Maintain good relationships and create satisfactions to customers and trading partners;
6. Take corporate social and environmental responsibilities under the principles for good governance and ethical practice, which shall lead to sustainable development;

## Corporate Values “Quality Prioritized, All Processes in Our Sights”

### 1. Integrity:

Adhered to the principle of corporate governance, honesty and common interest (rather than personal interest);

### 2. Discipline;

Be disciplined and adhered to duties and committed to learning of new things;

### 3. Quality;

Focused on the quality and services, devote oneself to professional performance of work, maintain the standard and create satisfactions to business-related parties;

### 4. Improvement;

Committed to creating performances and continuous development of innovation and excellent performances;

### 5. Engagement;

Devoted oneself for common interest, having teamwork skills for creation of performances;

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Financial Statements and Notes to Financial Statements Investor can learn more company information form Annual information form 56-1 which has been shown at [www.sec.co.th](http://www.sec.co.th) or the company website.

# Message from Company Board of Directors Chairman



On the overall business picture in 2018 - even though animal feed business, the main business, faces obstacles which affect the farmers' animal breeding e.g. changing weather conditions, diseases, fluctuating aquatic animal prices - the company is able to maintain its market share and successfully expanded the fish breeding business including the high quality shrimp feed for giant tiger prawn. This was also made possible by the state's proactive support to promote global awareness i.e. "Thailand's giant tiger prawn is the best in the world" and "is safe for consumption" in order to promote the production of shrimps for export.

Another important development in business sustainability area has to do with the company restructuring its business by transferring certain operations and rename the company as P P Prime PCL whilst establishing a subsidiary, Thai Luxe Enterprise (Thailand) Co., Ltd. to drive the main business of producing animal feed which enjoys continuous expansion and shall look for opportunity to invest in profitable business for sustainable growth.

The company continues to focus on supporting community activities and social responsibility by paying attention to the environment which is regarded as the company's direct responsibility and build additional value for shareholders. The company strives to be fair to all stakeholders including the state, customers, business partners, the community and its staff under good corporate governance practices in order to achieve maximum benefits to the society and the country's economy.

On behalf of the company's Board of Director, we would like to thank the shareholders, business allies, financial institutions, state agencies and various private organizations which provided continuous support and especially our patronizing customers. We also would like to thank the company's management and the staff for their hard work and dedication to make the company grow sustainably with stability.

A handwritten signature in black ink, appearing to read 'Air Chief Marshal Pitthaporn Glinfueng'.

Air Chief Marshal Pitthaporn Glinfueng  
Chairman of the Board of Directors  
On behalf of the Board of Directors

## Message from Audit Committee



The Board of Directors of PP PRIME Co., Ltd., appointed the Audit Committee as per resolutions of the Board of Directors. All directors had proper qualifications as prescribed by the Stock Exchange of Thailand (SET); and the Board of Directors determined components of the qualifications and term in office of the Audit Committee that consisted of only 3 independent directors who had experiences in management, investment, finance, accounting and auditing, i.e.,

- 1) Pol.Lt.Col. Thienrath Vichiensan as Chairman.
- 2) Mr. Teerawit Tanakijsoontorn as Director.
- 3) Mrs. Natee Chuansanit as Director.

The Audit Committee had its powers, duties and responsibilities as specified in writing in the Charter of the Audit Committee.

In the accounting period of 2018, the Audit Committee operated its duties independently and completely as assigned; and convened meetings with the Management, auditors and heads of the internal audit units as per the related agenda, which was summarized, as follows:

1. The Audit Committee reviewed the quarterly and annual financial statements with auditors to ensure the compliance with the Generally Accepted Accounting Principles (GAAP) for their correctness, completeness, reliability and in conformity with the related laws and announcements;

2. The Audit Committee considered, recommended, audited the work plans, supervised and conducted its quarterly and annual internal audit and followed up the correction of errors from audits by the internal auditor and the auditors, and recommended on supervision and internal audit for more efficiency and in accordance with rules and regulations prescribed by external regulatory authorities and by the Company and that they had met professional standards; moreover, the Audit Committee ensured that the assessment of the internal control system of the Company was adequate and proper and it also supported the independence of regulatory and internal audit units.

3. The Audit Committee considered and fixed the audit fees and nominated an auditor to the Board of Directors to be proposed to the Shareholders' Meeting for consideration and approval. Moreover, the Audit Committee convened meetings with the auditors without the Management's attendance to consider recommendations on the internal control system and the annual audit plans of the Company and group companies.

4. The Audit Committee reviewed the Charter of the Audit Committee to ensure that the performance of works in the previous year was complete as assigned and that duties and responsibilities of the Audit Committee were in conformity with the Code of Conduct of the Stock Exchange of Thailand (SET)

5. The Audit Committee evaluated the assessment form of adequacy of the internal control system in accordance with the concepts of COSO (Committee of Sponsoring Organizations of the Tread Way Commission). This assessment form was used as guidelines for assessment or review of adequacy of the internal control system. The availability of good internal control system was essential to the listed companies or public companies and enabling companies to prevent, manage and handle potential risks and damage to the Company and its stakeholders.

6. The Audit Committee has reviewed the company's internal control system in line with the self-assessment guidelines with regards to the 71 anti-corruption measures. Note that the company is accepted as a member of Thailand's Private Sector Collective Action Coalition against Corruption since 12 February 2018.

7. The Audit Committee established the whistleblower system in the Company for more efficiency and for providing an easy and convenient channel for its stakeholders to give data to the Audit Committee directly and confidentially

8. The Audit Committee invited the Management to attend meetings for discussions and sharing of ideas continuously and to acknowledge the amendment of work rules and regulations of the Company for efficient performance of duties and for keeping up with potential changes

9. The Audit Committee reviewed with the Management relating to the risk management policy, compliance with policies and guidelines for risk management of the Company and also consider the disclosure of the Company's data, in case, there were related transactions or transactions with potential conflicts of interest, thus, for correctness and completeness;

In summary, the Audit Committee considered that, in the previous year, the Company has provided its financial reports and has carefully disclosed its adequate data in accordance with the Generally Accepted Accounting Principles (GAAP) and that the Company had effective risk management system and internal control system as well as corporate governance system and had adequate independence in favor of all stakeholders and that the Company's operations were in accordance with the laws governing securities and exchange, requirements of the stock exchange or laws relating to the Company's business.



Pol.Lt.Col. Thienrath Vichiensan  
Chairman of the Audit Committee  
On behalf of the Audit Committee.



# Board of Directors



**A.C.M. Pitthaporn  
Glinfueng**

Chairman of the Board of Directors / Independent Director



**Gen. Chaowarit  
Prapajit**

Vice Chairman / Co-Chief Executive Officer / Chief Marketing Officer



**Mr. Nasu  
Chunsom**

Director / Co-Chief Executive Officer / Chief Finance Officer



**Dr. Denchai  
Akaradechachai**

Director



**Mrs. Kanokwan  
Wannabut**

Director / Chief Strategic Officer



**Ms. Patcharada  
Jutaprateep**

Director / Chief Compliance and Corporate Secretary



**Pol.Col. Thienrath  
Vichiensan**

Audit Committee Chairman / Independent Director



**Mrs. Natee  
Chuansanit**

Audit Committee / Independent Director



**Mr. Theerawit  
Thanakijsumtorn**

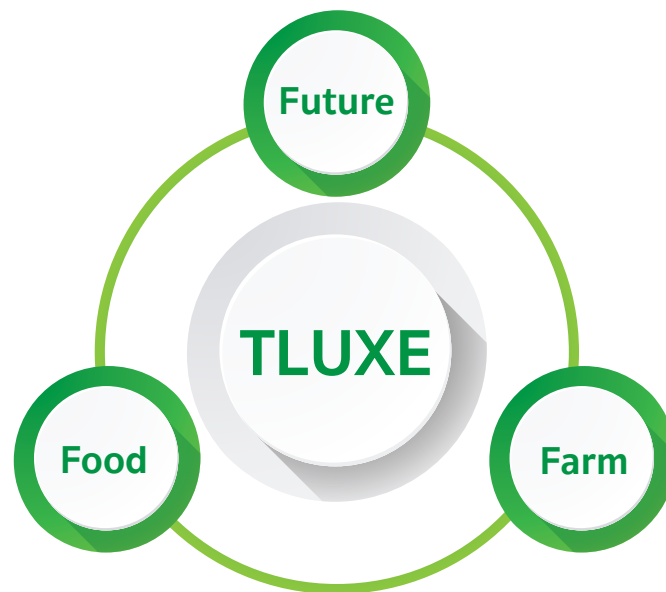
Audit Committee / Independent Director

## Financial Information

		2018	2017	2016
Sales	(Baht)	2,121,449,514	1,875,523,686	2,240,181,809
Net Profit (Loss)	(Baht)	(110,084,444)	(252,406,913)	232,314,148
Earning (Loss)per Share	(Baht)	(0.20)	(0.45)	0.41
Total Asset	(Baht)	3,339,876,952	3,987,770,023	3,569,307,914
Total Liabilities	(Baht)	2,526,867,363	2,610,754,228	1,749,962,003
Shareholders' Equity	(Baht)	813,009,589	1,377,015,795	1,819,345,911
Book Value	(Baht)	1.44	2.45	3.23
Return on Asset	(%)	(3.00)	(6.68)	6.51
Return on Equity	(%)	(10.05)	(15.79)	12.77
Debt to Shareholders	(times)	3.11	1.90	0.96
Dividend Yield	(%)	0.00	0.00	0.00
P/E Ratio	(times)	0.00	0.00	0.00



## Policy and Business Overview



The company focuses on developing the business in line with the full-cycle strategy i.e. FOOD-FARM-FUTURE, operating the main business of manufacturing and distributing aquatic animal feed and pet feed, divided into 2 main divisions i.e.:

1. Shrimp Feed.
2. Fish Feed and Pet Food.

The company manages the farms as the center for research and development in aquatic animal feed. In addition, the company operates new businesses with good returns that is sustainable for the future

Thai Luxe Enterprises PCL was established on 11 June 1987 with registered capital of 20 million baht. The company's initial objective was to import aquatic animal feed for local distribution and raise black tiger shrimp for sale, later expanded to manufacture shrimp and fish feeds. At present, the company no longer raises black

tiger shrimp for sale. During the past 30 years or so, the company develops various products continuously and in 2015 signed an agreement to become a contract manufacturer of pet food in order to fully utilize the existing production capacity. Towards the end of 2015, the Board of Directors approved the investment in geothermal electricity generating business in Beppu, Japan which gradually generates revenues from commercial sales of electricity (COD) since the middle of 2016.

Originally, the company only had a factory to produce shrimp feed and fish feed at Samut Songkram Province. Later, in 1999, the company expanded by opening a new factory in Petchaburi Province, closing the shrimp feed production line at Samut Songkram and change the production base of shrimp feed to the new factory in Petchaburi. In 2004, production of fish feed was discontinued at the Samut Songkram factory and production lines were added at the Petchaburi

factory instead and the Samut Songkram factory ceased production. Thai Luxe Food Service Co., Ltd. (previously SMP Food Products Co., Ltd.) which at the time was an associate company rented parts of the area to produce and sell processed frozen food and finished frozen seafood and later on changed its name to NPP Food Service Co., Ltd. In 2015, the company established a new aquatic animal feed factory in Song Khla Province to manufacture aquatic animal feed and pet food for customers in the south and neighboring country.

In 1999, the company opened a processed frozen shrimp factory by investing 100% in Thai Luxe Food Products Co., Ltd. or “Thai Luxe Food” (previous name SMP Food Products Co., Ltd.) which changed its name to NPP Food Service Co., Ltd. producing processed frozen shrimp for export and frozen ready to eat food.

In 2014, the company increased the proportion of shareholding in SMP Food Products Co., Ltd. to 97.79% and changed the name to Thai Luxe Food Products Co., Ltd. In 2015 has reduce shareholding proportion the company holds 55% in the company and Nippon Pack (Thailand) PCL, 45% (of paid-up capital).

After that the company jointly invested with NPP Food Incorporation Co., Ltd. to manage the A & W restaurant. And NPP Food Service Co., Ltd. holds 45% in the company and Nippon Pack (Thailand) PCL, 55% (of paid-up capital). Later in July 2016, as the company deems that food business is highly competitive and that it has no expertise in this area, the investment in NPP Food Service Co., Ltd. and. were sold to Nippon Pack (Thailand) PCL to enable the company to focus on animal feed business and electricity generation from renewable energy.

In 2009, the company invested in T Luxe Global Business Co., Ltd. (previously known as Thai D Meter Co., Ltd. or “Thai D”) in the ratio of 100% to operate trading business to supplement the group income by starting production of agricultural raw material used in producing animal feed to small animal feed producers and small farmers who do not have bargaining power against major raw material suppliers.

Towards the end of 2015, the company had the policy to invest in geothermal energy business in Japan by acquiring PPSN Co., Ltd., a juristic entity in Japan which owns 4 geothermal electricity generating units. In 2016, the company bought Sumo Power Co., Ltd. (SUMO), a Japanese juristic entity which operates 8 geothermal electricity generating units. Subsequently, the company restructured the internal organization resulting in PPSN Co., Ltd. owning 3 geothermal electricity generating units all of which started generating revenues whereas Sumo owns 9 geothermal electricity generating units of which 1 has already generated revenues.

Moreover, the company jointly invested with Setouchi Natural Energy Co., Ltd. (Setouchi) which is an expert in geothermal electricity generation to establish a new juristic entity, namely, M-Luxe Energy Co. Ltd. or “M-LUXE”, a Japanese juristic entity which is 25% owned by PPSN Company Limited or “PPSN” and Setouchi Natural Energy Co., Ltd., owning the balance 75%, of registered capital of 10 million yen. M-LUXE was established to develop land equipped with the utilities ready for sale to investors in geothermal electricity generating projects. At present, TLP acquired the shares in M-LUXE from PPSN at the same ratio.

Later, in March 2017, the company invested in geothermal electricity generating plants which is already operated and has been registered this plant under SNS Power Co., Ltd. (SNS Power)

In August 2017 approved investment in the company in Fino Binary Power Plant Limited Liability Company (FINO) (Japanese juristic entity) which operates 2 geothermal electricity generating plants. And in September 2017 the company enter into share purchase agreement and control authority in 4 companies such as Beppu Tsurumi Onsen Geothermal Power Station No. 1 Liaison Company (BEPPU) (Japanese juristic entity), NIS Binary Power Plant Limited Liability Company (NIS) (Japanese juristic entity), Dual Energy Binary – Power Plant No. 1 Limited Liability Company (DUAL) (Japanese juristic entity) and Lena Power Station No. 1 Limited Liability Company (LENA) (Japanese juristic entity) which operates total 8 geothermal electricity generating plants.

As of 31 December 2017, the company has 23 geothermal electricity generating units and revenue recognition 15 units.

However, in the year 2018 in January The Company has resolved to invest in wind power plant project in Aomori city. 20 projects in Japan, and on May 18, 2018, according to the resolution of the Board of Directors Meeting No. 8/2561, the Company approved Sell the geothermal energy project located at Oaxasu Rumi Beppu, Oita Prefecture In japan with a purchase price of approximately 320 million yen per project or approximately 91.71 million baht per project, representing a total value of not less than 4,800 million yen or 1,375.69 million baht (based on exchange rates at 28.6602 baht per 100 yen from the Bank of Thailand On May 17, 2018) to the Relocation Group, which is a company established under the laws of Japan (“Buyer”). The Company considers selling power plant projects in the form of selling shares in the Company’s subsidiaries, which is the owner of power plant projects Or by selling the assets of the power plant project

In addition, at the 8/2561 meeting, the Board of Directors approved the Company (Or a subsidiary of the Company) entered into a joint venture transaction with Rich Partners Company Limited (“Rich Partners”), a company established under the laws of Japan. (Or subsidiary of Rich Partners) in real estate projects Under the project named Riverside Tower (“Riverside Project”) located in Danang Vietnam, which is developed under the project owner company named Sun Frontier Investment Company Limited, a company established under the laws of Vietnam and on 21 August 2018, the company established a subsidiary of the company In Singapore under the name P PRIME SINGAPORE PTE. LTD. Which the company holds 100 percent of shares in that company to enter the Riverside investment project with the subsidiary of Rich Partners in Singapore

Subsequently, on 16 July 2018, according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2018, resolved to approve the restructuring plan. Establishment of a new subsidiary company (Thai

Luxe Enterprises (Thailand) Company Limited) to accept the transfer of aquatic animal feed and pet businesses By transferring part of business (Partial Business Transfer: PBT) which includes aquatic feed production, including shrimp feed production line and fish food and pet food production Engage in such business, license agreements and related investment promotion cards Including personnel related to all such businesses, which has already registered the establishment of Thai Luxe Enterprises (Thailand) Co., Ltd. on 18 September 2018, amounting to 1 million baht (100,000 ordinary shares of 10 baht per share). Shares or 99.99 percent of the registered capital

Note that during the period the company operates the aquatic animal feed business, it consistently and continuously develops the manufacturing process applying new technology. At present, the company was awarded the following certification standards:

1. Certification on management standards system ISO 9001:2015 from Euro Veritas Certification (Thailand) Co., Ltd.
2. Certification on environmental management standards system ISO 14001:2015 from Euro Veritas Certification (Thailand) Co., Ltd.
3. Certification on Good Manufacturing Practice for animal food production from the Department of Livestock Development, Ministry of Agricultural and Cooperatives.
4. Certification on hazard analysis Critical Control Points (HACCP) from the Department of Livestock Development, Ministry of Agricultural and Cooperatives.
5. Certification on agricultural and food products standards system Q Mark.
6. Certification on standards system ISO/IEC 17025:2005 from the Department of Science Service, Ministry of Science and Technology which is an international standards certification for assessing the technical capability of the operating room.
7. Received certification for good production standard and safety system compatible with

the Islamic concept (HALAL) at the Song Khla factory from the Central Islamic Council of Thailand.

8. Energy management system jointly with the Department of Alternative Energy Development and Efficiency, Ministry of Energy.
9. Received Best Aquaculture Practices Certification (BAP) for the factory producing shrimp feed from the Aquaculture Certification

Council, Inc. which is an independent US organization.

The company is the first aquatic animal feed manufacturer using the system GMP and HACCP even before the government announces the year 2004 as the Year of Safety. It can thus be proclaimed that the company is the leading producer of aquatic animal feed in Thailand.

Year	Important changes and development
1987	Established the company on 11 June to import shrimp feed from Taiwan and raise black tiger shrimp.
1989	Built aquatic animal feed factory and the factory to process frozen shrimp at Samut Songkram Province.
1990	Began producing shrimp feed for local distribution and processed frozen products for export and reduce import of aquatic animal feed.
1993	Add fish feed production line and was awarded an outstanding company for export of agricultural industry products in 1993.
1994	Converted to public company limited in February to sell common shares to raise capital from the general public and in September was approved to list the common shares in the Stock Exchange of Thailand.
1998	Ceased the production of processed frozen food due to economic recession in the country.
1999	Open a new factory in Petchaburi Province to produce aquatic animal feed and move shrimp feed production to the new factory. Invested up to 10% in SMP Food Products Co., Ltd. which produces processed frozen shrimp for local and overseas distribution.
2001	Awarded the quality standards certification system ISO 9002 from UKAS, United Kingdom. The factory is the first of its kind in Thailand to have been certified under ISO 9002.
2003	Awarded the quality standards certifications system ISO 9001:2000 from UKAS, United Kingdom and the shrimp feed factory was awarded the quality standard certification system GMP and HACCP from the Department of Livestock Development which is the first shrimp feed factory in Thailand to have received certifications from 2 systems and also received Q Mark certification from the Department of Livestock Development.
2004	Expanded fish feed production capacity at the Petchaburi factory and increased shareholding proportion in SMP Food Products Co., Ltd. by 11.43% to 21.43%.
2005	Reduced par value of common share from 10 baht to 1 baht and increased registered capital to accommodate warrant conversion to common shares by the company's directors and its staffs.

Year	Important changes and development
2007	The fish feed factory in Phetchaburi received quality standards for production system by GMP and HACCP from the Department of Livestock Development resulting in the company having received certifications on complete production system.
2008	Cease production of fish feed at the Samut Songkram factory to shift production to the Phetchaburi factory.
2009	Awarded quality certification system standards ISO 9001:2008 and changed the company's logo for sustainable development. The new logo reflects step by step progress towards the ultimate success, paying attention to the environment and the society.
2011	<ul style="list-style-type: none"> <li>● Increase registered capital to accommodate warrant conversion to common shares by the existing shareholders, company's directors and its staffs and to accommodate the issuance of Taiwan Depository Receipts: TDRs.</li> <li>● Began the aquatic animal hatchery business.</li> <li>● Awarded the Best Performing Company title and the senior management was awarded 'outstanding management' and are eligible to compete for the title "CEO Awards" in the SET AWARDS 2011 organized by the Stock Exchange of Thailand.</li> <li>● Increased shareholding proportion in SMP Food Products Co., Ltd. by 74.97% to 96.43% and changed the status from associate to subsidiary.</li> </ul>
2012	Awarded certification on environmental management standards system ISO 14001:2015 from Euro Veritas Certification (Thailand) Co., Ltd.
2013	<ul style="list-style-type: none"> <li>● Invested 100% in Thai D Meter Co., Ltd. to sell raw materials for producing animal feed.</li> <li>● Open a research and development center for aquatic animal feed at Samut Songkram Province to conduct research and development on food and specimen of economic aquatic animals.</li> </ul>
2014	<ul style="list-style-type: none"> <li>● Increased the proportion of shareholding in SMP Food Products Co., Ltd. to 97.79% and changed the name to Thai Luxe Food Products Co., Ltd. (presently MPP Food Service Co., Ltd.).</li> <li>● Awarded certification on standards system ISO/IEC 17025:2005 from the Department of Science Service with the scope on protein and fat in order to gain trust and creditability in the test outcome produced by the company's operating room.</li> </ul>
2015	<ul style="list-style-type: none"> <li>● Appointed ACM Pitthaporn Glinfueng as the Chairman of the Board.</li> <li>● In July, opened a new animal feed factory in Songkhla.</li> <li>● In August, signed an agreement as contract manufacturer of pet food jointly with Nutrix PCL.</li> <li>● Appointed Mr. Kittiphat Chollavudhi as the Chief Executive Officer.</li> <li>● Reduce shareholding proportion in Thai Luxe Food Products Co., Ltd. (presently NPP Food Service Co., Ltd.) to 55% and Nippon Pack (Thailand) PCL holds the balance 45% (of paid-up capital).</li> <li>● Established a new associate company, namely, NPP Food Incorporation Co., Ltd. to manage the A &amp; W restaurant. The company holds 45% in the company and Nippon Pack (Thailand) PCL, 55% (of paid-up capital).</li> <li>● Towards end of December 2015, the company's BOD had approved to invest in the geothermal electricity generating project which is anticipated to generate revenues in 2016.</li> </ul>

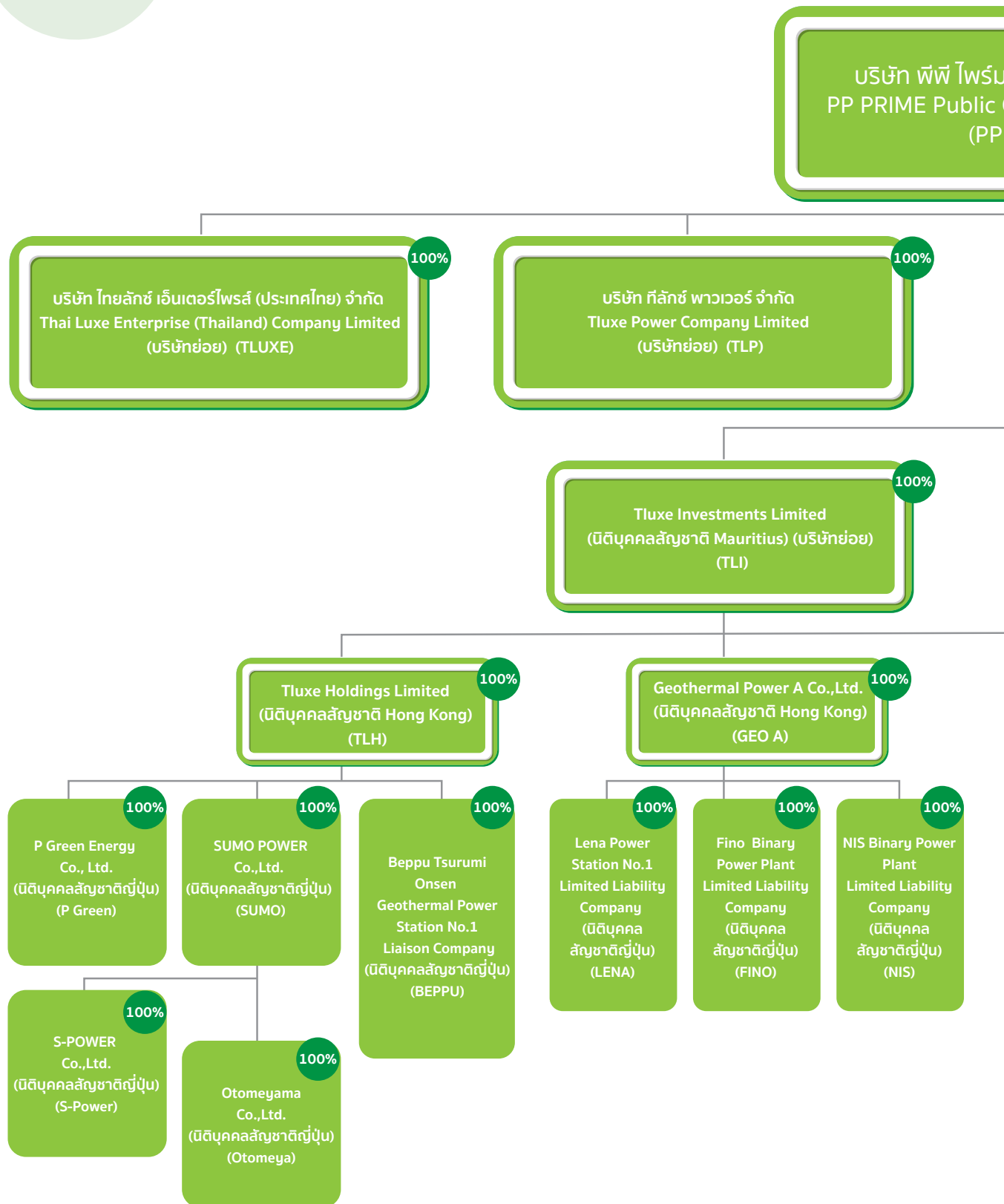
Year	Important changes and development
2016	<ul style="list-style-type: none"> <li>● In January, the extraordinary shareholder meeting approved to issue debenture within the limit of 1,500,000,000 baht.</li> <li>● In February, the company invested in the common shares of ACAP Advisory PCL (“ACAP”) in the value not exceeding 280 million baht and the company entered into an agreement to rent the People Park Project Onnut which is a home office project totaling 8 units for the rental period of 18 years to develop the pet food business to become PET CENTER or comprehensive service center for pet lovers (at the present the People Park project is in the middle of construction and the company shall begin to pay rent upon occupying the place).</li> <li>● In February, established T Luxe Power Co., Ltd., a Thai juristic entity. The company holds 100% share of its registered capital of 100,000,000 baht.</li> <li>● In April, established T Luxe Investment Co., Ltd., a Mauritius-based juristic entity with registered capital of USD 10,000.- 100% owned by T Luxe Power Co., Ltd., then established T Luxe Holding Co., Ltd., a Hong Kong-based juristic entity with registered capital of USD 10,000.-, 100% owned by T Luxe Investment Co., Ltd. to invest in the geothermal electricity generating business.</li> <li>● In May, the company acquired the business (4 geothermal electricity generating units) from PPSN Co., Ltd., a Japanese juristic entity.</li> <li>● In June, 2 geothermal electricity generating units began to commercially generate revenues (COD) and the company bought the business from Sumo Power Co., Ltd. (SUMO), a Japanese juristic entity which owns 8 units of geothermal electricity generating units. Furthermore, the company entered into a new agreement involving contract manufacturing of pet food jointly with Nutrix PCL.</li> <li>● In July, the company sold all the shares in Thai Luxe Food Products Co., Ltd. and in NPP Food Incorporation Co., Ltd. to Nippon Pack (Thailand) PCL.</li> <li>● In August, the company entered into a joint venture with Setouchi Natural Energy Co., Ltd. (Setouchi) via PPSN Co., Ltd. (PPSN) by establishing a new company, namely, M Luxe Energy Co., Ltd. (M-LUXE), a Japanese juristic entity. PPSN holds 25% in M-Luxe whereas Setouchi holds 75% of its registered capital of 10 million yen.</li> <li>● Towards year end, PPSN established Otoyama Co., Ltd. (100% owned by PPSN) and SUMO established S Power Co., Ltd. and SNS Power Co., Ltd. (100% owned by SUMO) applied to seek approval to manage the existing electricity generating projects.</li> </ul>
2017	<ul style="list-style-type: none"> <li>● In January, Khun Arporn Seniprakornkrai resigned from the directorship position.</li> <li>● In March, the company invested in 1 geothermal electricity generating project in Beppu, Oita Province via SNS Power Co., Ltd. (SNS Power).</li> <li>● In February, invested in wind turbine electricity generating project at Aomori, Japan totaling 5 projects.</li> <li>● In March, invested in wind turbine electricity generating project at Aomori, Japan totaling 1 project.</li> <li>● In April, approved to issuance and offering of debenture within the limit of 2,000 million baht.</li> <li>● In April, the Board appointed Dr Pongrak Jindasombatcharoen and Police Lieutenant Colonel Thienrath vichiensan as directors.</li> </ul>

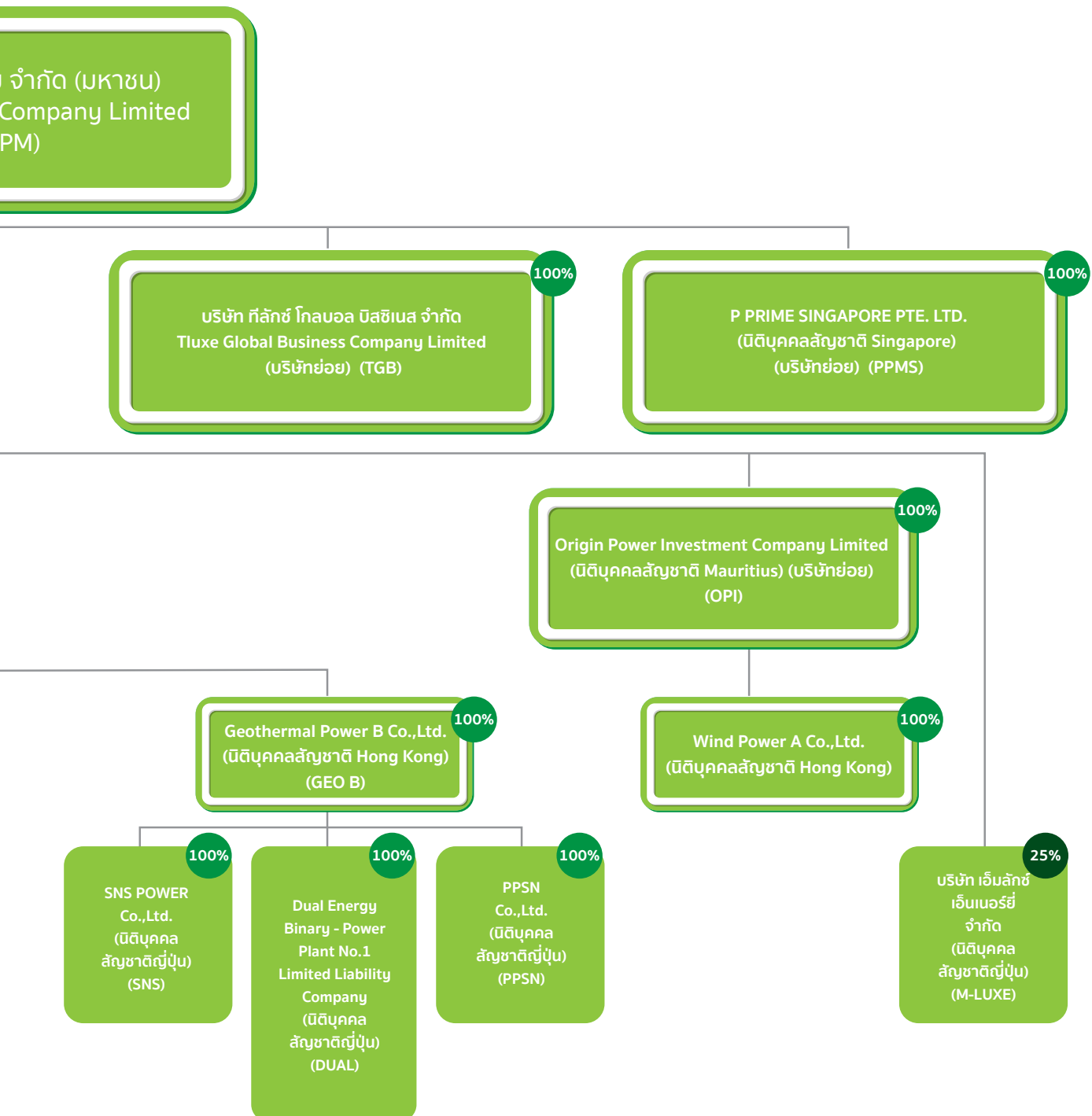


Year	Important changes and development
2017	<ul style="list-style-type: none"> <li>● In May, Dr. Denchai Akkradejdechachai resigned from his capacity as the Chairman of the Audit Committee but retain his executive director position and Police Lieutenant Colonel Thienrath Vichiensan replaces him as the Chairman of the Audit Committee.</li> <li>● In July, Khun Patcharada Juthapratheep resigned from the position of Vice President – Accounting &amp; Finance Division and was re-appointed as Vice President – Office of the Secretary to the Board of Director and the company appointed Khun Suwit Wannasirisook as her replacement.</li> <li>● In July, issue and sell debenture amounting 260.5 million baht.</li> <li>● In August, Khun Kittiphat Chollavudhi resigned from the position of Chief Executive Officer (CEO), a director, Managing Director and a director in all subsidiaries. The company then appointed General Chaowarit Prapajit as acting CEO and appointed Khun Suwit Wannasirisook to assume the position of company director, Managing Director and directors of subsidiaries in place of Khun Kittiphat Chollavudhi</li> <li>● In August, the company enter into share purchase agreement and control authority in Fino Binary Power Plant Limited Liability Company (FINO) (Japanese juristic entity) which operates 2 geothermal electricity generating plants.</li> <li>● In September 2017 the company enter into share purchase agreement and control authority in 4 companies as follow <ul style="list-style-type: none"> <li>- Beppu Tsurumi Onsen Geothermal Power Station No. 1 Liaison Company (BEPPU) (Japanese juristic entity) which operates 2 geothermal electricity generating plants.</li> <li>- NIS Binary Power Plant Limited Liability Company (NIS) (Japanese juristic entity) which operates 2 geothermal electricity generating plants.</li> <li>- Dual Energy Binary – Power Plant No. 1 Limited Liability Company (DUAL) (Japanese juristic entity).which operates 2 geothermal electricity generating plants.</li> <li>- Lena Power Station No. 1 Limited Liability Company (LENA) (Japanese juristic entity) which operates 2 geothermal electricity generating plants.</li> </ul> </li> <li>● In September, General Chaowarit Prapajit resigned from his position as deputy Chairman of the Board but retained his directorship position. Also appointed DR. Pongrak Jindasombatcharoen to the deputy Chairman of the Board position and appointed General Chaowarit Prapajit as the company's CEO.</li> <li>● In October, invested in P Green Energy Co., Ltd. (a Japanese juristic entity established in Japan).</li> <li>● In November, repaid principal of a debenture totaling 500 million baht (not include interest) (please refer to the issuance and offering of debenture on 18 February 2016 of 500 million baht).</li> <li>● In December, approved to invest in 9 geothermal electricity generating projects at Beppu, Oita Province, Japan.</li> </ul>
2018	<ul style="list-style-type: none"> <li>● In January, 20 projects were invested in wind power plants in Aomori, Japan.</li> <li>● In March, established Origin Power Investment Company Limited by Tluxe Power Company Limited (a subsidiary company) holding 100% of the registered capital. To arrange tax structure for investment in wind power plant projects</li> </ul>

Year	Important changes and development
2018	<ul style="list-style-type: none"> <li>● In May <ul style="list-style-type: none"> <li>- Resolved to approve the distribution of geothermal power plants for 15 projects</li> <li>- Joint investment in real estate projects in Vietnam with Rich Partners Company Limited under the project named “Riverside Project”</li> <li>- Repayment of debentures with interest of 386.2 million baht</li> <li>- In June, Mr. Pongrak Jindasombatchareon Resigned from the position of Vice Chairman of the Board of Directors, Chairman of the Executive Committee and Chairman of the Investment Committee And other sub-committees By appointing General Chaowarit Prapajit to be the Vice Chairman of the Board of Directors, Chairman of the Investment Committee instead</li> </ul> </li> <li>● In July <ul style="list-style-type: none"> <li>- The shareholders’ meeting resolved to transfer some business (Partial Business Transfer: PBT) in the business of animal feed production to a newly established subsidiary (Thai Luxe Enterprises (Thailand) Company Limited)</li> <li>- The shareholders’ meeting resolved to issue and allocate the warrants to purchase the newly issued ordinary shares of the Company to the existing shareholders of the Company. According to the shareholding proportion at the rate of 4 to 1, amount not exceeding 140,762,672 baht</li> <li>- The shareholders’ meeting resolved to issue and offer and allocate Newly issued convertible debentures and granting the right to convert into ordinary shares of the Company to private persons (Private Placement) which are major investors and / or institutional investors With the offering value not exceeding 980,000,000 baht</li> <li>- The shareholders’ meeting resolved to reduce the registered capital of the company to 563,050,687 baht</li> <li>- The shareholders’ meeting resolved to increase the registered capital of the company to 843,813,359.baht.</li> </ul> </li> <li>● In August, Mr. Nasu Chunsom took up the position of Director, Executive Director, Chief Executive Officer (Joint), Investment Committee.</li> <li>● In September <ul style="list-style-type: none"> <li>- Mr. Suwit Wannasirisook resigned from the position of Director, Executive Director, Director of all subsidiaries and Chief Finance Officer By appointing Ms. Nasu Chunsom as the Chief Finance Officer</li> <li>- Change the company name from the former Thai Luxe Enterprises Public Company Limited to change to PP Prime Public Company Limited, change the symbol abbreviation, change the logo and the company’s seal To comply with changing the company name</li> <li>- Thai Luxe Enterprises (Thailand) Company Limited is registered as a Thai legal entity. Which the company holds 100% of the registered capital, registered capital of 1,000,000 baht (which is a subsidiary of the company To accept the transfer of part of the business of the company</li> </ul> </li> </ul>

# Business Structure





## Nature of Business

### Income Structure

Income	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Income from the sale of animal feed	1,501.29	67.02%	1,790.73	95.48%	1,984.35	93.54%
Income from the sale of frozen food	-	-	-	-	-	-
Income from farming	-	-	-	-	-	-
Income from electricity sale	10.00	0.45%	31.60	1.68%	76.63	3.61%
Others	-	-	-	-	-	-
<b>Total income from sales</b>	<b>1,511.29</b>	<b>67.46%</b>	<b>1,822.33</b>	<b>97.16%</b>	<b>2,060.98</b>	<b>97.15%</b>
Received Interest income	39.43	1.76%	26.20	1.40%	8.74	0.41%
Gain on investment in securities	649.04	28.97%	4.82	0.26%	1.60	0.08%
Gain on disposal of investment in subsidiaries	-	-	-	-	4.53	0.21%
Gain on disposal of investment in joint ventures	11.11	0.50%	-	-	-	-
Other income	21.00	0.94%	-	-	-	-
Total income	8.31	0.37%	22.17	1.18%	45.60	2.15%
<b>Total income from sales</b>	<b>2,240.18</b>	<b>100.00%</b>	<b>1,875.52</b>	<b>100.00%</b>	<b>2,121.45</b>	<b>100.00%</b>

## Product Description or Service

### FOOD

#### Animal Feed Business

Animal feed business is divided into 2 main parts: production line of shrimp feed, production lines of fish feed and pet feed. Currently, the factory is located in Phetchaburi province. It is a fully integrated factory, starting from raw material procurement, manufacturing and distribution with a shrimp feed production capacity of 80,400 tons per year, with fish and pet feed production capacity of 61,000 tons per year. Each production line is composed of shrimp feed production, fish feed production and pet feed production. The Company classifies the production lines according to its own products, including the storage of raw materials separately. This is to maximize the efficiency in the production and storage of raw materials for each product. Other management functions are centralized in many areas such as sale and marketing, procurement, quality assurance departments, etc.

Animal feeds are produced in the granular form from the agricultural products such as fish meal, wheat flour and soybean meal, etc. and they are produced by controlling the recipes and the production in every step are performed by modern machinery to obtain the equal quality of animal feed within the specified standards.

The Company has a research and aquaculture development center at Samut Songkhram province to increase the capacity of research and development of aquaculture products and to response with the change in food technology all the time together with the development of food recipe for aquatic animals to allow a high growth rate per day (ADG) and low feed conversion ratio (FCR) (FCR is the efficient rate to feed in low quantity but obtaining the better weight of fish).

The Company has set up a new animal feed factory in Songkhla province and it has begun to produce and sell animal feed since the second quarter of the year 2015 with a shrimp feed production capacity of 60,000 tons per year and a fish feed production capacity of 72,000 tons per year, which begins the production of food to support the market expansion in the southern part and Malaysia.

#### Capacity Management

The Company has two production factories for animal feed at Phetchaburi province and Songkhla province. The production plan is to support the production order capacity and response the needs of market continuously to avoid the over-capacity or under-capacity and to manage the increase or decrease orders to be consistent and suitable with current production capacity.

Animal feed products are divided into

1. Shrimp feed products are 3 types:
  1. Black Tiger Shrimp under the brand name “Thai Luxe Gold Thai Luxe Lucky Speed”
  2. Vannamai White Shrimp under the brand name “Vanna Thailuxe Work”
  3. Supplementary Shrimp Feed under the brand name “Thai Luxe Pro Choice”
2. Fish feed products are available in 6 types and 1 type of frog feed which are:
  1. Catfish Feed under the brand name “Thai Luxe, Lucky Work Speed and Pro Choice”
  2. Tilapia Feed under the brand name “Thai Speedway and Speedway”
  3. Herbivore Fish Feed under the brand name “Thai lux and work”
  4. Sea Bass Feed under the brand name “Thai Luxe”



5. Trichogaster pectoralis Fish Feed under the brand name "Thai Luxe"
6. Frog Feed under the brand name "Thai Luxe"
3. Pet Feed Products that are made by order such as dog feed, cat feed, beautiful fish feed and bird feed.

## FARM

### Aquaculture for Research and Product Development

The concept of aquaculture is focused on research and development of good products by adopting various technologies and technologies to find out how to prevent plague in aquatic animals. This can be achieved by focusing on Biotechnology farming and avoiding the use of drugs and chemicals for sustainable aquaculture including the contamination protection system of various pathogens and the vectors that cause the contamination of pathogen and damage to the production of Bio-security. This will be a sample farm for interested farmers.

At present, there are areas for aquaculture. By improving of the Company's aquaculture farms at Tambon Khlong Khon, Samut Songkhram Province on the area more than 240 Rai, the area is used for aquaculture for research and development of the Company's total of about 72 acres to develop farming systems and international standards in order to meet the demand for fish consumption for health today under the good and effective farm management

### Investment encouragement

PP Prime Public Company Limited (formerly Thai Luxe Enterprises Public Company Limited) is granted by tax privileges under the Investment Promotion Act with the approval of the Board of Investment under the promotion certificate as follows: Certificate No. 2091 (2) / 2011 on August 31, 2011 for the production and distribution of aquatic animal feed under some terms and conditions. The privileges include the exemption from personal income tax. The net profit from the promoted business for a period of 8 years started from the date of commencement of business operation (June 1, 2012). The excess value of personal income tax that is exempted shall not more than the value of investment excluding land property and working capital. The reduction of import duty for machines is approved by the board and the exemption of income tax for dividends paid to shareholders. This is paid from the profits of the promoted business throughout the period of exemption from corporate income tax.

In addition, the Company has received the promotional privileges from the Board of Investment No. 1856 (2) / 2013 on June 19, 2013 and the promotional certificates No. 1131 (2) / 2015 on February 4, 2015 for the production and distribution of aquatic animal feed under the specific terms and conditions including the exemption of corporate income tax for the net gain from promoted businesses for a period of 8 years starting from the date of commencement of the business (For Certificate No. 1856 (2) / 2013 No income and for Certificate No. 1131 (2) / 2015 will commence on April 30, 2015). The exempted corporate income tax amount shall not exceed the value of investment excluding land property and working capital. The reduction of import duty for machines is approved by the board and the exemption of income tax for dividends is paid to shareholders. This is paid from the profits of the promoted business during the period of exemption from corporate income tax and is allowed to be deducted by the investment in the installation or 25% of the investment, in addition to normal depreciation.

## FUTURE

### Geothermal Power Plant Business

As mentioned above, the company Considered investment in geothermal energy business in Japan Has an investment structure that can receive benefits under the Double Tax Convention The investment in the geothermal power plant (FUTURE) enables the company to establish TLUXE POWER in Thailand. To conduct energy business and structuring for TLUXE POWER to hold shares in Tluxe Investment Company Limited (a subsidiary) 3 companies, namely Tluxe Holding Company Limited (subsidiary), “TLUXE HOLDING”, Geothermal Power A Company Limited (subsidiary) “GEO A” and Geothermal Power B Company Limited (subsidiary) “GEO B “(Hong Kong nationality entity) to hold shares in Companies that operate power plants, geothermal in Japan.

After conducting a geothermal power plant, the company foresees the business opportunity for joint development of land in Beppu. Oita Prefecture in Japan for offering to those interested in the geothermal power plant, therefore, jointly invested with Setouchi Natural Energy Company Limited (Setouchi), which owns the said area. Establishment of a new entity named M-LUXE ENERGY Co, Ltd (“M-LUXE”) with a subsidiary in Japan named PPSN holding 25% of shares and Setouchi holding 75% of the registered capital of 10 million yen and the Company has paid an investment of approximately 8 plots of land amounting to 200 million yen in the form of loans and carries interest at a rate of 3 percent per annum which is determined from the cost of the company’s investment at that time and compared with the loan interest Of financial institutions in Japan At present, the new shareholding structure has been established, with Tluxe Power Company Limited (“TLP”) holding shares in the same ratio as PPSN Company Limited (PPSN).

### Real Estate Business (In Vietnam)

The company (or its subsidiary) joins with Rich Partners Co., Ltd (“Rich Partners”), a company established under the laws of the country Japanese (Or subsidiary of Rich Partners) in mixed use projects under the name project Riverside or Riverside Tower (“Riverside Project”) is located in Danang, Vietnam. The project is developed under Project owner company named Sun Frontier Investment Company Limited or Sun Frontier Investment Co., Ltd. (“Sun Frontier Investment”), which is a company established under the laws of Vietnam And for tax benefits. On 21 August 2018, the Company established a subsidiary of the Company. In Singapore under the name P PRIME SINGAPORE PTE. LTD. Which the company holds 100 percent of shares in that company to enter the Riverside investment project With the subsidiary of Rich Partners in Singapore

### Marketing and Competition

The characteristics of company’s customers and distribution channels can be classified into the following categories: Aquaculture and geothermal energy business. The details are as follows.

#### Aquatic Feed Business

##### 1. Customer characteristics

Currently, the group of customers is domestic, focusing on aquaculture farmers and distributors of the Company in each province. The proportion is as follows.

The Company's main target customers are composed of 2 groups:

1. 70% of sales agents in each province
2. 30% of aquaculture farmers

## 2. Distribution channels

The Company sells products through distributors and other animal feed companies which are distributed all over the country (dealers) and sold directly to farmers who own the farms or farmers who group as clubs or co-operatives. However, all distribution will be made through the following offices and distribution agents of the Company.

The Company has 3 offices and 2 distribution channels of aquaculture animals as follows:

1. Head Office  
69/5 Moo 5, Rama 2 Road (Km 71), Tambon Bang Khanan, Amphoe Mueang, Samut Songkhram Province 75000
2. Petchaburi Office and production factory  
62 Moo 2, U-Tapao Road, Nong Chumphon, Khao Yoi, Phetchaburi 76140
3. Songkhla Office and production factory  
98 Moo 13, Petchkasem Rd., Km 1232, Bang Rieng, Khuan Niang, Songkhla 90220
4. Distribution center for 2 unit and distribution centers 1 units

East	1. Distribution Center Chantaburi province
Southern Gulf of Thailand	2. Distribution Center Surat Thani province
Southern Andaman Coast	3. Distribution Dealer in Takua Pa (Phang Nga)

## 3. Marketing Strategy of aquaculture products

### Marketing Strategy of shrimp feed products

Market leaders of shrimp feed products are about 2-3 companies with a market share of 35-40% (based on MD and FMD data, Department of Fisheries, 2017), followed by medium-sized companies with 5-6 companies. Market share is between 4-8% with a combined share of approximately 30% -35% of total shrimp feed sales.

The Company is medium-sized. In addition, there are small companies since the market leader monopolizes the market by adopting a quality breed strategy followed by the use of monopoly company feed. Farmers have no choice because they want their breeds to grow fast. This is very much accepted by the farmers. As a result, the market for this type of business is highly competitive. Therefore, the shrimp sales department has set up a comprehensive marketing strategy, allowing the customers are partners with the Company such as white shrimp and black tiger shrimp, quality of food, quality and export markets.

### Marketing strategy for fish feed products

The market leaders of fish feed products are 4 companies with a combined market share of 45-50% of total fish feed sales. Secondly, medium-sized companies are between 6 and 7 percent of the total market share, accounting for 25-30 percent of total fish feed sales. Small companies or OEMs have a combined market share

of around 25-30% of total fish feed sales. Information from the Agricultural Information Development Board (in September, 2017).

The Company is located in a medium-sized company since the market leader has a strategy by offering price insurance to insure fish prices at the farms for farmers. It is popular with farmers because they reduce their risks of fish price reduction. Therefore, the fish sales department has set up a comprehensive marketing strategy, allowing the customers are partners with the Company such as quality fish breed, quality feed and markets definitely buy the products.

The Company mainly focuses on the quality of its products and services. Customers can be assured that the Company's products contain ingredients, property, and nutrition according to the product label. Although occasionally the raw material price is increased, the Company still focuses on producing products to provide farmers with quality products suitable for aquaculture. Although, the price of feed cannot be adjusted and animal feed is a commodity that the price must be controlled by the Department of Internal Trade. As for the delivery service to customers, the Company focuses on the freshness and the new products by increasing the direct delivery from the factory to the customer and also having agents/ distribution centers to support the customers for three locations throughout the country to handle the customers more thoroughly and more convenient.

It also focuses on the production of quality products and standards according to the Company policy, manufactured by efficient machines and advanced production technology as well as the product inspection in every step. This allows the Company's products to be certified for world-class quality

## Geothermal power plant business

The geothermal power plant business that the Company invests is the energy business, which is the basis of today's world. When performing according to the legal process, the Company will receive an electricity sale contract with a large-scale private electricity buyer in Japan with a price of 40 yen per kilowatt (The price is not included for Tax) for 15 years (starting from the date distributing to the COD). After expiry date, the price will be reduced by the notification of Ministry of Economy, Trade and Industry (METI) at that time. Therefore, the Company does not need to perform any marketing strategy or competition because it is a monopoly power contract under METI's policy.

The Company has seen an opportunity to generate revenue and diversify the risk of business. The Company has invested in such renewable energy plants.

As for the development of land with facility to be ready to sell to the interested investors of geothermal power plant business of the M-LUXE project, It is a joint venture with Setouchi Natural Energy Company Limited (Setouchi) specialized in this business and they sets up an corporate called M-LUXE Company Limited ("Japanese Company"), where PPSN company limited holds 25% and Yi Co., Ltd. holds 75% of the registered capital of 10 million yen. The Mlux Energy Company Limited is an associate of the Company. The project has specific customers who are interested in the geothermal power plant business

In the year 2018, the Board of Directors meeting approved the Company Distribution of 15 geothermal energy projects ("Power Plant Project") with a purchase price of 320 million yen per project or approximately 91.71 million baht per project, representing a total value Total not less than 4,800 million yen or 1,375.69 million baht

## Real Estate Business (In Vietnam)

Economic growth (GDP) in Vietnam in 2018 was 7.1% due to the expansion of the service sector, which was driven by private consumption and the number of foreign tourists increasing by an average of 20% per year. Foreign direct investment (FDI) increased by 9%, worth over US \$ 19 billion.

Da Nang Indicators	2H/2018
GDP Growth Rate	7.1%
Total Visitors Growth Rate YoY	12%
International Visitors Growth Rate YoY	20%
Disbursed FDI Growth Rate YoY	9%
Apartment Average Absorption Rate	34%

According to research results revealed that in 2018, the real estate market in the city along the coast of Vietnam Like Danang With a variety of landscape conditions Has developed to grow and have a price that is rising rapidly As a result of the continuous increase in population, in 2017 it was estimated at 1.07 million people and is expected to increase to 1.4 million by 2020. Tourism increased by an average of 20% per year. The target for tourists in 2020 of Danang is about 8 million people, or an increase of 14% per year. The growth of the population directly affects the growth of the property market that requires accommodation Live higher and tourism is therefore a driving force for Danang's property market to stand out.

Danang, Vietnam Therefore becoming an important investment city of real estate Can be seen from the second half of 2018, the increasing number of residential properties, about 2,400 units, from 8 real estate projects in Danang city from the government's promotion In the area of good infrastructure in Danang to attract more domestic and international tourists Therefore, the real estate market in Danang Vietnam is constantly growing. Therefore is an interesting investment channel in the long term of investors

Population growth from 2013 to 2017 is growing at around 1.9% per year. The population in 2017 is approximately 1.07 million people and is expected to increase to 1.4 million by 2020. Population growth supports higher residential demand.

Buyer needs From the original real estate project With a high sales rate in Danang The type that buyers want is a 1 and 2 bedroom suite with modern design. And the price is not very high Including support from the bank And have facilities Which are important issues such as food and beverage services, swimming pools, gyms, tennis, retail stores, parking spaces, children's areas, etc.

## Trend and Industrial condition

### Aquatic Feed Business

#### Shrimp feed market and shrimp industry trend

The situation of the country's shrimp year 2018 that the total shrimp production in 2018 is approximately 290,000 tons, down from 3% in 2017, expected in 2019 to produce shrimp. 310,000-320,000 tons. "Estimated Thai shrimp production in 2018 is 290,000 tons (33% is from shrimp production from the lower southern region, 29% from the upper southern region, 24% from the eastern region and 14% from the central region. order). Compared to the year 2017, the production of 300,000 tons of shrimp is considered to be slightly reduced. This is a result of inclement weather, diseases and shrimp prices that are inconsistent / low. The global shrimp production is estimated to be around 3.2 million tons, up 15 percent. This is the year that many countries such as Ecuador, Vietnam, Indonesia, etc. have increased shrimp production India, the first half of the year, the output spilled a lot. Is a major cause affecting the price of shrimp products in the country and the competitiveness of Thai shrimp in the global market The shrimp export data for January-October this year amounted to 143,129 tons, worth 45,545 million baht compared to the same period of 2017, which exported 167,418 tons, worth 56,105 million baht, decreased both in volume and value At 14.51 percent and 18.82 percent respectively

Thai shrimp industry this year may not look good. However there is still a chance that Thai shrimp industry will recover. Especially from the impact of the trade war between the United States and China, resulting in China moving more production bases overseas Thailand is the first country In China to pay attention because various systems are ready and favorable for investment. However, the shrimp industry needs to be adapted. Farmers sector must focus on raising quality shrimp instead of targeting the amount of production. Large size party to price Because we are unable to compete with the small size shrimp of competing countries With the potential of the best quality shrimp balls in the world From fast-growing species that are disease free

In addition, not using antibiotics or chemicals prohibited in raising Is the strength of Thai shrimp that is superior to the competitors And accepted by importers and consumers. In the past, Thai shrimp products had never been detected and returned from these problems. We must focus on marketing high-end products that require quality products. Importantly, the government sector must help to promote proactive public relations continuously. To the world to recognize the good image of Thai shrimp "The best Thai shrimp in the world" with premium quality Food safety (Food Safety is best compared to other places). Including providing opportunities for small shrimp farmers to access funding sources Enhancing liquidity for the manufacturing sector, export sector and various related sectors etc.

#### Fish feed market and fish feed industry trend

The volume of tilapia production in 2018 is expected to increase. Due to the amount of water in the reservoir And the Lam Klong River Higher than last year causing sufficient amount of water for raising in the year. The farmers can expand the area and increase the rate of release. As well as increasing the cycle of tilapia farming In addition, the Department of Fisheries has a project to promote tilapia farming in many areas. In addition, farmers have nursed large fish before feeding into the pond to increase the survival rate. Resulting in the output per rai and the tilapia production in 2018 continues to increase Compared to 2017



The fish food industry trend in 2019 is expected that the situation of fish farming is still an oversupply in some areas. And fish lacking in some customers all fish prices will be the main factor affecting the fish farming direction in 2019. In addition, the competitive situation still exists. Fish food sales situation Expected to be able to continue to market under highly competitive situations because the same customers who have purchased fish food increased Opening more markets in the target customers including the marketing of meat-eating seafood which will be able to generate sales continuously throughout the year

## **Pet feed market**

Due to the overview of pet feed Industry, the Company continues to receive production orders in form of making by order (OEM). It can support the production volume in both factories in Phetchaburi and Songkhla province. The trend of pet business continues to grow according to the behavior of people in society that more likely to take care of pets.

## **Geothermal power plant business**

In year 2011, there are earthquake and tsunami in Japan. As a result, the nuclear power plant explodes and there is a leakage of over-regulated radiation. The Japanese government must evacuate all citizens from the surrounding areas of the power plant. The Government of Japan has a policy to support the use of renewable energy as a clean energy more. In year 2012, the Japanese parliament passed a law on special measures for the procurement of electricity from renewable sources by electricity producers (Act on Special Measures Concerning Procurement of Electricity from Renewable Energy by Electricity Utilities). The purpose is to promote the use of renewable energy sources. This is an important factor in producing stable and appropriate energy for the economy and social environment in Japan and in the world. It also reduces the environmental costs that are rising from the production of energy. Here, renewable energy sources under this law cover the solar, wind, hydropower, geothermal and biomass energies. By this law, once electricity is produced from renewable energy sources by power generation equipment and production methods approved by Ministry of Economy, Trade and Industry (METI) as specified suppliers. These power producers can make a contract for Power Purchase Agreement (PPA) and request a connection to the electrical distribution system of the manufacturer using the PPA of METI called “Feed-In Tariff”. The power producer is obliged to enter into a contract with the specific power producers based on a fixed electricity tariff and it is a long-term contract with the government as a guarantor. From July 2012 onwards, many domestic and foreign renewable energy producers have entered into the market of electricity from renewable sources since the Japanese government has set a relatively high electricity purchase rate, such as the purchase price of electricity at 40 yen per kilowatt-hour (Excluding VAT) for geothermal power producers that are smaller than 15 megawatts.

In year 2012, METI stated in the document “Feed-In Tariff Scheme in Japan” that Japan has the world’s third largest of geothermal energy resource for 20,540 MW which is less than Indonesia at 27,791 MW and USA at 23,000 MW. However, Japan uses only 10% of its energy resources because it has installed geothermal power only 0.54 million kilowatts. Japan has much more potential to generate electricity from geothermal energy.

From the website of Asia Biomass Office of New Energy Foundation of Japan, geothermal power generation from hot springs requires knowledge of local geological conditions. It takes at least 10 years to explore the right resources, Environmental Impact Assessment and the construction of the power plant. Therefore, the electricity from the hot springs which is already used can save the budget and it can be started in a much shorter time.

Because the temperature of the hot springs is below 100 degrees Celsius, the steam cannot be used directly for turbine rotation compared to geothermal power plants with higher temperatures. Hot spring power plants require a two-cycle generator or “Binary Power Generation” by passing hot water into a heat exchanger to heat the second liquid with a low boiling point such as ammonia, freon, isobutaneisopentane, etc., which then becomes vapor and then enters the turbine and returns to the new heat exchanger. As for the hot water, after transferring heat to the second liquid, it will condense and be injected back into the energy source”

Asia Biomass Office also compares electricity production from solar power that the construction is widespread in Japan with the electricity from the hot springs. It is found that the use of solar energy is at a rate of 12%, while the use of heat from the hot spring is about 70%, so it is the more stable electricity generator.

The Company will receive a power purchase agreement with a major private power producer in Japan for 40 yen per kilowatt (Excluding VAT) for 15 years. After the expiry date of contract, the price will be reduced by the Ministry of Economy, Trade and Industry, or the Ministry of Economy, Trade and Industry (METI) at that time.

## Real Estate Business (In Vietnam)

From the second half of 2018 onwards, there will be approximately 2,400 units from 8 projects in Danang City, scheduled to launch the Courtyard by Marriott project developed by Alphanam

Expected to be launched in 2018, In Hai Chau district, it is expected to be a large project in the future with 7 projects, approximately 2,400 units due to the large land size. And having a good performance in the previous quarter. Son Tra has one upcoming project, Harmony Tower and there are no future projects listed in Ngu Hanh Son or Thanh Khe because the land is limited. Which restricts the development of large projects.

Among the 1 in 8 well-known projects, only the Courtyard by Marriott project is in the basic stages. The Da Nang Center, Vien Dong Meridian Tower, Han Riverside and Golden Square are not yet scheduled for launch

### Future Da Nang apartment projects

No.	Project	District	Estimated units	Expected Launch Date
1	Courtyard by Marriott	Hai Chau	224	2018
2	Harmony Tower (Block C)	Son Tra	N/A	Onwards
3	Da Nang Center	Hai Chau	204	Onwards
4	The Sunrise Bay	Hai Chau	N/A	Onwards
5	Vien Dong Meridian Tower	Hai Chau	662	Onwards
6	D’evelyn Tower	Hai Chau	396	Onwards
7	Han Riverside	Hai Chau	544	Onwards
8	Golden Square	Hai Chau	372	Onwards
	<b>Total</b>		<b>2,402</b>	

Source: Savills Research & Consultancy

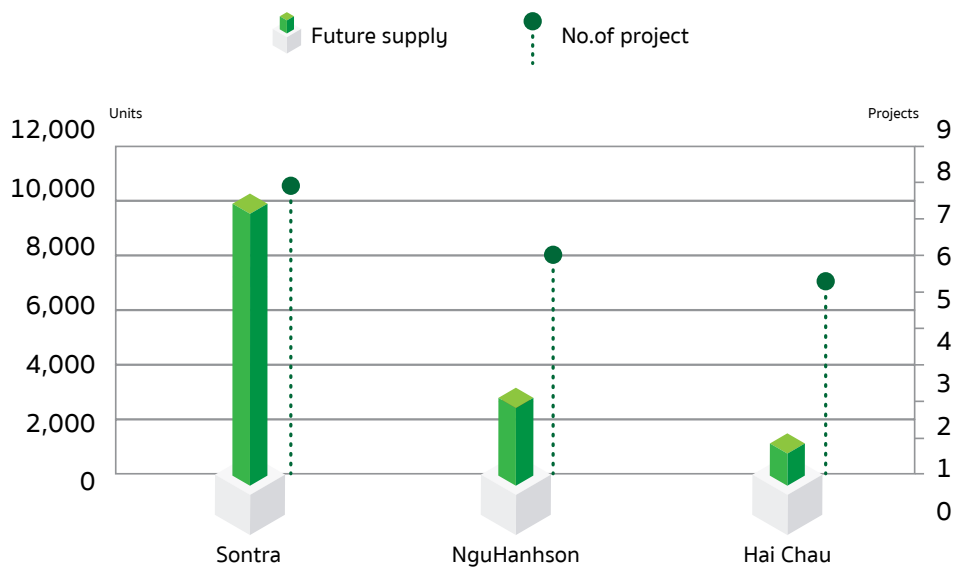
The apartment market is developing and improving the infrastructure to support the growing area. Especially near the HAN River Tunnel construction project

From the development planning of Danang, the area in the south that has eco-town development goals will be more attractive. Southern transportation system. That will be improved in the near future Will be able to meet the needs of the area more

Property market in Danang Still has great potential which the supply is expected to increase General target buyers are expanding including investors important criteria also include reasonable prices. And the reputation of the developer Sales policy and marketing techniques often have promotions to increase incentives for buyers such as gifts, gift certificates, furniture packages and more Developers are committed to more research. To meet the needs of buyers

During the real estate market growing Developers will find new methods and sales techniques. Through design and pricing to meet the needs of the buyers group In the future, developers will focus on design that combines modern and traditional. Focus on having more green space and interior decoration

Future supply by location, 2018 onwards



Source: Savills Research & Consultancy

Tourism in Danang has grown considerably over the past few years. From 2011-2015, the number of tourists increased by an average of 20% per year and targeted about 8,000,000 tourists in 2020 or by 14% per year.

According to the master plan of Danang Will become the center of history and tradition the north and east coast will head to the new resort. The southern region will build and develop urban areas in conjunction with ancient sites. Tourism growth is a driving force for the resort’s property market to remain a highlight. In addition, having direct flights to Danang Also contribute to the development of tourism in Danang Project with golf course Or near the mountain Beach and river Tend to be able to attract more buyers The room size is 1 and 2 bedrooms, suitable for rental. Including famous entrepreneurs will affect the purchase price and the decision of the buyer. Due to the convenience and identity of the product, delivery “Ready to use” with furniture package and decorative accessories Expected to be more popular with the property market growing steadily And Danang is an attractive investment channel for long-term investors. Condotel project in Danang Both present and future will face increased competition.

Based on the information of the construction requirements made by the developer And comparable apartment projects in Danang Found that the 2 bedroom unit is the size that is appropriate Project recommendations should be 1 and 2 bedroom suites as buyers have the ability to pay.

#### Unit mix parameters

4F ~ 21F	Unit type	No. of bedrooms	Unit size (m2)	No. of units	Proportion
Condo 1	A1	2 bedrooms	58.6	36	13%
	A2	2 bedrooms	58.6	18	6%
Condo 2	2Ba	2 bedrooms	73.2	36	13%
	2Bb	2 bedrooms	78.2	54	19%
	2Bc	2 bedrooms	80.0	108	38%
	3Bb	3 bedrooms	102.7	36	13%
Total				288	100%

Source: Developer

#### Unit mix of comparable projects

No.	Project	Area (m <sup>2</sup> )	Proportion
1	RISEMOUNT APARTMENT		
	1 bedroom	47-54	25%
	2 bedrooms	68-91	73%
	3 bedrooms	121-140	2%
2	ALPHANAM LUXURY		
	1 bedroom	58-66	22%
	2 bedrooms	73-102	78%
3	INDOCHINA RIVERSIDE TOWER		
	1 bedroom	49-62	24%
	2 bedrooms	63-99	64%
	Penthouse	N/A	8%
4	AZURA - WTC		
	1 bedroom	65	18%
	2 bedrooms	94-124	78%
	3 bedrooms	124-208	4%

Source: Savills Research & Consultancy

## Procurement of Products or Services

The Company has two manufacturing factories located at

- The Petchaburi factory No. 62 Moo 2, U-Tapao Road, Nong Chumphon Sub-district, Khao Yoi District, Phetchaburi 76140 Tel. 0-3289-9881-4 Fax. 0-3289-9985 is a shrimp feed factory with a capacity of 80,400 tons per year and the fish and pet feed factory with a capacity of 61,000 tons per year.
- The Songkhla factory No. 98 Moo 13, Petchakasem Road, Km 1232, Bang Rieng, Khuan Niang, Songkhla 90220 Tel: 074-890-765-7 Fax: 074-890-769 has a capacity of fish and livestock feed at 72,000 tons per year and shrimp feed at 60,000 tons per year (shrimp feed will be commenced in year 2017).

The Company has set the production policy for the factories as follows:

1. Produce quality products and meet the needs of customers.
2. Maintain production standards and quality in accordance with the quality policy of the Company.
3. Selection of new and good quality raw materials to produce fresh products.
4. Use advanced technology to develop production systems.
5. Reduce the amount of loss in the production process to the minimum.
6. Use the full capacity of machine.
7. Compliance with ISO 9001: 2008, ISO 14001: 2004, HACCP, GMP and ISO / IEC 17025: 2005 and BAP.

## Summary table of production capacity and quantity of aquatic animal feed production from years 2016 to 2018

### Phetchaburi Factory

#### Shrimp feed

	2016	2017	2018
Shrimp feed production capacity (Ton)	80,400	80,400	80,400
Actual Production (Ton)	11,073	18,751	23,775
Production capacity use (%)	13.77	23.32	29.57
Production capacity increase rate (%)	-2.66	69.34	26.79

#### Fish and Pet feeds

	2016	2017	2018
Fish and Pet feed production capacity (Ton)	61,000	61,000	61,000
Actual Production (Ton)	40,518	38,372	35,991
Production capacity use (%)	66.42	62.91	59.00
Production capacity increase rate (%)	-17.26	-5.30	-6.21

#### Total Capacity Output of Phetchaburi Factory

	2016	2017	2018
Feed production capacity (Ton)	141,400	141,400	141,400
Actual Production (Ton)	51,591	57,123	59,766
Production capacity use (%)	36.49	40.40	42.27
Production capacity increase rate (%)	-14.52	-10.72	4.63

## Songkhla Factory

### Shrimp feed

	2016	2017	2018
Shrimp feed production capacity (Ton)	60,000	60,000	60,000
Actual Production (Ton)	56	-	3,044
Production capacity use (%)	0.09	-	5.07
Production capacity increase rate (%)	0.09	-100.00	5.07

### Fish and Pet feeds

	2016	2017	2018
Fish feed production capacity (Ton)	72,000	72,000	72,000
Actual Production (Ton)	13,097	15,431	14,197
Production capacity use (%)	18.19	21.43	19.72
Production capacity increase rate (%)	92.80	17.82	-8.00

### Total Capacity Output of Songkhla Factory

	2016	2017	2018
Feed production capacity (Ton)	132,000	132,000	132,000
Actual Production (Ton)	13,153	15,431	17,241
Production capacity use (%)	9.96	11.69	13.06
Production capacity increase rate (%)	93.63	17.32	11.73

*\* Commenced in year 2015*

As for capacity management, the Company has two feed factories in Phetchaburi and Songkhla provinces. The production plan is to support the production and meet the needs of the market continuously to avoid over-capacity or lower-capacity and manage to receive more or less orders consistent and suitable with current production capacity.

## Reduction of the impact of production processes that may affect environment

In addition to emphasis on quality and manufacturing standards, the Company also pays attention to environmental maintenance very well. The factory of company complies with the requirements of factory inspection division and environment department, Ministry of industry all the time and strictly in the field of industrial waste treatment and natural wastewater treatment including other operations as follows:

1. Modify the operation such as opening raw material bags. Originally, the bags are cut in which they will become garbage. Now the bags are opened so that they can be reused.
2. Waste separation from the production process of hazardous waste (chemicals) to be disposed according to the standards of Department of Industrial Works to reduce environmental pollution.
3. The installation of Jet filters in the production process to prevent dust spread in the production process affecting the neighboring communities.
4. Installing the odor removal system by spraying water to absorb odors and pass it through the cooling system before release to outside.



5. Continuous process improvement to reduce the amount of energy used to warm the machines.
6. Installation of wind turbines in front of the Company to bring the wind energy replacing electricity consumption.
7. Installation of solar cells in wastewater treatment tank to produce electricity for aerator for wastewater treatment.
8. Installing the RO system to produce water for boiler use to reduce energy consumption and waste water drained out of boiler.
9. Aerated Lagoon wastewater treatment system for wastewater treatment from factory activities using water in sufficiency economy Park inside the factory and it will not leave to the communities.

In the past three years, the Company has complied with the factory inspection division and environment department, Ministry of industry according to the law. The Company does not receive any disputes or lawsuits in any matters about environment.

## Raw material procurement

The main raw materials in aquatic animal production are fish meal which is an important source of protein in animal feed production. The ingredients are derived from trash fish, small fish or fish heads from the sea and the remains of a canned fish factory. The raw materials can be found in the country. Fish meal production is diverse in quality. Therefore, in fish meal trading, it is divided according to protein percentage in fish meal.

Wheat flour is produced from wheat pellets and processed to obtain wheat flour that meets the requirements of the user. Some imported from Turkey which is a major wheat producer of the world market. For soybean meal, due to the inadequate productivity of domestic demand, raw materials must be imported from other countries such as Brazil, Argentina and USA.

Corn is an important crop for the livestock industry because of its high energy. The production volume of corn depends on season/harvest Raw materials can be found in the country.

Cassava in forms of chips and pellets where raw materials can be found in the country is a high carbohydrate plant and high-energy.

The raw materials for the production of the Company's products will come from both domestic and foreign. In the procurement of raw materials, the Company has a policy to buy sufficiently to meet the needs to keep the production continuously and gain the fresh raw materials including purchasing to meet the characteristics specified by the food regulator. The Company purchases both directly from the manufacturer and through a brokerage company to obtain a reasonable price compared to the overall market.

For the relationship with suppliers of raw materials, the Company will contact the supplier listed on the Company's lists approved that raw materials are acceptable in quality and standards. The Company will purchase with a company that offers the right price compared to the market price. For raw materials from overseas, the Company will make contracts with manufacturers or distributors to set prices in advance for 3-6 months. This may be affected If the order is in the monsoon period. The goods will arrive late. The Company has prevented by storing the raw materials in the warehouse more than the normal consumption of about 25%

## Geothermal power plant business

For geothermal power plant business, the excessive consumption of fossil fuels causes global warming and environmental pollution. People are turning their attention to renewable energy. This binary power system will use the heat that was left unused and utilize in efficient and cost-effective power generation.

The Company has geothermal power plant projects using binary power generation technology, for example, passing the heat from hot water or steam through heat exchanger and transferring the heat to coolant with low boiling point to become gas and turning the turbine into electricity. Coolant is used as a substance that is not toxic to the body even inhaled into the body. It is inert gas not flammable and no adverse effects on the ozone layer. It has a boiling point of 15 °C at 1 atmospheric pressure. When heated at 100 degrees Celsius, it becomes gas and it is used to spin the turbine for electricity generation. Therefore, the use of heat from geothermal power in the form of steam or hot water passing through the heat exchanger to heat the hot water in the system and heat the coolant to become a gas to turn the turbine of a binary power generator module. The obtained 125 kW electric power is applied to a 19 kW power plant and delivered 106 kW of power to the transmission line, with a cooling system of 240 tons / hr of cooling water, which allows the coolant to change in the liquid state and it can be reused in the system.

Advantages of the binary power system are:

- It has more than 150 machines submitted worldwide.
- Use low friction magnetic bearings in the turbine generator. No need to maintain or add lubricant.
- Compact design and high speed rotation.
- High energy saving with high PE coefficient, low loss
- Designed to fit the customer's power plant according to customer requirements.
- Systematic production / distribution / after-sales service since there is a production base in Japan.

However, the Company has insured all-risk property protection projects. Currently, the Company the company has 23 geothermal electricity generating units and revenue recognition 15 units.

For geothermal heat from hot springs (onsen) which is estimated to be about 100 years old, it is sufficient for electricity generation during the 15-year contract period.



## Risk Factors

### Risk of raw material prices

Producing aquatic animal feed is necessary to use raw materials from the nature in order to process into food quality and meeting the right standards. The major raw materials are important to produce such products, fish meal, soybean meal, wheat flour, and corn, but, mostly the products are on commodity prices and are set by supply and demand in the worlds' markets.

So, whenever the price of raw materials increases, the costs of aquatic animal feed will result in increase along with the inevitable. However, the company tries to manage the risk of raw materials by updating the situations about the prices of the raw materials in order to analyze closely, and then, targeting the price, quantity and delivery time with raw material suppliers. Other than that, the companies has a policy of purchasing raw materials diversely and geographically dispersed and keep finding new sources in raw materials.

### Risk of exchange rates

The company imports some of the raw materials, which includes: squid liver powder, wheat flour, fish soluble meal that is important that is used for the aquatic animal feed, which gives proteins and fats from the aquatic animal feed. The company will pay for the raw materials with the currency of Yen and U.S. dollar. This gives changes in exchange rates and affects the costs of production and its operations directly from the income of the company that comes from the dealer of the products domestically and group farmers. The company has income in Baht and some transactions are denominated in foreign currencies.

However, the company has a policy of hedging foreign exchange agreement in purchasing and selling and entered into foreign bank in advance (Forward Contract) in order to hedge the risk in the period of 3-6 months, depending on the duration of the transit time. The company paid closely attention with the statistics of the exchange rates of each currency to analyze before making decision for each exchange agreement.

On foreign exchange risk which may add to the cost of geothermal electricity generating business, the company may be exposed to the risk in future if the yen depreciates in value. The company shall evaluate various ways to mitigate the risk suitably when it foresees returns from the investment in the form of dividend as and when that happens. In 2016, 2017 and 2018, the Company has purchased raw materials in foreign currencies, totally 135.16 million Baht, 252.67 million Baht and 187.94 million Baht, respectively, equal to 14.33%, 19.90% and 12.74% respectively of its total quantity of purchase of raw materials.

### Risks of competing major vendors and the market leader of animal feed

The market leader of the shrimp feed is divided in the market share at approximately 20- 30 %\* of the total sales of the shrimp feed, following by 5-6 medium-sized companies also divided in market between 5-20% each company, which are combined with a share of 50-60% of the total shrimp feed sales, the company was ranked in

the medium-size company, where as other companies are small size companies. The market leader gained highly confidence from the farmers, who have been feeding shrimp as a product of the top leading company in the long run, which gave the company problems by competing in the market share.

The company has a marketing strategy, both short and long term, such as improve and develop products to meet the customers demand to create success for the farmers and dealers to sell their products to customers, while also increasing product variety to meet the needs of customers all the circumstances having regard to the cost of farmers is most important, offering promotions from time to time as a special case in order to compete in the market, joining trade fair, etc. Besides, the company has focused its services to attract dealer and the farmers and manufacture higher quality feed compared with the same feed type of the others. This helps us to maintain market share, for fish feed and shrimp feed exclusively. The food quality is fresh and in just-cooked condition without contaminants and dangerous bacteria.

### **Risk of the revenue from the sale of goods domestically**

The company's income from the sale of goods within the country, so that if any year is to feed a local decrease in the environment or weather conditions are unfavorable and it will impact significantly on the amount and distribution of revenue from the sale of the company.

The typical volume of distribution for its products will fluctuate seasonally. The sales volume of shrimp feed and fish feed are lower in the late rainy season to cold season, due to the shrimp and fish eat less feed. And if there are epidemic or flooding, it will impact the demand of feed, and impact on sales.

However, the company still considers investment that provides good returns in other business models to replace such risks

### **Risk of being affected by the operations and financial position of the subsidiaries**

Performance of the group is based on the performance of the company; also, it depends on the operating results of the subsidiaries. If you have a problem with its implementation, it will affect the performance of the company's consolidated financial statements.

The group has defined measures for the implementation of its policies, by controlling and monitoring the operations of its subsidiaries, as well as, representatives of the company into a subsidiary and associate director of the policy and to safe the interests of the company. Subsidiaries and associated companies are operating in the same direction. This is will lead to the cost management maximum performance and operational efficiency.

### **Risk from balance of power**

The number of 9 Directors in total which consists of 3 Independent Directors, it has already constituted a fair power of checks and balances. However, roles and duties of Directors, Executive Board of Directors, Chief Executive Officer (CEO) and Department Directors have clearly been divided into 5 factions. Apart from these, the decision making and inter-transactions which are not related to the ordinary course of the Company's business operations are subject to go through the considerations of the Company Board of Directors in which there are 3 Audit committee being the Independent Directors to take part in the considerations on the risk, as well. The Inter-transaction Report shall be prepared by taking into considerations on the Company's benefits as the significant matter.

## Risk from new business operation

The company sees the opportunity to generate revenue and diversify risks from the main business. Therefore invested in different industries from the end of December 2015 to the present year 2018. The Board of Directors approved the investment in geothermal power plants in Japan. At present, the company has invested in 23 projects and is able to recognize 15 projects. The company has set up a joint venture with Setoji Natural Energy Company Limited to develop the land and sell it to investors. Interested in doing geothermal power plants.

In addition, in middle 2018, the Board of Directors approved investment in real estate projects. “Riverside Project” is located in Danang. Vietnam which developed the project under the project owner company named Sun Frontier Investment Co., Ltd.

Risk factors on the investments in foreign country are as follows: Business culture in Abroad may be different from Thailand whether on the aspects of personnel, language, law and Regulations which may affect the efficiency on the risk operational controls on the aspects of monetary value, risk relating to disaster including the risk relating to the manufacturing process, machine maintenances which the Company can prevent them from occurring by recruiting knowledgeable and competent personnel to be responsible for the project and entering into disaster insurance contract, including rate of exchange risk insurance from the project operation, entering into various contracts/agreements, land development operations as well as land transfer registration in delay behind the prescribed schedule will affect the revenue recognition from the sales of lands not to be in accordance with the mapped out plan

## Risks from Investment in Equity and Debt Instruments

The company decided to invest its excess liquidity in equity and debt instruments in order to benefit from the higher returns compared to normal deposit at banks. Financial investments consists of deposit at banks, investment in Bills of Exchange (B/E), debenture issued by SET-listed companies (including MAI) or public companies for higher interest income or to reduce interest cost at any one time. The Company has invested in equity; therefore, it may have risks from devaluation of investment due to risks from price volatility and market mechanism, risk from operations of equity issuers, risk from external factors resulting in volatility of share prices such as domestic economic condition. Regarding the majority of equity, the Company has its policy of long-term investment in the manner of strategic partner, rather than speculation from equity prices.

## General Information and Others Important Information

Company Name	: PP Prime Public Company Limited formerly Thai Luxe Enterprises Public Company Limited
Type of Business	: Distribution aquatic animal feed business and pet food
Head Office	: 69/5 Moo 5 Rama II Road, Muang District, Samutsongkram 75000 Tel : (66) 3477-1444 Fax : (66) 3477-1025
Petchburi Factory	: 62 Moo 2 Utapao Road, Kaoyoi District, Petchburi 76140 Tel : (66) 3289-9881-4 Fax : (66) 3289-9885
Songkhla Factory	: 98 Moo 13 Petchkasem Road, KM 1232 Bang Rieng, Khuan Naing, Songkhla 90220 Tel : (66) 7489 0765-8 Fax: (66) 7489 0769
Registration Number	: 0107537000670
Home Page	: <a href="http://www.ppprime.co.th">www.ppprime.co.th</a>
Registered Capital	: 843,813,359 Baht (As of 31 December 2018)
Paid Up Capital	: 563,050,687 Baht (As of 31 December 2018)



## Other Reference Person

### 1. Registrar

Thailand Securities Depository Company Limited

4<sup>th</sup>, 6-7<sup>th</sup> Floor, The Stock Exchange of Thailand Building, 62 Rachadapisek Road, Klongtoey, Bangkok 10110  
Tel: (662) 229-2800 Fax: (662) 359-1259

### 2. Auditor

Karin Audit Company Limited

72 CAT Telecom Tower, Floor 24, Charoen Krung Road, Bangrak, Bangkok. 10500 Thailand  
Tel. (662) 105-4661 Fax. (662) 026-3760

#### The list of authorized auditors

1. Mr. Jadesada Hungsapruet Certified Public Accountant Registration No.3759 and /or
2. Mr. Jirote Sirirrote Certified Public Accountant Registration No.5113 and /or
3. Miss Kannika Wipanurat Certified Public Accountant Registration No.7305

### 3. Financial Institution with Regular Contacts:

- **Siam Commercial Bank (Public) Co., Ltd.**  
Head Office, 9 Ratchadapisek Road, Chatuchak Sub-district, Chatuchak District, Bangkok 10900;  
Tel. (662) 544-5631
- **Kasikorn Bank (Public) Co., Ltd.**  
Head Office, 1 Soi RatBurana 27/1, RatBurana Road, Rat Burana Sub-district RatBurana District, Bangkok 10140  
Tel. (662) 222000
- **United Overseas Bank (Thai) Public Company Limited**  
Head Office, 191 South Sathon Road, Bangkok 10120  
Tel. (662) 343-3000
- **Export-Import Bank of Thailand (EXIM Thailand)**  
Head Office, EXIM Building, 1193 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400  
Tel (662) 271 3700, (662) 278 0047, (662) 617 2111

## 4. Legal Consultant

- **Dherakupt International Law Office**

900 Tonson Tower, Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330

Tel. (662) 252-1588; Fax. (662) 257-0440-1

- **Kudun & Partners Limited**

23<sup>rd</sup> Floor, Units C&F, Gaysorn Tower, 127 Ratchadamri Road, Lumpini Pathumwan, Bangkok 10330

Tel.: (662) 838-1750

Fax.: (662) 838-1795

## 5. Registrar

Siam Commercial Bank Public Company Limited

9 Ratchadaphisek Rd, Khwaeng Chatuchak, Khet Chatuchak, Bangkok 10900

Tel.: (662) 544-5631

## 6. Bond/Debenture Holders' Representative

Siam Commercial Bank Public Company Limited

9 Ratchadaphisek Rd, Khwaeng Chatuchak, Khet Chatuchak, Bangkok 10900

Tel.: (662) 544-5631



## General information of the Subsidiary and the Associate

Company Name	Type of Business	Registered Capital	Paid Up Capital	Type of Shares	% of Shareholder
The Subsidiary					
<b>Thai Luxe Enterprise (Thailand) Company Limited</b> 62 Moo 2 Utapao Road, Kaoyoi District, Petchburi 76140 Tel: (66) 3289-9881-4 Fax: (66) 3289-9885	Operate aquatic feed production business and pet food	1,000,000 Baht	1,000,000 Baht	Common Shares	99.99
<b>Tluxe global business Company Limited (Formerly known as Thai Demeter Company Limited)</b> 69/5 Moo 5 Rama II Road, Muang District, Samut-songkram 75000 Tel: (66) 3477-1444 Fax: (66) 3477-1025	Distributing of aqua-feed raw materials	3,000,000 Baht	3,000,000 Baht	Common Shares	100
<b>Tluxe Power Company Limited</b> 69/5 Moo 5 Rama II Road, Muang District, Samutsongkram 75000 Tel: (66) 3477-1444 Fax: (66) 3477-1025	Investment of Energy Business	100,000,000 Baht	100,000,000 Baht	Common Shares	100
<b>P PRIME SINGAPORE PTE. LTD.</b> 28-02 One Raffles Place Singapore (048616)	Investment of real estate projects	1,000 USD	1,000 USD	Common Shares	100
<b>Tluxe Investments Limited</b> 10 <sup>th</sup> Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius.	Investment of Energy Business	10,000 USD	10,000 USD	Common Shares	100 (By TLP)
<b>Origin Power Investment Co.,Ltd.</b> Mauritius.	Investment of Wind Energy Business	100 USD	100 USD	Common Shares	100 (By TLP)

Company Name	Type of Business	Registered Capital	Paid Up Capital	Type of Shares	% of Shareholder
<b>Fluxe Holdings Limited</b> 1901, 19/F Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investment of Energy Business	10,000 USD	10,000 USD	Common Shares	100 (By TLI)
<b>Geothermal Power A Company Limited</b> 1901, 19/F Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investment of Energy Business	10,000 USD	10,000 USD	Common Shares	100 (By TLI)
<b>Geothermal Power B Company Limited</b> 1901, 19/F Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investment of Energy Business	10,000 USD	10,000 USD	Common Shares	100 (By TLI)
<b>PPSN Co., Ltd</b> 1-2-20 Kaikan Minato Tokyo Japan	Geothermal power plant	12,000,000 JPY	12,000,000 JPY	Common Shares	100 (By Geo B)
<b>SUMO POWER Co., Ltd.</b> 6-4-9 Minamiaoyama MinatoTokyo Japan	Geothermal power plant	1,000,000 JPY	1,000,000 JPY	Common Shares	100 (By TLH)
<b>OTOMEYAMA ENERGY Co., Ltd</b> 1-1-21 Toranomong Minato Tokyo Japan	Geothermal power plant	500,000 JPY	500,000 JPY	Common Shares	100 (By SUMO)
<b>S POWER Co., Ltd</b> 6-12-4 Roppongki MinatoTokyo Japan	Geothermal power plant	500,000 JPY	500,000 JPY	Common Shares	100 (By SUMO)
<b>SNS POWER Co., Ltd</b> 3-24-6 Nichichimbachi MinatoTokyo Japan	Geothermal power plant	500,000 JPY	500,000 JPY	Common Shares	100 (By Geo B)
<b>Fino Binary Power Plant Limited Liability Company</b> 2-2-21, Nihonbashi 2-Chome Building 4TH Floor, Chou-Ku, Tokyo	Geothermal power plant	10,000 JPY	10,000 JPY	Common Shares	100 (By Geo A)

Company Name	Type of Business	Registered Capital	Paid Up Capital	Type of Shares	% of Shareholder
<b>NIS Binary Power Plant Limited Liability Company</b> 2-2-21, Nihonbashi 2-Chome Building 4TH Floor, Chou-Ku, Tokyo	Geothermal power plant	10,000 JPY	10,000 JPY	Common Shares	100 (By Geo A)
<b>Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company</b> 2-2-21, Nihonbashi 2-Chome Building 4TH Floor, Chou-Ku, Tokyo	Geothermal power plant	10,000 JPY	10,000 JPY	Common Shares	100 (By TLH)
<b>Dual Energy Binary-Power Plant No.1 Limited Liability Company</b>	Geothermal power plant	100,000 JPY	100,000 JPY	Common Shares	100 (By Geo B)
<b>Lena Power Station No.1 Limited Liability Company</b> 2-16-4 Dokengzaka Shibuya Tokyo	Geothermal power plant	5,000,000 JPY	5,000,000 JPY	Common Shares	100 (By Geo A)
<b>P Green Energy Co., Ltd</b> 24-6, Nishi Shinbashi 3-Chome, Minato-ku, Tokyo	Consultant and manage business	1,000,000 JPY	1,000,000 JPY	Common Shares	100 (By TLH)
<b>Wind Power A Co.,Ltd.</b> Hong Kong	Investment of Wind Energy Business	10,000 USD	10,000 USD	Common Shares	100 (By OPI)
<b>The Associate</b>					
<b>M – Luxe Energy Co., Ltd</b> 1 <sup>st</sup> Oriaon Building 2-13 Temmungjo Beppu Oita Japan	Development real asset to Geothermal power plant	10,000,000 JPY	10,000,000 JPY		25 (By TLP)

## Shareholders Structure

As of 31 December 2018, the list of the first 10 major shareholders, including the related person under section 258 of the Securities and Exchange Act B.E.1992

Name of shareholders	Number of shares held	% held
<b>1. Jindasombatcharoen family</b>		
1.1 Mr.Pongrak Jindasombatcharoen	65,372,604	11.61
1.2 Mr.PongsapakJindasombatcharoen <sup>(1)</sup>	8,441,040	1.50
1.3 Mr.Nopruj Jindasombatcharoen <sup>(2)</sup>	7,726,370	1.37
<b>Total Jindasombatcharoen family</b>	<b>81,540,014</b>	<b>14.48</b>
<b>2. Ms. Pawichaya Kanrangsi</b>	<b>43,356,811</b>	<b>7.70</b>
<b>3. Mrs. Ananya Reangsakwichit</b>	<b>27,254,300</b>	<b>4.84</b>
<b>4. Mr. Prin Chanantaranont</b>	<b>26,921,384</b>	<b>4.78</b>
<b>5. Thai NVDR Co., Ltd.</b>	<b>25,436,796</b>	<b>4.52</b>
<b>6. Ms. Yuvadee Vachiraprapa</b>	<b>19,109,000</b>	<b>3.39</b>
<b>7. Mr. Tanin Sajjabariboon</b>	<b>16,457,700</b>	<b>2.92</b>
<b>8. Mr. Teera Kitticharurat</b>	<b>15,540,135</b>	<b>2.76</b>
<b>9. Mrs. Leena Wanawit</b>	<b>14,351,700</b>	<b>2.55</b>
<b>10. AEC Securities Public Company Limited</b>	<b>12,883,700</b>	<b>2.29</b>
<b>Total</b>	<b>282,851,540</b>	<b>50.24</b>

Source : Shareholder registration book closing (XO) as of 31 December 2018

Computed from common stocks already issued and paid-up totaling 563,050,687 shares

Remark: (1) and (2) Mr. Pongrak Jindasombatcharoen's son who have already reached legal age

### Total debt from issuance of debenture/Bill of Exchange

As of 31 December 2017, the company had outstanding debts from issuance of debenture of 914 million baht and deferred arrangement fee for debentures of 7.33 million baht.

Total net debt outstanding from issuance of debenture totaled 906.67 million baht.

## Dividend Policy

The company paid dividend is not less than 60% of net profit after tax, and also after the company's financial losses deduction and legal reserve (if any). However, the company may pay dividends at a rate less than the rate specified, depending on the need for working capital for operations, expansion and other factors involved in the management of the company. The resolution of Board of Directors approved the payment of dividends will be represented for approval at a meeting of shareholders, except interim dividend. The Board of Directors has approved payment of interim dividends will report to the shareholders which will receive in the next meeting.

	2015	2016	2017	2018	2019
Net Profit Ratio Per Share (Baht)	(0.02)	(0.08)	0.42	(0.45)	(0.20)
Dividend Ratio Per Share(Baht)	0.00	0.00	0.00	0.00	0.00
Dividend Payout Ratio Per Net Profit (%)	0.00	0.00	0.00	0.00	0.00

# Management Structure

The company board's structure consists of:

- 1) Board of Directors
- 2) Sub-committee 4 committee; Audit & Risk Committee Executive Committee Investment Committee and Corporate Social Responsibility Committee
- 3) Management Team



## Board of Directors

As of December 31st 2018 the board of the company consists of 9 directors:

Name	Position
1. A.C.M. Pitthaporn Glinfueng	Chairman of the Board of Directors / Independent Director
2. Gen. Chaowarit Prapajit	Vice Chairman / Executive Committee Chairman / Investment Committee Chairman / Corporate Social Responsibility Committee Chairman
3. Dr. Denchai Akaradechachai	Director / Executive Committee
4. Mrs. Kanokwan Wannabut	Director / Executive Committee / Corporate Social Responsibility Committee
5. Ms. Patcharada Jutaprateep	Director / Executive Committee / Corporate Social Responsibility Committee
6. Mr. Nasu Chunsom <sup>(1)</sup>	Director / Executive Committee / Investment Committee
7. Pol.Col. Thienrath Vichiensan	Audit Committee Chairman / Independent Director
8. Mrs. Natee Chuansanit	Audit Committee / Independent Director
9. Mr. Theerawit Thanakijsumton	Audit Committee / Independent Director

Remarks : (1) Mr. Nasu Chunsom was appointed Director from the board meeting session 12/2561 on 14 August 2018

### Resigned Directors in year 2018

Name	Tenure
Dr. Pongrak Jindasombatchareon	28 April 2017 - 13 June 2018
Mr. Suwit Wannasirisook	12 July 2017 - 12 September 2018

## Authorized Directors

The authorized directors to execute and bind the company are Mrs. Kanokwan Wannabut, or Ms. Patcharada Jutaprateep, or Gen. Chaowarit Prapajit, or Mr. Denchai Akaradechachai, or Mr. Nasu Chunsom, by two out of the five directors executing with the company's seal.

## Scope of authority of the board

Apart from the authority vested in the board by the Company's Articles of Association, the board shall have the following authority:

1. The authority vested by the Public Company Act 1992 and other any law in the board or the board of public companies.
2. To perform duties with accountability, precautions and honesty, and comply with the laws, objectives and the Company's Articles of Association, and execute the shareholder meeting's resolutions.
3. Determine business policies, financial policies, funding policies, capital management and risk management policies for the management to implement.
4. Assume the authority to determine and revise the authorized directors.
5. Direct the business to achieve the set goals or beyond, and determine mitigation measures when an encumbrance arises.
6. Arrange to have general reports, financial budget data for the shareholders and general stakeholders accurately, transparently and according to the laws.
7. Acknowledge important audit reports, and determine improvement guidelines when a significant defect is found.

### Assignment table of the Sub-committee of the year 2018

(1 January 2018 – 31 December 2018)

Name	Audit Committee (3 persons)	Executive Committee (5 persons)	Investment Committee (2 persons)	Corporate Social Responsibility Committee (3 persons)
1. Gen. Chaowarit Prapajit	-	Chairman	Chairman	Chairman
2. Dr. Denchai Akaradechachai	-	Director	-	-
3. Mrs. Kanokwan Wannabut	-	Director	-	Director
4. Ms. Patcharada Jutaprateep	-	Director	-	Director
5. Mr. Nasu Chunsom (2)	-	Director	Director	-
6. Pol.Col. Thienrath Vichiensan	Chairman	-	-	-
7. Mrs. Natee Chuansanit	Director	-	-	-
8. Mr. Theerawit Thanakijsumton	Director	-	-	-
<b>Resigned directors in 2018</b>				
1. Dr. Pongrak Jindasombatchareon <sup>(1)</sup>	-	Chairman	Chairman	-
2. Mr. Suwit Wannasirisook <sup>(3)</sup>	-	Director	Director	-

Remarks:

- |                                   |   |
|-----------------------------------|---|
| 1. Dr. Pongrak Jindasombatchareon | resigned from the Vice Chairman by the board meeting session 10/2561 on 13 June 2018          |
| 2. Mr. Nasu Chunsom               | appointed the Board of Director by the board meeting 12/2561 on 14 August 2018                |
| 3. Mr. Suwit Wannasirisook        | resigned from the Board of Director by the board meeting session 13/2561 on 12 September 2018 |



# Board of Director and Sub-committee meeting attendance of the year 2018

(1 January 2018 – 31 December 2018)

Name	Board of Directors	Audit Committee	Executive Committee	Investment Committee	Corporate Social Responsibility Committee	Shareholder Meeting 2018
	Total yearly Meetings 16 times	Total yearly meetings 14 times	Total yearly meetings 18 times	Total yearly meetings 5 times	Total yearly meetings 2 times	Total yearly meetings 3 times
A.C.M. . Pitthaporn Glinfueng	14/16	-	-	-	-	3/3
Gen. Chaowarit Prapajit	16/16	-	18/18	5/5	2/2	3/3
Dr. Denchai Akaradechachai	16/16	-	18/18	-	-	1/3
Mrs. Kanokwan Wannabut	16/16	-	18/18	-	2/2	3/3
Ms. Patcharada Jutaprateep	16/16	-	18/18	-	2/2	3/3
Mr. Nasu Chunsom (2)	4/4	-	5/5	N/A	-	1/1
Pol.Col. Thienrath Vichiensan	14/16	13/14	-	-	-	3/3
Mrs. Natee Chuansanit	15/16	14/14	-	-	-	1/3
Mr. Theerawit Thanakijsumton	16/16	14/14	-	-	-	3/3
Resigned directors in 2018						
Dr. Pongrak Jindasombatchareon (1)	10/10	-	10/10	4/4	-	1/1
Mr. Suwit Wannasirisook (3)	13/13	-	14/15	5/5	-	2/2

## Remarks:

N/A means not participating Because the director has been appointed to the position during the year 2018

1. Dr. Pongrak Jindasombatchareon resigned from the Vice Chairman by the board meeting session 10/2561 on 13 June 2018

2. Mr. Nasu Chunsom appointed the Board of Director by the board meeting 12/2561 on 14 August 2018

3. Mr. Suwit Wannasirisook resigned from the Board of Director by the board meeting session 13/2561 on 12 September 2018

## Executives

According to The Notification of Capital Market Supervisory Board number Tor Jor. 23/2008, shall mean the manager or the next four executives succeeding the manager, the persons holding equivalent position to the fourth executive and shall include the persons holding the position of manager or equivalent in accounting or finance departments.”

As of 31 December 2018, the 5 Executives consist of:

Name	Position
1. Gen. Chaowarit Prapajit (1)	Co-Chief Executive Officer and Chief Marketing Officer
2. Mr. Nasu Chunsom (2)	Co-Chief Executive Officer and Chief Financial Officer
3. Mr. Nanthuwapol Jirachoteanantaya	Chief Operation Officer
4. Mrs. Kanokwan Wannabut	Chief Strategic Officer
5. Ms. Patcharada Jutaprateep	Chief Compliance and Corporate Secretary
<b>Resigned executive in 2018</b>	
1. Mr. Suwit Wannasirisook (3)	Chief Financial Officer

Remark: Data as of 31 December 2018

1. Gen. Chaowarit Prapajit Appointed of Co-Chief Executive Officer – Feed on August 14, 2018
2. Mr. Nasu Chunsom Appointed of Co-Chief Executive Officer – Energy, Real Estate and Other Investment on August 14, 2018 and Appointed Chief Financial Officer instead of the resignee on 17 September 2018.
3. Mr. Suwit Wannasirisook Resigned from the Chief Financial Officer on 12 September 2018

## Scope of authority of the Chief Executive Officer

Authority and duties related to management of the company and subsidiaries as assigned by the company’s board. To manage the company according to work plans and budgets approved by the company’s board with honesty and precautions, protect the company’s and stakeholders’ interests. The authority shall include the following matters or activities:

1. Screen the goals, business plans, including budgets and projects of the company and subsidiaries to ensure that the business and management are carried out according to the defined policies, business goals, in order to present to the company board for approval.
2. Direct operations of the company and subsidiaries to ensure connections and mutual supports in the production lines, aquatic animal food sales, aquatic animal breeding, and other related businesses.
3. Control operations of the company and subsidiaries to maintain the company’s interests, consistency with policies defined by the board, and report performance results directly to the company’s board.
4. Arrange organizational structures and management to protect interests of the company and its subsidiaries, covering procurements, trainings, employments and terminations of non-executive employees or senior management, by acting as the authorized person on behalf of the company in executing

employment contracts, issuing instructions, regulations, announcements, memorandums to ensure that the operations are carried out according to the company board's policies.

5. Control and support the company's budgeting and allocations of projects to ensure that the budgets are spent correctly and efficiently.
6. Lead the company in establishing a learning culture.
7. Take a role in maintaining a good image of the company, communicate and publicize the company to the public.
8. Authorize one person or more to perform any action deemed appropriate by granting the authority and/or assigning within the authorization scope specified in the issued authorization letter and/or as according to the rules, regulations or instructions given by the directors and/or boards and/or board of the company which the Chief Executive Officer is eligible to change or amend such authorizations.
9. Consider the profit and loss of the company, mid-term dividend payment proposals or yearly dividend for the company board's approval.
10. Assume other authorities necessary to maintain the company's operations as assigned by the board meetings and/or the company board.

Provided that the authority vested in the Chief Executive Officer and other persons approved by the Chief Executive Officers, not including any authority and/or authorization held by them that may introduce a conflict, equity or any other conflict of interests (according to regulations of the Capital Market Supervisory Board) with the company or the subsidiaries, which such authorizations must be presented to the company board and/or the shareholder meeting for approval according to the company's articles or related laws, except authorizations for normal business operations of the company that are consistent with the policies and protocols approved by the company board.

Securities holding report of PP Prime Public Company Limited of Directors and Executives as of December 28, 2018

List of Directors and Executives	Number of shares					
	As of December 29, 2017		As of December 28, 2018		Increase / decrease	% Shareholding
	Direct	Indirect	Direct	Indirect	-	-
A.C.M. Pitthaporn Glinfueng	-	-	-	-	-	-
Gen. Chaowarit Prapajit	-	-	-	-	-	-
Dr. Denchai Akaradechachai	-	-	-	-	-	-
Mrs. Kanokwan Wannabut	-	-	-	-	-	-
Ms. Patcharada Jutaprateep	-	-	-	-	-	-
Mr. Nasu Chunsom	-	-	-	-	-	-
Pol.Col. Thienrath Vichiensan	12,500	-	12,500	-	-	0.002%
Mrs. Natee Chuansanit	-	-	-	-	-	-
Mr. Theerawit Thanakijsumton	-	-	-	-	-	-
Mr. Nanthuwapol Jirachoteanantaya	-	-	-	-	-	-
<b>Total</b>	<b>12,500</b>	<b>-</b>	<b>12,500</b>	<b>-</b>	<b>-</b>	<b>0.002%</b>

Remark: Indirect shareholding Which includes shares held by spouses and underage children

## The Company Secretary

The company board has appointed Ms. Sasiporn Panthurak the secretary of the company as of 28th February 2017 in which qualifications of the company board's secretary are described in annex 1.

### Authority scope of the company secretary:

The company board has appointed the company secretary to supervise the company board's meetings, shareholder's meetings and other activities of the company board to ensure that related rules and laws are complied, and support to ensure that the business are carried out according to the company's ethics.

- Encourage understandings and provide information for the company board to direct the business.
- Ensure that newly appointed directors are informed on the law issues, procedures, regulations and roles in directing the business.
- Prepare company board's meetings and shareholder's meetings to ensure compliance with the company's articles and good practices of the board.
- Record minutes of the company board's meetings and shareholder's meetings, and coordinate to inform the resolutions and policies of the boards, shareholders to related executives, follow up on the results of the resolutions and policies.
- Prepare and retain the board registration, annual reports, shareholder's meeting notifications, company board's meeting notifications, minutes of the company board meetings and share holder meetings.
- Ensure that the directors and executives prepare their own and related persons' equity reports, and retain the equity reports according to the law.
- Ensure that the secretariat office is the center of the company board's business management communication in order to provide business related information.
- Oversee activities of the company board and other activities according to the law or as assigned.

## Remuneration for the directors and executives

### 1. Monetary remuneration

Director's remuneration

The company has set a policy on director's remuneration clearly and transparently, and offers to the company board to present to the shareholders for approval at an appropriate rate comparable to director's remunerations of registered companies in the agricultural and food industries. The company board's remunerations consist of monthly remuneration and meeting allowance, when the company board's remunerations combine with the sub boards' remunerations of the year 2017, the total amount is 3,530,000 Baht as the following details:

## Remunerations of Board of Director and Sub-committee of 2018

(1 January 2018 - 31 December 2018)

Unit : Baht

Name	Board of Director		Remuneration				Total
	Monthly Remuneration	Meeting Allowance	Audit Committee	Executive Committee	Investment Committee	Corporate Social Responsibility Committee	
A.C.M. Pitthaporn Glinfueng	360,000	52,500	-	-	-	-	412,500
Gen. Chaowarit Prapajit	272,833	48,000	-	90,000	25,000	10,000	445,833
Dr. Denchai Akaradechachai	240,000	48,000	-	90,000	-	-	378,000
Mrs. Kanokwan Wannabut	240,000	48,000	-	90,000	-	10,000	388,000
Ms. Patcharada Jutaprateep	240,000	48,000	-	90,000	-	10,000	388,000
Mr. Nasu Chunsom	90,968	12,000	-	25,000	-	-	127,968
Pol.Col. Thienrath Vichiensan	300,000	60,000	65,000	-	-	-	425,000
Mrs. Natee Chuansanit	240,000	48,000	70,000	-	-	-	358,000
Mr. Theerawit Thanakijsumton	240,000	48,000	70,000	-	-	-	358,000
Resigned directors in 2018							
Dr. Pongrak Jindasombatchareon	135,833	24,000	-	50,000	20,000	-	229,833
Mr. Suwit Wannasirisook	168,000	36,000	-	70,000	25,000	-	299,000
Total	2,527,634	472,500	205,000	505,000	70,000	30,000	3,810,134

Remarks: The Company does not contribute to the provident fund for Board of Director and Sub-committee

## Remunerations of the executives

Year 2016, 2017 and 2018 The Company has paid compensation to the management of the company as follows;

Unit : Baht

Remunerations of the executives	2016 Remuneration	2017 Remuneration	2018 Remuneration
Persons	5	5	5
Total salary	11,601,703	9,713,667	12,382,387
Total bonus	1,000,000	1,944,273	2,809,834
Others	1,112,397	4,405,589	2,373,138
<b>Total</b>	<b>13,714,100</b>	<b>16,063,529</b>	<b>17,565,359</b>

Remarks: Number of the executives is according to The Capital Market Supervisory Board.

Year 2561 the company paid the provident fund contribution 2,111,435 Baht for the 3 executives.

### 2 ) Other remunerations

- None -

## Personnel

As of 31 December 2018, the group has 567 staffs in total. The monetary remunerations paid to non-executive staffs, including the subsidiaries' amounted to 172,750,238 Million Baht Consisting of:

Unit : Baht

	Registered company	Subsidiary	Total
1. Salary, bonus, overtime, incentives, uniforms	160,835,846	5,354,500	166,190,347
2. Social security contribution	3,922,071	524,518	4,446,589
3. Provident fund contribution	2,113,302	-	2,113,302
<b>Total</b>	<b>166,871,219</b>	<b>5,879,018</b>	<b>172,750,238</b>

Detail of Directors, Executives, Chief Financial Officer, Supervisor of Accounting, Company Secretary and Internal Audit Manager

Name/Position (1)	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2018)		
					Period	Position	Company
1. <b>GMC Pitthaporn Glinfueng</b> Chairman of the Board of Directors  Started the Director position on July 31, 2015 Started the Chairman of the Board of Directors position on Aug 27, 2015	67	<ul style="list-style-type: none"> <li>- Royal Thai Air Force Academy Bachelor of Science ( Aerospace Engineering)</li> <li>- Thailand National Defence College DSI Batch#46</li> <li>- Royal Thai Air Force College Batch#29</li> <li>- Air Command and Staff College Batch# 32</li> <li>- Executive Program Course 1 Batch#30 (College of Management Office of the Civil Service Commission)</li> </ul> <b>Training courses</b> <ul style="list-style-type: none"> <li>- Senior Executive Program (SEP) Batch#21 Sasin Graduate Institute Chulalongkorn University</li> <li>- Director Certification Program (DCP) Batch#97 Thai Institute of Directors</li> <li>- Executive Program for Trade and Commerce (TEPCOT) Batch#4 Ministry of Commerce and University of the Thai Chamber of Commerce</li> </ul>	None	None	2015 - present 2016 - present 2008 - present 2006 - present  2015 - 2016 2012 - 2014	Chairman of the Board of Directors Dean of aviation & transportation Association President Advisor  Chairman of the Board of Directors Director	- PP Prime Public Company Limited - Sripatum University  - Association Don Muang Airport - Steering committee to promote research and development . CO., LTD Aeronautical Radio of Thailand. - Thai Luxe Foods Products Co.,Ltd. - TOT Public Company Limited

Name/Position (1)	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2018)		
					Period	Position	Company
2 <b>Gen.Chaowarit Prapajit</b> Vice Chairman / Executive Committee Chairman / Investment Committee Chairman / Corporate Social Responsibility Committee Chairman / Co-Chief Executive Officer and Chief Marketing Officer  Started the Director position on Aug 27,2015 and Vice Chairman position on June 14,2018	65	<ul style="list-style-type: none"> <li>- The Course of Development Politics and Elections Batch#1</li> <li>- Thailand National Defence College DSI Batch#49</li> <li>- Army Chief of Staff College Batch# 64</li> </ul> <b>Training courses</b> <ul style="list-style-type: none"> <li>- Director Certification Program (DCP) Batch#192 Thai Institute of Directors (IOD)</li> </ul>	None	None	2017 - present 2017 – present 2017 – present 2017 – present 2017 – present 2017 – present 2013 - present 2012 - present 2015 - 2017 2013 - 2016 2013 - 2015	Director / Chief Executive Officer Director Director Director Director Director Advisor Advisor Vice Chairman / Chief Executive Independent Director / Audit Committee Chairman of the Board of Directors	-PP Prime Public Company Limited -Fino Binary Power Plant Limited Liability Company -NIS Binary Power Plant Limited Liability Company -Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company -Dual Energy Binary-Power Plant No.1 Limited Liability Company -TLuxe Global Business Co.,Ltd. -Gunno Systems Integration Co.,Ltd. -United Flour Mill Plc. -Thai Luxe Enterprises Plc. -International Research Corporation Plc. -A.A.M.C asset management Co.,Ltd.



Name/Position (1)	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2018)		
					Period	Position	Company
3 <b>Mr. Nasu Chunsom</b> Director / Co-Chief Executive Officer and Chief Financial Officer  Started the Director position on August 14, 2018	46	<ul style="list-style-type: none"> <li>- M.B.A., Finance, California State University, San Bernardino, USA</li> <li>- B.B.A., Finance, California State University, San Bernardino, USA</li> </ul> <b>Training courses</b> <ul style="list-style-type: none"> <li>- CLMVT Bankers' Leadership Program, Bank of Thailand, 2017.</li> <li>- CFP Charter holder, certified by the Thai Financial Planners Association, 2016.</li> <li>- Life &amp; Non-life insurance broker license, certified by Office of Insurance Commission, 2012</li> <li>- Director Certification Program (DCP) by Thai Institute of Directors Association, 2008</li> </ul>	None	None	Aug 2018 – Jan 2019  Mar 2017 – Jul 2018  July 2012 – Feb 2017  Jan 2008 – Jun 2012 Feb 2006 – Dec 2007 May 2002 – Jan 2006 Oct 1999 – Apr 2002 Aug 1998 – Sep 1999 Jul 1996 – Jul 1998	Director / Co-Chief Executive Officer and Chief Financial Officer  Head of AEC Strategy & Corporate Development, Managing Director / Chief Investment Officer, Vice President  Senior Vice President  Investment Director  Fund Manager  Investment Banker  Senior Manager	<ul style="list-style-type: none"> <li>- PP Prime Public Company Limited</li> <li>- Bank of Ayudhya Public Co., Ltd. (Krungsri Bank)</li> <li>- UCAP Investment Advisory (Thailand) Co., Ltd.</li> <li>- EFG Bank Ltd. (Singapore Branch)</li> <li>- Krungsri Asset Management Co.,Ltd.</li> <li>- Aberdeen Asset Management Co.,Ltd.</li> <li>- One Asset Management Co.,Ltd.</li> <li>- Nava Vickers Ballas Securities Co.,Ltd.</li> <li>- Wall Street Finance and Securities Public Co.,Ltd.</li> </ul>
4 <b>Dr. Denchai Akaradajdachachai</b> Director  Started the director position since Jan 21, 2015 Started the appointed as Chairman of the Audit Committee on Aug 27, 2015	54	<ul style="list-style-type: none"> <li>- Doctoral Degree of Doctor Of Public Administration (DPA), University of Northern Philippines</li> <li>- MBA Kasetart University</li> <li>- Bachelor of Economics - Industry Ramkhamhaeng University</li> </ul>	None	None	2017 - Present  2017 - Present  2017 - Present  2017 - Present 1994 - Present	Director  Director  Director  Director Chairman of Board of Directors	<ul style="list-style-type: none"> <li>- PP Prime Public Company Limited</li> <li>- TLuxe Global Business Co.,Ltd.</li> <li>- Hi Healthcare Center Co.,Ltd.</li> <li>- Filter Vision PCL.</li> <li>- M.B.C. Center Co.,Ltd.</li> </ul>

Name/Position (1)	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2018)		
					Period	Position	Company
		<b>Training courses</b> - Director Certification Program (DCP) Thai Institute of Directors (IOD) - Anti-Corruption: The Practical Guide (ACPG) Thai Institute of Directors (IOD) - Ethical Leadership Program (ELP) Thai Institute of Directors (IOD) - Course of Promotion of Peaceful Society (4s) Batch#4 King Prajadhipok's Institute - Thailand National Defence College DSI Batch#56 The National Defence College of Thailand (NDC) - Course of Management in Social Order Police Education Bureau Batch#2 Royal Thai Police Department - Course of Environmental Governance for Executive Officer Batch# 4 Department of Environmental Quality Promotion (DEQP) Ministry of Natural Resources and Environment - Course of Democratic Governance Politics for Executives Batch #20 - Course of Thailand Insurance Leadership Program Batch# 7 Office of Insurance Commission (OIC)			1994 - Present 1994 - Present 2013 – Present 2012 - Present 2015 - Present  2014-2015 2012 -2013	Chairman of Board of Directors Chairman of Board of Directors The host of TV love Thailand Conciliator Independent Director / Chairman of the Audit Committee An expert member of the National Reform Scholar Working Group	- I.E.Q. Co.,Ltd. - ComputerSaur Co.,Ltd. - Channel True TNN2 - Appeal Court 7 - Thai Luxe Enterprises PLC.  - Council - Deputy Speaker of the House of Representatives

Name/Position (1)	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2018)		
					Period	Position	Company
5 Mrs.Kanokwan Wannabulit Director / Chief Strategic Officer  Started the director position on Jan 21,2015	52	- Bachelor of Business Administration, Suan Sunandha Rajabhat University  <b>Training courses</b> - Director Certification Program (DCP) Batch# 221 Thai Institute of Directors - Director Accreditation Program (DAP) Batch# 61 Thai Institute of Directors	None	None	2017 - Present 2017 - Present 2017 - Present 2017 - Present 2015 - present  2016 - present 2016 - present 2016 - present 2015 - present 2015 - 2016  2015 - 2016  2008-2015  2008-2013	Director Director Director Director / Chief Strategic Officer Director Director Director Promotion & Market Director  Director  Director Managing Director Business Media Director	- Geothermal Power A Ltd. - Geothermal Power B Ltd. - KaYaWa Co.,Ltd. - Wannasan Co.,Ltd. - PP Prime Public Company Limited - T Luxe Power Co.,Ltd. - TLuxe Investments Co., Ltd - TLuxe Holdings Co.,Ltd. - Qbizm Co.,Ltd. - Thai Luxe Foods Products Co.,Ltd - NPP Foods Incorporate Co.,Ltd. - E For L Aim Public Co.,Ltd. - E For L Aim Public Co.,Ltd.
6 Miss Phatcharada Jutaprateep Director / Chief Corporate Secretary  Started the director position on Jan 21,2015	40	- MBA in Finance Assumption University - Bachelor of Accountancy , Thammasat University  <b>Training courses</b> - Director Certification Program (DCP) Batch# 221 Thai Institute of Directors (IOD)	None	None	2017 - Present  2017 - Present 2017 - Present 2016 - present 2016 - present 2016 - present 2010 - present 2015 - July 2017 2015-2016  2015-2016	Director/ Chief Corporate Secretary Director Director Director Director Director Director Chief Finance Officer  Director  Director	- PP Prime Public Company Limited - Geothermal Power A Ltd. - Geothermal Power B Ltd. - T Luxe Power Co., Ltd - TLuxe Investments Co., Ltd - TLuxe Holdings Co.,Ltd - LT Miracle Co.,Ltd. - Thai Luxe Enterprises PCL.  - Thai Luxe Foods Products Co.,Ltd - NPP Foods Incorporate Co.,Ltd.

Name/Position (1)	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2018)		
					Period	Position	Company
7 Pol.Lt.Col. Thienrath Vichiensan Chairman of the Audit Committee / Independent Director  Started the director position on Apr 28, 2017 Started the Chairman of the Audit Committee position on May 4, 2017	59	<ul style="list-style-type: none"> <li>- Master of Arts Teaching (Government), University of Texas, USA</li> <li>- Bachelor of Public Administration, Royal Police Cadet Academy</li> <li>- Bachelor of Laws, Sukhothai Thammathirat Open University</li> </ul> <b>Training courses</b> <ul style="list-style-type: none"> <li>- Director Certification Program (DCP) Batch#243/2017, Thai Institute of Directors (IOD)</li> <li>- Advance Audit Committee Program (AAP) Batch#28/2018, Thai Institute of Directors (IOD)</li> <li>- Graduate Diploma in Public Law, Thammasat University</li> <li>- Records Management Course, National Archive, Sweden</li> <li>- Senior curriculum, Prince Damrongrajapubhap Institute of Research and Development</li> <li>- Administrative Justice for Executives</li> <li>- National Defence College of Thailand</li> </ul>	0.002	None	2017 - present  present  2014  2012	Chairman of the Audit Committee / Independent Director Inspector-General  Director, The Bureau of Legal Affairs and General Regulations Director	- PP Prime Public Company Limited  - Office of the Permanent Secretary, Prime Minister Office - Office of the Permanent Secretary, Prime Minister Office - Office of the official information commission

Name/Position (1)	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2018)		
					Period	Position	Company
8 <b>Mrs. Natee Chuansanit</b> Audit Committee / Independent Director  Started the director position on January 21, 2015 Started the audit committee position on July 31, 2015	64	<ul style="list-style-type: none"> <li>- Master of Executive MBA, SASIN, Graduate Institute of Administration of Chulalongkorn University</li> <li>- Bachelor of Business Administration Chiang Mai University</li> </ul> <b>Training courses</b> <ul style="list-style-type: none"> <li>- Director Certification Program (DCP) Thai Institute of Directors (IOD)</li> <li>- Anti-Corruption for Executive Program (ACEP) Thai Institute of Directors (IOD)</li> </ul>	None	None	2015 - Present  2015 - Present  2011 - 2015	Audit Committee / Independent Director Executive Vice President Minister Counsellor	<ul style="list-style-type: none"> <li>- PP Prime Public Company Limited</li> <li>- Research and Development Economics Department of Commerce in Prague, Czech Republic</li> </ul>
9 <b>Mr. Teerawit Tanakijsoontorn</b> Audit Committee / Independent Director  Started the Audit Committee position on June 17, 2015	40	<ul style="list-style-type: none"> <li>- Bachelor of Business Administration in Accounting Kasetsart University</li> <li>- Bachelor of Law Thammasat University</li> </ul> <b>Training courses</b> <ul style="list-style-type: none"> <li>- CPA (Certified Public Accountant) The Federation of Accounting Professions under the Royal Patronage of His Majesty The King</li> <li>- Anti-Corruption for Executive Program (ACEP) Thai Institute of Directors (IOD)</li> <li>- Director Accreditation Program (DAP) Batch#87/2011 Thai Institute of Directors (IOD)</li> </ul>	None	None	2015 - Present  2018 - Present  2015 - Present  2003 - 2015  2010 - 2013	Audit Committee / Independent Director Audit Committee / Independent Director Director Director / Certified Public Accountant (CPA). A Certified Public Accountant (CPA). Audit Committee and Risk Management Committee.	<ul style="list-style-type: none"> <li>- PP Prime Public Company Limited</li> <li>- Villa Kunalai Public Company Limited</li> <li>- Best Audit Company Limited</li> <li>- B. S. Audit Company Limited</li> <li>- ABSOLUTE IMPACT PUBLIC COMPANY LIMITED</li> </ul>

Name/Position (1)	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2018)		
					Period	Position	Company
10 Mr. Nanthuwaphon Jirachot -a -nantaya Chief Operation Officer  Started the appointed Managing Director of the factory on Oct 10, 2016	55	- Bachelor of Business Administration Rajabhat Rajanakarindra University	None	None	2016 - Present  2006 - Present	Chief Operation Officer  Production Supporting Director	- PP Prime Public Company Limited - Nutrix Public Company Limited
Chief Financial Officer (CFO)							
Mr. Nasu Chunsom Director / Co-Chief Executive Officer and Chief Financial Officer  Started the Director position on August 14, 2018	46	- M.B.A., Finance, California State University, San Bernardino, USA - B.B.A., Finance, California State University, San Bernardino, USA <b>Training courses</b> - CLMVT Bankers' Leadership Program, Bank of Thailand, 2017. - CFP Charter holder, certified by the Thai Financial Planners Association, 2016. - Life & Non-life insurance broker license, certified by Office of Insurance Commission, 2012 - Director Certification Program (DCP) by Thai Institute of Directors Association, 2008	None	None	Aug 2018 – Jan 2019  Mar 2017 – Jul 2018  July 2012 – Feb 2017  Jan 2008 – Jun 2012 Feb 2006 – Dec 2007 May 2002 – Jan 2006 Oct 1999 – Apr 2002 Aug 1998 – Sep 1999 Jul 1996 – Jul 1998	Director / Co-Chief Executive Officer and Chief Financial Officer  Head of AEC Strategy & Corporate Development, Managing Director / Chief Investment Officer,  Vice President  Senior Vice President  Investment Director  Fund Manager  Investment Banker  Senior Manager	- PP Prime Public Company Limited  - Bank of Ayudhya Public Co., Ltd. (Krungsri Bank) - UCAP Investment Advisory (Thailand) Co., Ltd. - EFG Bank Ltd. (Singapore Branch) - Krungsri Asset Management Co.,Ltd. - Aberdeen Asset Management Co.,Ltd. - One Asset Management Co.,Ltd. - Nava Vickers Ballas Securities Co.,Ltd. - Wall Street Finance and Securities Public Co.,Ltd.

Name/Position (1)	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2018)		
					Period	Position	Company
The person supervising accounting (Chief Accountant)							
<b>Miss Phatranit Sinka</b> General Manager of Accounting and Finance  Started the Appointed as General Manager of Accounting and Finance On August 5, 2015  *Being an accountant with the qualifications and conditions of being an accountant in accordance with the rules prescribed in the Notification of the Department of Business Development	52	- Bachelor Degree of Accounting, Ramkhamhaeng University  <b>Training courses</b> - Prepare for the preparation of financial statements and taxation issues that should be careful by Federation of Accounting Professions under The Royals Patronage of His Majesty The King - Basic employee benefits ) Batch#1/61 by Federation of Accounting Professions under The Royals Patronage of His Majesty The King Budget for planning and making profits Batch#2/61 by Federation of Accounting Professions under The Royals Patronage of His Majesty The King	None	None	2015 - present	General Manager of Accounting and Finance	- PP Prime Public Company Limited

Name/Position (1)	Age (Year)	Education / Training Program	Number of shares of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2018)		
					Period	Position	Company
Company Secretary							
Miss Sasiporn Panturatana Company Secretary  Started the Appointed as Company Secretary on Feb 2017	34	<div>- Bachelor Degree of Business Administration Bangkok University</div> <div>Training courses</div> <div><div>- Fundamentals Practice for Corporate Secretaries, by Thai Listed Companies Association</div><div>- Rules of the Shareholders’ Meeting, The Board of Meeting by Dharmniti Seminar and Training Company Limited</div></div>	None	None	<div>2017 - Present</div> <div>2014 - 2017</div>	<div>Company Secretary</div> <div>Secretary</div>	<div>- PP Prime Public Company Limited</div> <div>- KTech Construction Public Company Limited.</div>
Internal Audit Manager							
Miss Ladawan Khanjanaphusit Internal Audit Manager  Started the Appointed as manager of internal audit on Feb 2015	46	<div>- Bachelor of Accounting Sripatum University</div> <div>Training courses</div> <div><div>- Curriculum Internal Audit</div><div>- Curriculum Management Internal Audit</div><div>- Anti-Corruption for Executive Program (ACEP) Thai Institute of Directors</div><div>- Internal Audit’s challenge in value adding</div></div>	None	None	<div>2015 - present</div> <div>1997 - 2014</div>	<div>Internal Audit Manager</div> <div>Credit and Legal Departments Manager</div>	<div>- PP Prime Public Company Limited</div> <div>- PP Prime Public Company Limited</div>





# Good Corporate Governance

## Good Corporate Governance

The Board of Directors prescribed a policy on good governance because it was recognized as being significant and necessary for sustainable growth of business. The Board of Directors emphasized on and intended to follow such principle by prescribing policy for and direction of the Company's business operation with emphasis on the internal control and audit system, supervising the Management to follow the policy efficiently for long term benefits of shareholders under the legal and framework and business ethics, and adopted the good governance principles for companies listed in 2006. The principles are divided into 5 chapters as follows.

### 1. Rights of Shareholders

In 2018, the Company held 3 shareholders' meetings, divided into the Annual General Meeting 2018, Extraordinary General Meeting No. 1/2018 and Extraordinary General Meeting No. 2/2018. Participated by directors of the Company and directors of the Audit Committee and a representative of the auditor. The Company sent invitation to the meeting together with supporting information for the meeting agendas to shareholders at least 14 days in advance. The invitation letter has adequate details, with comments of the Board of Directors in all agendas. The meeting was fully recorded for review by shareholders. The Company posted the invitation letter and the meeting report in its website at [www.ppprime.co.th](http://www.ppprime.co.th)

In the shareholder's meeting, the Company allocated the meeting time properly and treated all shareholders equally in expressing their opinions and raising any question to the meeting in accordance with the meeting agendas and the matters taken up for discussion. All such matters including significant inquiries and comments were recorded in the report of the meeting.

### 2. Equitable Treatment of Shareholders

The Company allowed any shareholder who was unable to personally attend the meeting to authorize a third party, or select any independent director, to attend on his/her behalf using the letter of authorization sent by the Company with the invitation letter for ease of shareholders' participation in the meeting and provided snacks and drinks to shareholders in the registration area before the meeting started.

In the meeting, the Chairman of the meeting allowed shareholders to express their opinions and inquire on matters related to that taken up for consideration in that agenda item, and allowed shareholders to elect directors individually under the agenda item on election of directors to replace those vacating office at the end of their term. The Company recognizes the significance of the internal audit system, both at the managerial level and the operative level, by establishing an internal audit section carrying the audit to ensure that the main operation and significant financial transactions of the Company were performed efficiently in accordance with guidelines established, includ-

ing the audit on compliance control. To ensure that the internal audit section is independent and capable of fully auditing and balancing, the Board of Directors, therefore, requires the internal audit section to report on the auditing results directly to the Audit Committee, and to be evaluated on its performance by the Audit Committee as well.

### 3. Roles of Stakeholders

#### Employees

The Company treated all employees equally and fairly, in terms of the opportunity, remuneration, appointment, organizing training for personnel development; to establish the Staff Provident Fund, to provide scholarship to children of the personnel with good study record including the scholarship to be given to the personnel of the Company including the development of their potential. The Company shall not act discriminately, the care for the working environment to ensure safety of life and property, listening to the opinion and recommendations of the personnel via the Opinion Reception Center through the Company's website or to act as a whistle-blower in the event of fraud happening in the organization. The said opinion will be forwarded directly to the Audit Committee. Strict compliance with the law and various regulations relating to the personnel; avoidance of any act which may be unfair that may be impacting job security of the personnel or impacting on or creating psychological pressure on the personnel.

#### Suppliers

The Company has the policy on treating the trading partners equally and fairly by taking into account the maximum interest of the Company. There are purchases of goods and services from the trading partners according to the trading terms including compliance with the contract entered into with trading partner in accordance with the terms of agreement strictly and on the basis of reciprocal return for both sides; shunning the situation that gives rise to conflict of interest including compliance with the obligation; provision of true information and make correct report; entering into negotiations to solve the problem and find a solution on the basis of business relation.

#### Customers

The Company is aware of the importance of the customer satisfaction it has on the business success of the Company, the Company is therefore seeking method to respond to the need of the customer increasingly efficiently and effectively all the times, such as the delivery of goods and provision of service of quality corresponding to the requirement or higher than the expectation of the customer at fair price; provision of correct and adequate and timely data, information to the customer; making contact with the customer politely, efficiently and winning the trust of the customer; keeping confidential secrets of the customer and do not use the information for own self-interest or for the interest of persons involved unlawfully.

#### Creditors

The Company strictly complied with conditions and agreements related to goods trading and loan without circumventing to delay payment or to be in default of payment.

#### Rivals

The Company has a policy to treat trading competitors in consistent with the universal principle within the framework of the law governing the principle of trading practice; not to breach the secrecy nor privy to trade secrets of the competitors by means of fraud. The Company behaves within the framework of good competition rules, to maintain the benchmark of competition practice, to shun the dishonest method as to gain unfair competitive advantage or destruction of competitors.

The Company has set up a website as an avenue for whistle blowing; reporting illegal or unethical practices; reporting finance matters; or failure in systems. The page has tabs that divide into "Investor/Contact Board". It is

also possible to report directly to the Internal Auditors at e-mail: [ia@ppprime.co.th](mailto:ia@ppprime.co.th)

The committee will protect the reporters by keeping their data strict confidentially.

The committee follows a process after an issue is reported to them, they will firstly summarize the report and present it to the Audit committee for further investigation. If the matter affects the Company, it will be presented to the Board of Directors for further action.

The Company was responsible for the environment of communities and the society by implementing environmental management within the organization and the society with measure on maintenance of utensils and equipment used in the Company's operation to protect the environment from pollutants. The Company also established an internal unit and delegated a person with direct responsibility to carry out CSR activities, for example, granting scholarships to customers' children, supporting school fishery.

#### 4. Disclosure and Transparency

The Board of Director recognized the importance of disclosure of accurate, complete, transparent and thorough information, both financial and general, as well as those with impacts upon the Company's securities prices, by disseminating such information for awareness of investors and parties concerned through various channels and communications of the Stock Exchange accurately and completely within the prescribed time and in accordance with criteria prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Company disclosed the annual report, both in the Thai and the English versions, through the Company's website at [www.ppprime.co.th](http://www.ppprime.co.th) The Board of Directors also required the report on responsibilities of the Board of Directors upon the financial statement to be included together with the auditor's report in the annual report.

The Company has provided an investment relation officer so that investors can contact and receive the Company's data at Tel. (034) 771-444 ext. 12

In 2018, the Company attended the event to present the financial results of the Company. As well as help raise awareness of investors on the performance of the Company on September 21, 2018, at the Opportunity Day.

#### 5. Anti-corruption

On February 12, 2018, the company was certified by the Collective Action Coalition of the Thai private sector for anti-corruption (CAC).

The company has also organized training in anti-corruption training and communications content covering anti-corruption policies, whistleblower policy and coverage receiving - giving gifts or any other benefits to directors. The management and staff at Petchburi office and Songkhla office.

Including anti-corruption communication for various stakeholders, including directors, executives, employees, representatives from business partners and third parties.

#### 6. Responsibilities of the Board

- The Board of Directors determines business direction, business plan, investment plan and investment source procurement and supervises and monitors work performance to ensure compliance with the business plan and to eliminate conflict of interests. Directors with interests in each matter will not be entitled to vote or make any decision in that matter.

- The Board of Directors prepared a manual on business ethics for acknowledgement by all directors and employees for them to understand the measure for treatment to the Company, all groups of stakeholders and the public and the society.

- The company has implemented an all new orientation to the directors before the inauguration committee, with the introduction of the overall operations of the company, subsidiaries' structure in order to understand the way it works, including with the critical information needed to perform the duties of directors.

- The Company has scheduled the Board of Directors meeting at least once a month which has set the schedule for the Board of Directors meeting in advance throughout the year, that the board can plan the meeting attendance by meeting every Wednesday, 2nd week of every month, except in the case of certifying quarterly financial statements, the meeting date will be set within 45 days from the end of the accounting period. In the case of certifying the annual financial statements, the date of the meeting shall be determined within 3 months from the end of the accounting period. In the event of an urgent agenda, the meeting will be added as necessary. The invitation letter and meeting agendas are arranged prior to the meeting at least 7 days before the meeting date. In order to allow the Board of Directors to have sufficient time to study the information before attending the meeting. In the year 2018, the Board of Directors held 12 regular meetings and 4 special meetings.

- Self-assessment of the Board of Directors in 2018 by the Office of Corporate Secretary has distributed the self-assessment form of the Board of Directors to all directors to evaluate and return to the company. To analyze results, the summary report of the assessment results to the meeting of the Board of Directors for further improvement of the evaluation results. The evaluation form for the entire Board of Directors consists of 6 topics as follows: 1. Structure and qualifications of the Board of Directors, 2. Roles, duties and responsibilities of the Board of Directors, 3. Board meeting, 4. Directors' duties, 5. Relationship with management, 6. Self-development of directors and executive development. The evaluation results were rated "very good, excellent".

- The Board of Directors appointed an Audit Committee comprising 3 independent directors to help supervising the Company's business, oversee the quality of the financial reports and the internal control system, and a Compensation Committee to help recruiting candidates with suitable qualifications to be directors of the Company and determining appropriate remuneration for the Directors. The Company established a clear and transparent policy on remunerations, but setting it at the same level as the industry and appropriate to the duties and responsibilities assigned, and at a sufficiently high level to attract and retain directors with desired qualifications. Directors' remunerations will be presented to shareholder's meeting for consideration and final approval. Power and duties of the Audit Committee and the Compensation Committee are as per details in the management structure. In the year 2018, we have Meeting of the Audit Committee at 14 times.

**The number of meeting attendances of the Audit Committee:**

Name	The Number of Attendees of the Audit committees 2018
Pol.Lt.Col. Thienrath Vichiensan	13/14
Mrs. Natee Chuansanit	14/14
Mr.Teerawit Tanakijsoontor	14/14

*Remark : as of 31 December 2018*

Remunerations of executives are in accordance with principles and policy prescribed by the Board of Directors, which link with the Company's operation results and each executive's performance. There is a suitable remuneration determination process relying on information on remunerations of companies with similar size in the same industry in conjunction with the Company's operation results.

Company's Board of Directors assume liability for the financial transactions of the company as well as for the essence contained in Annual Reports. Financial Reports are prepared under the generally accepted principles practiced in Thailand and the Company selects a suitable accounting system and carefully making estimates and divulgence of data incorporated in the remarks accompanying financial statements.

The Board of Directors arranged to maintain an efficient internal control system to ensure reasonably that accounting transactions were accurate, complete and adequate to maintain properties and to be aware of weak points to prevent dishonesty or abnormal transactions in material aspects.

The Board of Directors was of the opinion that the Company's overall internal control system was satisfactory and the Company's financial statement could create confidence and relationships with investors.

## Sub-Committee

### 1) Audit Committee

As of 31 December 2018, there are 3 members in Audit Committee

Name	Position
1. Pol.Lt.Col. Thienrath Vichiensan	Chairman of the Audit Committee / Independent Director
2. Mrs. Natee Chuansanit	Audit Committee / Independent Director
3. Mr. Teerawit* Tanakijsoontorn	Audit Committee / Independent Director

*\*Audit director who had knowledge and experiences in review of the Company's financial statements.*

### Authorities and Responsibilities of Audit Committee

- Review to ensure that the Company makes financial report accurately and adequately.
- Review to ensure that the Company has appropriate and effective internal control system and internal audit system and determine independence of the internal audit agency, and approve appointment, transfer and termination of chief of the internal audit or any other agency with internal audit responsibility.
- Review to ensure that the Company complies with law governing securities and stock exchange, regulations of the stock exchange and laws applicable to the Company's business.
- Consider, screen and nominate independent individuals for appointment as auditors of the Company and propose remuneration for such people, and participate in meetings with auditors at least once a year without participation by the Management.
- Consider related transactions or those with possible conflict of interest to ensure their compliance with laws and regulations of the Stock Exchange of Thailand to ascertain that such transactions are reasonable and most beneficial to the Company.
- Prepare report of the Audit Committee and include it openly in the annual report of the Company. Such report must be signed by the Audit Committee Chairman and contain the following information.
  - Comments on accuracy, completeness and reliability of financial report of the Company.
  - Comments on adequacy of the internal control system of the Company.
  - Comments on compliance with law governing securities and stock exchange, regulations of the stock exchange or laws applicable to the Company's business.

- 4.) Comments on suitability of the auditors.
- 5.) Comments on transactions with possible conflict of interest.
- 6.) Number of meetings of the Audit Committee and participation of each member of the Audit Committee.
- 7.) Comments or observations in whole obtained by the Audit Committee from performance of duties in accordance with the charter.
- 8.) Other transactions deemed desirable for shareholders and general investors to know under the scope of duties and responsibilities assigned by the Board of Directors of the Company.
7. Perform any other duty assigned by the Board of Directors of the Company with approval of the Audit Committee.

## 2) Executive Committee

As of 31 December 2018, there are 5 members in Executive Committee

Name	Position
Gen. Chaowarit Prapajit	Chairman of the Executive Committee
Dr. Denchai Akaradechachai	Executive Committee
Mrs. Kanokwan Wannabuit	Executive Committee
Ms. Patcharada Jutaprateep	Executive Committee
Mr. Nasu Chunsom	Executive Committee
<b>Resigned Executive committees in 2018</b>	
Dr. Pongrak Jindasombatchareon	Chairman of the Executive Committee
Mr. Suwit Wannasirisook	Executive Committee

## 3) Investment Committee

As of 31 December 2018, there are 2 members in Investment Committee

Name	Position
Gen. Chaowarit Prapajit	Chairman of the Investment Committee
Mr. Nasu Chunsom	Investment Committee
<b>Resigned Investment Committee in 2018</b>	
Dr. Pongrak Jindasombatchareon	Chairman of the Investment Committee
Mr. Suwit Wannasirisook	Investment Committee

#### 4) Corporate Social Responsibility Committee\*

As of 31 December 2018, there are 3 members in Corporate Social Responsibility Committee

Name	Position
Gen. Chaowarit Prapajit	Chairman of the Corporate Social Responsibility Committee
Mrs. Kanokwan Wannabuit	Corporate Social Responsibility Committee
Ms. Patcharada Jutaprateep	Corporate Social Responsibility Committee

\* In 2019, changed the name to the Sustainable Development Committee.

## Nomination of Directors and Top management

### Criteria for Recruitment of the Company's Directors:

In recruiting someone to be a director, since the company does not have a nomination committee, it becomes the duty of the Board of Directors to consider a candidate who is qualified. Regarding the recruitment of personnel to be appointed as directors, since the Company did not have the Nomination and Recruitment Committee, therefore, the Board of Directors shall be obliged to consider and recruit the retiring or substitute directors from those who are qualified and having no prohibited characteristics as prescribed by laws in order to obtain professional and diversified directors; whereas, the number of nominated directors shall be equal to or more than the number of the retiring directors, which shall be proposed to the Shareholder's Meeting for appointment of directors, which can be summarized, as follows:

The Board of Directors consisted of at least 5 members; whereas, at least one half of the total number of directors shall be residing in the Kingdom of Thailand; and the Company's directors shall have qualifications as prescribed by laws.

The Board of Directors shall be appointed by the meeting of shareholders under the following criteria and procedures:

1. Each shareholder shall have one vote for each share
2. Each shareholders shall exercise all votes applicable, one vote for each share, in appointing one or more person to be a director, provided that any of the votes shall not be divisible
3. A person who has the most respective vote shall be elected to be the directors equivalent to the required number of directors but in case where the following persons so elected have equivalent vote, the chairman shall have a casting vote.

At every annual general meeting, one-third of the directors or if their number is not a multiple of three, then the number nearest to one-third shall retire from office. The directors in the first and second year after company registration will be offered a draw to resign. In each subsequent year, those directors who have been longest in the office shall retire. The directors who have been resigned are able to be re nominated.

Each director who would like to resign must submit the resignation letter to the company. The resignation will be effected at the date the company received the letter. The resigned director may report his willing ness to the registrar, if needed.

In cases where there is any vacancy among the directors other than a retirement by rotation, the Board of Directors shall elect a person who is qualified under the law to be a new director at the next meeting of the Board of Directors unless the period to which new director is entitled shall be less than two months. The person who is

elected as the new director shall retain the office during such period only as the vacating director was entitled to retain the same. The resolution of the Board of Directors as specified in the first paragraph above shall consist of votes of not less than three-fourths of the remaining directors.

The meeting of shareholders may resolve to remove any director from the office before the expiration of his period of office with the votes of not less than three-fourths of the number of shareholders attending the meeting with the voting right and holding in aggregate not less than one-half of the shares held by those shareholders attending the meeting with the voting right

The directors must nominate the chairman of board of directors. The chairman will be both the chairman of board of directors and chairman of shares holders meeting. The chairman can take the position as long as he is being the director of the company. If needed, one or more vice chairman can be nominated.

### Definition of Independent Directors

1. Shareholdings not more than 1% of the available number of shares with the Company in the Major Company, Subsidiary, Joint Venture Company. Major shareholders or the persons with power to control the Company are all part of the Company including the directors.
2. There is no director holding interests in the management, or employee, staff of consultant earning salary regularly or the person with power of control of the Company, Major Company, Subsidiary, Joint Venture Company or Juristic Person who may have contradictory interests currently and 2 years previously serving in the management of the Company.
3. It is not a person having blood relations or by legal registration by way of being parent, spouse, sibling, offspring including spouse of offspring and executives serving as major shareholder , exercising power of control of the Company or person to be proposed to serve as executive or person to exercise power of control of the Company or its Subsidiary.
4. Having no business relations with the Company, major Company, Subsidiary, Joint Venture Company, major shareholder or person with power of control of the Company who may act to thwart the independent status of the Company and it has never been shareholder likely to exercise power of control of person having business relations with the Company, Major Company, Subsidiary , Joint Venture Company , major shareholder or person with power of control of the Company currently or 2 years previously.
5. Never served as auditor of the Company, Major Company, Subsidiary, major shareholder, person with power of control of the Company and not being shareholder with power of control, or partner, manager of the auditor's office which has an auditor of the Company, major company, Subsidiary, joint venture company, major shareholder or person with power of control of the Company, Subsidiary currently or 2 years previously.
6. Never been provider of occupational services, legal services or financial services in receipt of service fee exceeding two million baht annually from this Company, Major Company, Subsidiary, Joint Venture Company, major shareholder or person having power to control the Company and not being shareholder with power of control or being manager, provider of occupational services currently or 2 years previously.
7. Not being director elected to serve as representative of the director of the Company, major shareholder or shareholder with relations with a major shareholder.
8. Not engaged in business that operates on the same lines as this Company and competed with this Company, or being partner in limited partnership or director of another Company that is engaged in business the same as this Company and competing with this Company.



9. No having any other characteristics that would prevent independent opinion in the interests of this Company.

### Principle for Choosing Audit Committee

Audit committee will be nominated by the directors or the shareholders. The audit committee must be composed of at least 3 audit committees, by selecting from Independent directors. The term of audit committee is 3 years, but can be reappointed by the directors or the shareholders. At least one of audit committee must have knowledge and experience in financial and accountant, and is able to audit the financial statement.

### Term of Directors

1. The term of each director is 3 years, which will be resigned at every annual general meeting. The directors who have been resigned are able to be renominated.
2. The term of the members of sub committee will be the same as the term of each director, and can be renominated from the Board of Director.
3. The term of Independence of Director should not more than 3 consecutive terms.

### Criteria for selecting the top management

To select top executives, the company attaches importance to the organization in the first place, the selection criteria are as follows:

1. Not in possession of prohibited characteristics pursuant to section 68 of the public company ACT 1992.
2. Possession of adequate knowledge, ability and experience in animal feed industry and secondary industry including the ability to make assessment of various work performances in the course of operation the business.
3. Possession of the resourcefulness and experience in the management of mega-size organization .
4. Holding job positions or used to hold job positions not below the Assistant Managing Director, the Vice President and the organization's turnover is not less than 2,000 million baht per year with the balance sheet or the organizational structure or the annual report while holding the position to be made available for presentation. In the case of being or having used to be the executive from the government sector organization at the departmental or equivalent level, the position held must not be lower than the Deputy Top Executive.
5. Having the resourcefulness, high caliber in making decision, in giving order, solving problems and lead the organization towards the direction and target according to the policy assigned by the board of directors of the company.
6. Having a vision of an animal feed business and related business; judicious and clever planning of the business operation, control of the situation and solving the problems with relevancy and in timely manner.
7. Possessing leadership, good human relations among executives, among the persons under command or even with the outsiders; ability for good liaison and work coordination both domestically and abroad.

## Overseeing the operations of its subsidiaries

The Company controls the management of the subsidiary companies as to maintain the interest of the company in accordance with the policy laid down by the Company's board of directors and has the duty to report the operating result directly to the company's board of directors through representative of the company to hold the directorship in the subsidiary company as to formulate the policy and protect the interest of the company to ensure the company and its subsidiary operate in the same direction which would result in the management of the cost to maximum efficiency as well as the operation to maximum efficiency including the use of the policy on good corporate governance of both the company and its subsidiary.

The subsidiary is required to seek approval from shareholders in the transaction, and the acquisition or disposition of key assets same as the Company's criteria, and comply with the requirements of the Stock Exchange of Thailand which included the data and accounting records that can be monitored and collected within the consolidated financial statement deadline.

## Internal Information Control

The Company has set up the policy on the use of inside information, which is recognized only limited to executives only and disclosure to employees as necessary as they need to know in practice.

The company has policies and procedures to take care of directors and management not to use internal company information, which was not been disclosed to the public, for personal gain, including trading securities as follows:

- To educate the directors as well as the executive position to report the holding number of the company securities, including the holding of their spouse and minor children to SEC, and SET under Section 59 and penalty provisions under section 275 of the Securities and Exchange Act of 1992 within 3 days after the day of the inauguration.
- To educate the directors as well as the executive position to report a change of the holding number of the company securities to SEC and SET under Section 59 of the Securities and Exchange Act of 1992 within 3 days from the date of the change in the holding, and send copies of this report to the Secretary of the Company in same day sent a report to the Securities and Exchange Commission to propose to the Board of Directors acknowledged the next meeting.
- To determine the directors, the executive, the staffs, including with Investor Relations team who received inside information to avoid disclosing such information to outsiders or unrelated parties, and should refrain from trading shares of the company while published or distributed the Company's financial statements, as well as other important information at least 30 days before the disclosure, and 3 days after the disclosure.

The company has set a disciplinary penalty matter for the exploitation of inside information by using or to disclosing the information by considering penalty as appropriate verbal warning, written warning, probation and dismissal until the termination of an employee dismissed.

## Auditor Remuneration

Auditor of the companies in 2018 was Karin Audit Company Limited. The auditors name are as follow:

1. Mr. Jadesada Hungsapruet Certified Public Accountant Registration No. 3759 and /or
2. Mr. Jirote Sirirorote Certified Public Accountant Registration No. 5113 and /or
3. Miss Kannika Wipanurat Certified Public Accountant Registration No. 7305

Remunerations for the Auditor in 2016, 2017 and 2018 consisted of the audit fee and other expenses amounted to 1,472,392 Baht, 2,581,124 Baht and 3,099,178 Baht.

Compensation to subsidiaries companies' and associated companies' auditors in 2018 per the below.

Name of company	Baht	Yen	HKD
Tluxe Global business Co., Ltd.	135,000	-	-
Tluxe Power Co., Ltd.	185,000	-	-
Tluxe Investment Co., Ltd. (Mauritius)	65,000	-	-
Tluxe Holding Co., Ltd. (Hong Kong)	65,000	-	20,000
Geothermal Power A Company Limited (Hong Kong)	65,000	-	19,000
Geothermal Power B Company Limited (Hong Kong)	65,000	-	19,000
PPSN Co., Ltd. (Japan)	40,000	1,500,000	-
Otomeyama Co., Ltd. (Japan)	40,000	300,000	-
Sumo Power Co., Ltd. (Japan)	40,000	900,000	-
S Power Co., Ltd. (Japan)	40,000	300,000	-
SNS Co., Ltd. (Japan)	40,000	600,000	-
M Luxe Energy Co., Ltd. (Japan)	40,000	300,000	-
Fino Binary Power Plant Ltd. (Japan)	40,000	600,000	-
NIS Binary Power Plant Ltd. (Japan)	40,000	600,000	-
Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison (Japan)	40,000	600,000	-
Dual Energy Binary - Power Plant No.1 Ltd. (Japan)	40,000	600,000	-
Lena Power Station No.1 Ltd. (Japan)	40,000	600,000	-
P Green Energy Ltd. (Japan)	40,000	300,000	-
P Prime Singapore Pte. Ltd. (Singapore)	35,000	-	-
Origin Power Investment Co., Ltd. (Mauritius)	35,000	-	-
Tluxe Enterprise (Thailand) Co., Ltd.	30,000	-	-
Wind Power A Co., Ltd. (Hong Kong)	20,000	-	-
	<b>1,180,000</b>	<b>7,200,000</b>	<b>58,000</b>

# Social Responsibility

## Policy on Social Responsibility

The company is focused on operating business honestly, transparently, and morally throughout the organization to achieve quality products and management, convenient, safe, and environmentally friendly as declared in its mission statement, vision, and values.

## Guidelines about social responsibility

### 1. Operating business morally

The company has policies encouraging employees to act strictly in accordance with the law, honestly, and responsibly by performing duties with transparency.

#### 1. Receiving benefits and financial involvement with business partners of the company.

Employees naturally should not demand or accept money, items, or other benefits from customers, representatives, distributors, vendors, contractors, product salesmen, and other service providers. In addition, employees should not be financially involved such as invest or trade, lend or borrow money, collect, give cashier's check, loan, sell, rent, or rent out, or develop any financial obligation with these persons.

#### 2. Receiving gifts by popular tradition

In an opportunity of a popular tradition, in which there is gift giving, if the employee receives a gift of unusual value from a business partner of the company, the employee is to report to the appropriate superior.

#### 3. Conflict of interest

The directors and employees should not take advantage of being a committee member or an employee of the company, who are acting as a financial operations manager of the company, to seek personal benefits as well as business benefits.

#### 4. The company is considers equality and honesty in business operations and benefits with trade partners.

Trading partners of the company should act strictly in accordance with the law and various rules and bear good morals in operating business. In competing in business, the company adheres to rules of competition, guidelines of practice, as well as being fair in borrowing from lenders and in making payments. Therefore, to be in line with such principles, the company has designated the following guidelines of practice:

##### 4.1 Relationship with trade partners

- The company will not demand, accept, or provide any dishonest benefits in trading with partners.
- The company will act according to agreed terms and conditions with the trade partners.
- In the event that the company fails to act in accordance with the terms and conditions, it will promptly inform ahead of time to evaluate the situation and find a reasonable solution together with trade partners.

#### 4.2 Relationship with trade competitors

- Act within boundaries of fair competition.
- Refrain from damaging reputation of competitors with dishonest accusations.

#### 4.3 Relationship with creditors

- Maintain and act in line with terms agreed upon with a creditor in terms of payment, taking care of assets for guarantee, and other terms, as well as not using funds borrowed for objectives other than which was agreed upon with the lender.
- Report financial status of the company to the creditor honestly.
- Report to the creditor if the company fails to adhere to commitments in the contract, and work together to find a resolution to the issue.

#### 4.4 Responsibilities to the supply chain

- Supporting trade partners to be responsible to society

The company has a system of examination and evaluation of trade partners in the supply chain to manage risk in terms of sustainability by considering quality, quantity, and product delivery and services received, as well as minimal requirements according to labor laws, environmental laws, and quality management systems such as ISO9001:2008, ISO14001, ISO17025, GMP, and HACCP standards, as well as company policies and purchase agreements with trade partners.

- Cooperating with trade partners to develop social responsibility

The company has policies to organize events together with trade partners such as cooperating to be responsible for society in terms of public benefits, environmental protection, and community development, as well as creative projects to promote and support better living of the underprivileged, the elderly, and youth.

The company has designated the appropriate terms of trade and contract such as designated delivery time, terms of payment, and fair prices.

## 2. Anticorruption

The company will review business with trade partners, trade competitors, and trade creditors who collude in setting prices, as well as acting in any way to monopolize, obstruct, or eliminate trade competition that are illegal.

The company has the following guidelines about transparency of work and anticorruption within the organization:

1. Create a review process and a system of transparency control.
2. Designate an organizational structure and fair compensation according to good corporate governance.
3. Organize events to promote and communicate to create understanding leading to acceptance and application.
4. Instill a good conscience for employees and management to work transparently. Create values and culture to strive for excellence and good will.
5. Create a channel for complaints and create a response process that is quick and fair such as email, phone, complaint box, letters, etc. which can be filed to the Office of the Committee, Internal Audit Office, Human Resources Division, or direct superior.
6. Organize training for employees to promote honesty.
7. Produce an ethics manual for all employees.

### ***Conflict of Interest***

Directors and employees do not take the chance of being directors, employees of the company which managing the finances of others to seek personal gain including non-business interests.

### ***Grievance channels/suggestions/reporting incident***

The company gives opportunity to employees and stakeholders to lodge grievance, make suggestions and report incidents of unlawful actions or activities by assigning the Audit Committee's secretary to act as the center for accepting the grievances etc. This can be done via sending an email, via grievance box and letter to the Internal audit via PP PRIME's website [www.ppprime.co.th](http://www.ppprime.co.th) titled Contact us.

### ***Process upon receiving complaints***

1. Consider the complaint's severity, impact on the organization, via the committee.
2. Appoint a committee to investigate facts regarding the complaint within 15 days.
3. Make a final judgment and hand out punishment.
4. Report the number of complaints and investigation results.

### ***Measures to protect informant***

1. Conceal identity of informant and informants.
2. Committee members must keep information confidential.
3. In the event that an employee is the informant, the company must provide protection according to the Labor Protection Act of 1998 and the Civil and Commercial code (item 3 type 6 : Employment Contract)

### ***Participate in group cooperation***

The company has announced its intention to join the alliance on 'Collective Action Coalition against corruption' project which is supported by the government. It is an initiative of private sector to jointly participate to solve the corruption issues in Thailand.

## **3. Respecting human rights**

Human rights refer to rights of being human, which is a natural right all human beings are born with. Human rights cannot be transferred from one to another. There is no person, organization, or ever a state which can violate human rights. Human rights belongs to all people regardless of nationality, place of birth, gender, age, skin color, or wealth status. A violation of a person's human rights in any country, by a person, group, or state, is considered a violation of human rights. The company considers general human rights, adhering to the following:

1. Act in accordance with laws and regulations of the company.
2. Study the details of assets of trade partners in doing business and management to prevent being associated with violations of human rights.
3. Evaluate risk of human rights violations, policies, and impact regularly. Produce concrete evaluation results to report to executives.
4. Arrange to have tools for complaints so that employees can freely and easily access complaint mechanisms to raise concerns or indicate negative impacts of human rights violations.
5. Investigate in the event that an accusation is raised and proceed to resolve the issue to lessen the impact on human rights appropriately.
6. Support the development of relationships and business capacity with allies regularly. Dissolving business relationships should be a last resort.
7. Report operations transparently.

#### *Risk management and applications.*

1. Plan to execute projects of the company carefully. Be deliberate in evaluating the feasibility of a project during execution or for future plans, and how it will impact the rights of employees, communities and surrounding society, as well as finding preventive measures.
2. Watch over the company, making sure it doesn't violate rights of the community or in the area of operations for that project.
3. Refrain from participating in wrongdoings which may cause violations of human rights both directly and indirectly, such as unignoring military or police officers' action or measures to pressure peaceful protests by citizens in the area the company is conducting its business.
4. Refrain from participating in operating a company project that may cause a disturbance to homes and property on which people make their living. If the action is legal by Thai law and international practice, reassurance should be provided to the person impacted by the project that they will be sufficiently compensated for.

#### *Mechanisms of protection, care, and participation.*

1. Solve issues caused by the negative impact of human rights violations caused by the decision making and operations of business in various ways, and improve the situation.
2. Place a complaint mechanism as a channel for employees of the company, or those who believe that their rights have been violated or have been treated unfairly, to be able to seek care. There should be public relations to raise awareness.
3. Mechanism to receive complaints which is a step-by-step process with a clear time frame. There should be freedom to examination and making a decision while considering the outcome and any care which is in line with human rights.
4. Utilize negotiation to reconcile as a part of the complaint resolution process to seek resolutions agreeable to both sides.
5. Promote and open opportunities for employees, community, and society to participate in expressing their opinions if the company or personnel of the company may have violated rights. This is for the benefit of reflecting on a problem and seeking resolutions.

#### **4. Treating workers fairly**

The Company gives importance to acting in accordance with the law and regulations. It also supports participation of employees and their rights to express their opinions, safety in the workplace, and employee development of knowledge and capacity with equality.

1. Employment
  - Not using labor forcibly or child labor.
  - Not having prejudice in employment.
2. Employee's right to participate
  - Giving importance to negotiation.
  - Participating in negotiations with employees.

The company opens opportunities for employees to express their opinions via various channels such as email, telephone, complaint box, letters, and various relevant meetings.

3. Right to receive news and information

The company gives employees equal rights to receive news and information via public relations boards, intercom, website (www.ppprime.co.th), etc.

4. Developing relationships and participation

The company develops relationships and participates with employees and executives by making merit, giving alms, presenting robes to monks, releasing fish, planting trees in wetlands, etc.

5. Develop and promote employees

The company is dedicated to developing and promoting employees regularly as they are valuable assets to success. The company also prepares the employees to be “good” and “capable” people by developing in terms of knowledge, ability, and capacity continuously in line with the employee’s capacity as well as creating an organizational value. There should be a target KPI as a measure, teach new duties when there are adjustments in duties, and when accepting new employee applicants. This is all for the equal progression of the employees without prejudice.

**Proportion of employees at various levels**

Level	Male	Female
Top Management	0.60%	0.40%
Middle Management	1.69%	0.18%
Supervisors	3.87%	5.56%
Operators	41.43%	44.57%
<b>Total</b>	<b>47.59%</b>	<b>52.33%</b>

6. Health and safety

- The company gives importance to health and safety in the workplace of employees. The company arranges to have annual check-ups for all employees, provide accident insurance, employee insurance for those who face danger in their work.
- Train employees on safety and run fire drills annually.
- Adjusting the work environment appropriately by arranging the area and brightness to be appropriate for work, as well as testing regularly.
- The company arranges for safety tools and personal safety tools necessary for employees.
- The company records and investigates all accidents and incidences.

7. Performance to the employee

The company is aware that the employee is an important factor for the company’s success in reaching its organizational objective. It is the company’s policy to treat the employee fairly in terms of opportunity, compensation, appointment, employee trainings, to provide provident fund, offer study grants to employees’ children with good academic records including providing educational scholarship to employees, develop capability, uphold non-discrimination policy, ensure good safe working environment, listen to employees’ grievances and suggestions via the company’s website or to report unlawful/illegal activities in the organization. Such report will be sent to the Audit Committee for the sake of transparency. Employees will be strictly treated according to the laws, fairly, without affecting the employee’s job security or threatening the employee so they become stressful.



### *Guidelines or project to promote quality of life for employees.*

The organization must be made up of people in the organization including employees, supervisors, and executives. The component of happiness is an organization that all employees work together happily and has a good work environment, the organization pays fair and appropriate compensation, teamwork environment, helping one another, being kind and generous. A happy organization is a prosperous organization as well.

## **5. Responsibility to consumers**

The company is a leader in quality shrimp feed. It is the first shrimp feed producer in Thailand that has the quality assurance standard of ISO 9001, ISO 14001, GMP & HACCP, and Q Mark, which are product quality and safety assurance for consumers. This is to acquire both domestic and international consumer acceptance for the products, as well as instilling confidence in the products' value and ability to meet consumer needs.

In terms of prices, products are controlled by the Department of Internal Trade and prices are in reference to the central market of fishery products. This reassures customers that prices are fair. Packaging varies to serve customer demands. They are registered for all products being distributed. Also, product use directions are in line with guidelines of the Department of Fisheries. In addition, a team of academics has produced a manual on aquatic animal farming for each stage of lifecycle to be distributed to all farmers.

In terms of, safety and product insurance, The company production processes meets the Good Manufacturing Practice standard or GMP, which is a guideline and good practice in food production to ensure safety and consumption confidence. The principle of GMP covers the location of the business, building structure, manufacturing process, safety, and quality are all up to standard. This extends to sanitation and hygiene. HACCP Hazard Analysis Critical Control Point is applied to analyze danger hazard and critical point control. It is a safety standard management system, which is used to control the manufacturing process of food that is safe from 3 areas including chemical, physical, and biological dangers, from raw material to consumer hands.

We have developed a quality assurance system. Laboratory results are required to meet international standard, and are produced in a quick and credible manner. The company has also developed a regular quality testing system to ensure satisfaction and benefit of the customers. Our laboratory meets the ISO/IEC17025 standard, certified by the Department of Science Service, which is a guideline for quality management of a laboratory. Furthermore, the company has opened channels for customers to inquire information and file complaints about products. The amount of chemicals used in the inspection of products has also been reduced, by using NIRs technique, for quick reporting and friendly to the environment.

## **6. Environmental care**

The company is aware of various problems with the environment. The company is determined to apply a certified environmental management system (ISO 14001) as a key mechanism both in drafting environmental policies, setting objectives/goals, and executing environmental management projects. This includes testing and reviews to improve and develop systems to ensure effectiveness regularly. The hope is that the company will become an organization with quality staff, technology, and manufacturing without doing harm to the society and environment, and in turn, become a part of sustainable development of the country.

The Company determined to develop quality of products and services for consumers while also taking care of the environment. A team of academics have been deployed to conduct research and development of product quality with a focus on raw materials and the goal of lessening environmental impact to the very least, while consumers can still enjoy quality of products and services.

The building and production process were designed by using the SKY Light lit in the daytime to reducing energy consumption. Besides, the company has seen the importance of finding alternative energy sources, by using the wind turbine power converter is used in office buildings to reduce energy consumption and resource integration. The Company gives importance to aquatic resources management in every step of its work, covering all the way up- and downstream. Plans and projects are to use the least water effectively to lessen impact on the surrounding environment and community. The following measures have been applied to prevent aquatic pollution:

1. Implementing a water treatment system from the manufacturing process, which should control, treat, and improve the quality of water to meet legal standards. The quality of water is tested by a private agency internationally certified. There is also concern for emergencies in water management to make sure there is no impact on surrounding communities and environment.

2. Managing water both used within the company and in the wastewater treatment system. Water is retrieved from natural sources such as well-water with care for sustainability of natural resources. Wastewater management is handled by a wetland system to improve the quality of wastewater which could be recycled for environmental management in the factory. An area is designated to receive rainwater to complement well-water in the manufacturing process to lessen the use of well-water. Release of wastewater into communities is strictly prohibited.

Smell, dust, and noise pollution prevention

As the Company is a company which produces aquafeed, smell, dust, and noise pollution is inevitable. Surrounding communities may sometimes be affected. However, technology to manage smell has been applied using a wet scrubber as a tool to get rid of gas and vapor. Small particles are handled with water sprayed as mist throughout the area which will then make impact with a stream of gas. The impact will cause inertia which is the main mechanism of interception and dispersion.

- Air

With the determination to become a green factory which coexists with communities happily, the company has set various goals to meet standards by developing and improving by applying appropriate technology to manage air pollution.

- Dust

Dust pollution is managed by a jet filter in each area of the manufacturing process which will cause dust pollution. A preventive maintenance plan is also applied to make sure that the machine is effectively functioning at all times.

- Noise

The Air Silencer is applied to lessen noise pollution to both employees and nearby communities. In addition to applying effective machines and tools to manage environmental impact of the manufacturing process to be up to standard, there is also a regular review system of quality of air that is released from the factory's chamber. Machine quality and effectiveness are monitored regularly. Smell, dust, and noise pollution tests are conducted in nearby communities to improve and develop their respective management systems.

### ***Energy and climate changes***

The company insulates all of its steam and heat conductors in the manufacturing process to lessen use of steam energy which will lessen use of fossil fuel. Pull switches are also installed in the office building to save energy. Regular switches will turn all lights on at once, which wastes energy. Sometimes only lights are needed in some areas but not the other, in which case a pull switch allows the office to save money by allowing such function.

### ***Biodiversity and ecology***

The company is aware of biodiversity and ecology. On December 13, 2007, the company organized the project in honor of His Majesty the King's 80th birthday, to plant 1,299 plants on 7 rai of land and planted forest trees in wetlands of Samut Songkhram and Surat Thani provinces to expand green ecological areas. The company also participated in the project to release fish annually to replenish the number aquatic animals in natural water sources.

Operating a farming business under the Global G.A.P. standard is a product and manufacturing management guarantee for such product, that there is no usage of GMOs or cross-species contamination. This ensures that consumption of each product is guaranteed quality at the least environmental impact.

With the determination to care for the environment, save resources, save energy, all employees of the Company cooperate in helping in the Company's environmental projects to achieve the objectives and to be in line with policies effectively.

### **7. Participations in Community and Social Developments**

Throughout 32 years operating this business, with the vision to move forward nonstop, PP Prime PCL and the group companies believe that "people" is the power behind the business. The company's top objective is to make the lives of people in the society stable and sustainable. The company operates the business sustainably, offers stable returns with high growth potential and be responsible to the society. It must build confidence of all stakeholders such as shareholders, investors, customers, business partners, the media and internal staff.

As such, the company has earnestly adopted the concept of corporate social responsibility (CSR) for over 13 years and set up CSR Committee in 2016 tasked with the responsibility to supervise, establish policy, strategy and guidelines in order to achieve this objective. Other responsibilities of the committee include supporting, controlling, monitoring, following up and assessing the performance on social responsibility activities to achieve the given objective.

"PP Prime" also participates in creating bright future for the Thai youths and farmers including the surrounding community via the company's social responsibility programs which have been created on continuous basis in sustainable and measurable format for more than 13 years covering the whole country and local community in line with the UN's Sustainable Development Goals involving 3 aspects i.e. social, environment and governance.



## Economic Aspect

### 1. Fishery school project

We have continuously been implementing the project for the past 10 years starting from 2009 until the present (2018). We supply aquatic feed and advise animal raising techniques to schools in remote areas that lack financial resources to operate the project via the “Agricultural project for lunch” program covering more than 100 schools throughout Thailand. Each school receives animal feed worth 30,000 baht and the entire project is worth 4,000,000 baht. Most of the schools are members of the Office of the Basic Education Commission which provides full cooperation to the program. In 2018, the company completed the projects in 4 schools upcountry involving 230 kilograms of animal feed worth in excess of 120,000 baht.

It is noted that there are many schools lacking financial resources and need support especially the border patrol police schools located in rural areas that lack the comfort of big cities. Essentially, this gave rise to the project to promote sustainable living through fishery activities at border patrol police schools.







## 2. Sustainable living through fishery activities at border patrol police schools

In implementing the late King Rama 9's "Self-sufficiency Economy" concept and follow up on Her Royal Highness Princess Maha Chakri Sirindhorn's initiative to start "Agricultural project for lunch" the idea of "Self-sufficiency living at border patrol police schools" concept was conceived that involves fishery activity for the border patrol police schools throughout Thailand totaling 207 locations. In 2018, the company completed the project at 30 schools involving 13,700 kilograms of aquatic animal feed worth 350,000 baht.

The 2 projects not only promote raising aquatic animal to provide nutritious food for school children, it promotes education and vocational training that involves joint efforts of the government and private sector led by PP Prime PLC in providing aquatic animal feed and providing guidance in raising aquatic animals by experts to border patrol police schools which participated in the projects throughout the country. For its role, the Ministry of Agriculture and Cooperatives provides aquatic animal breed and fishery production equipment. All this illustrates complementary efforts of the three parties that led to development of children, promotes good health from fish protein, provides vocational training for students, give them opportunity to earn some income while studying, promotes self-sufficient living in line with the late King Rama 9's directive and creates income for the community including knowledge that is sustainable





## Social Aspect

### 3. Thai Luxe Graduates Project

For more than 13 years, since 2006 until 2018, the company started “Thai Luxe Student Project” by providing study grants to students with good academic records and good behavior but lacking financial resources whilst also supporting educational institutes throughout the country and all regions. The company, furthermore, provides educational grants to students/educational institutions in local community, children of farmers who are the company’s customers as well as the children of the company’s staffs of more than 2,000 grants, divided into 1,000-5,000 baht for primary to high school students, 6,000-10,000 baht for college students and 10,000-15,000 baht each to educational institutions, altogether totaling 7,000,000 baht. There were 100 students who received continuous financial aids and up to 500 graduated with bachelor degrees.

In 2018, the company implemented the “Thai Luxe Student Project” by providing financial aids to students with good academic records, good behavior but lacking financial means including supporting educational institutions throughout the country and even expanded the educational support to neighboring country such as PDR Laos altogether totaling 212 grants worth in excess of 620,000 baht.

We are aware of the importance of education for the youth who will be the force in driving the country’s development in future along with the development of living standards of children. We are determined to cultivate values to young people so they appreciate the importance of education to give them the opportunity to study and improve their capability so they are able to drive the country forward, help strengthen the community, promotes happiness, give them a career opportunity and enhance their financial stability and that of the society sustainably. Besides the 3 main projects at the country level as mentioned above, we have implemented other community projects as follows:



#### 4. Happy children and kind-hearted adults project

This is a project to promote good relationship among community residents by focusing on community children and youth. The project is organized to coincide with the Children's Day of every year at the community near the company's main factories i.e. in Petchburi, Songkla and Samut Songkram provinces in the form of recreation activities such as handling out gifts/awards and providing free food to visitors.

In 2018, the company organized the "Happy children and kind-hearted adults" activity by giving away gifts/awards and free food to participants and visitors. The event had received good cooperation from state agencies, teachers, students and parents and about 2,500 people attended the event.







### 5. Put a smile on senior citizen face project

This community project similarly involves promoting good relationship at the community level with focus on senior citizens. It is organized on the National Senior Citizen day of every year in the community near the company's main factories i.e. in Petchburi, Songkla and Samut Songkram provinces in the form of recreation activities such as handling out gifts/awards and providing free food to senior citizens in the community.

In 2018, the company organized the "Put a smile on senior citizen face" event by way of arranging recreational activities such as handling out gifts/awards and providing free food to about 500 people.



## 6. Campaign to reduce road accident project

This is a campaign activity to reduce the number of road accidents during important calendar events such as the New Year and Song Kran festival. It is an activity representing a joint effort with local government agencies and the highway police department located near the company's main factories in Petchburi, Songkla and Samut Songkram provinces in the form of handling out souvenirs e.g. car sun screen at booths near provincial highway or public rest area in order to create awareness among commuters on road safety.

In 2018, the company organized the “Campaign to reduce road accidents” event by handling out souvenirs (sun screen) and provide free refreshments at booths located near highways at Petchburi province or rest area at Songkla with joint-cooperation from relevant state agency, the public and commuters including various media companies. About 1,000 people attended the event.







## Environmental Aspect

### 7. Conservation and protection of mangrove forest project

The “Conservation and protection of mangrove forest” project is another initiative belonging to the project on showing responsibility to the society or CSR which focuses on developing the sustainability of the environment with the main objective of cultivating the awareness in conserving, protecting, rehabilitating including disseminating knowledge and experience in living near mangrove forest and the coastal area eco-system in order to maintain balance with nature and to cohabitate sustainably. The project also aims to promote and develop the quality of life of local community by enabling them to find employment from using the forest resources most economically and sensibly to generate income that circulate within the community.

In 2018, the company implemented the “Conservation and protection of mangrove forest” project via a joint cooperation with various state agencies and private organization e.g. Petchburi province, Petchburi Fishery Agency, Agency responsible for developing mangrove forest resources of Petchburi, The Office of Natural Resources and Environment of Petchburi, the Local Administrative Office of Pak Talay Sub-District, Baan Laem District, Petchburi and other agencies including members of the local community. The activity includes planting mangrove trees covering an area of 10 rais and releasing up to 10 million aquatic animals. About 500 participants from various groups took part in the project

Besides national and community projects abovementioned, the company implemented other projects that demonstrate its commitment to the society as follows:

#### 8. Blood donation, simple living by breeding Dad's tilapia project

The Fishery Office of Petchburi province jointly with the aquatic animal breeding group, tilapia breeding group, saltwater shrimp breeding group, aquatic animal processing group and the Petchburi fishery community club organized the project as consecration to the late King Rama 9 under the concept "Simple living by breeding Dad's tilapia #2" including taking part in blood donation.

In 2018, the company, represented by certain staffs, participated in the project by donating blood as consecration gesture to the late King Rama 9 including providing free refreshments during the event. About 100 people from state agencies, volunteers, local public and media agencies had participated.







### 9. Sufficiency housing project

The purpose of the project is to improve the quality of life and living conditions of people so that they have safe and secured home to live and to lift their spirit whilst boosting their motivation and also enhancing community relationship. The project is the joint efforts of the local administrative offices and private organizations of Nong Chumphon Sub-District, Khao Yoi District, Petchburi Province.

In 2018, the company, represented by management members and staffs, jointly supported the project “Sufficiency housing” organized by the community council of Chumphon Sub-District, Khao Yoi District, Petchburi Province to help rehabilitate, renovate and improve houses of those with limited resources living in the community of Chumphon Sub-District, Khao Yoi District, Petchburi Province that is close to the company’s factory producing aquatic animal feed.



### 10. Share warmth with brothers and sisters in Nan project

The project “Share warmth with brothers and sisters in Nan” involves donating blankets to the needy to alleviate their plight in experiencing cold weather. In 2018, the company delivered blankets to residents of Pua District, Nan Province represented by some management members and staff. The activity was witnessed by state agencies, teachers, students and members of the community totaling 100.





### 11. Volunteer in planting and protecting tree project

The project “Volunteer in planting and protecting tree” coincides with the “Love Tree” day which falls on the birthday anniversary of the late King Rama 9’s mother. Its aim is to built awareness of the people to sacrifice and contribute for the benefit of the society.

In 2018, the company, represented by members of the management and staff, participated in the above project by planting mangrove trees using 1,000 seedlings and release crabs to the ecosystem at mangrove forest area of Moo 4, Pak Talay Sub-District, Baan Laem District, Petchburi Province. More than 300 people from government agencies, educational institutes, volunteers and local public participated in the event.

We continue to implement genuine social responsibility projects to achieve our stated objective by cooperating with all sectors of the society to benefit the country. We believe in supporting the economy, the society and the environment towards the path of sustainability via Sustainable Development Goals (SDGs) which are the direction taken by the international community under the UN auspices which we use as our model in demonstrating our responsibility towards the society. This follows the agenda for development subsequent to 2015 with the aim of sustainable development under 17 guidelines and to apply the concept in initiating social responsibility projects by PP Prime PLC which consists of 5 aspects, i.e.

## Sustainable Development Goals (SDGs)



### Item 2 Eliminate hunger, achieve food security and promote sustainable agriculture

By focusing on children and the under privileged so they have access to sufficient food with nutritional value. This also includes promoting sustainable agriculture, lifting the quality of life and livelihood together with production capacity of small scale agricultural entrepreneur via our project initiatives which is tangible and sustainable, for example, the 'Fishery School' project, the 'Sustainable living through fishery activities' at border patrol police schools project.



### Item 3 Possess good health and healthy living conditions

Having good health and living conditions guarantee that people with good health promotes the good welfare for everyone and every age via the 'Happy children and kind-hearted adults' project, the "Put a smile on senior citizen faces" and the "Campaign to reduce road accident" project.



### Item 4. Equitable education for all promotes sustainable learning

Supports and promotes the Thai youths on education as one of efficient driving force in sustainable development with the determination to penetrate young adults and the less privileged educational institutes with constrained financial resources via CSR projects. This is implemented via the awarding of educational funds under the project "Thai Luxe Student" starting from primary school level until university level for academically successful students with good behavior but lacking financial means in and outside the organization and including educational institutes throughout the country.



### Item 14 Capitalizing on the sea and its resources

Protect coastal eco-system, strengthen conservation and sustainable use of sea based resources via the project "Conservation and protection of mangrove forest" which not only rehabilitate the mangrove forest condition for long term survival in order to enhance atmospheric ozone but also to increase living space for coastal aquatic animals so they can reproduce and also to enable water to be treated naturally. In addition, the area becomes a food source and plays an important role in the prevention of earth collapse in coastal area.



### Item 16 Peaceful, equitable and non-segregated society

Promotes peaceful, equitable and non-segregated society for sustainable development via the project "Happy children and kind-hearted adults", "Put a smile on senior citizen face" and the project "Campaign to reduce road accident"

## Internal Control and Risk Management

The Board of Directors have evaluated the internal control system based on the report submitted by the Audit Committee, there are 5 components, i.e.

1. Organizational Control and Environment Measure
2. Risk Assessment Measure
3. Management Control Activities
4. Information and Communication Measure
5. Monitoring

The Board of Directors considered that Company's internal control over transactions with major shareholders, directors, executives or related persons was sufficient.

The Internal Audit Department has been reviewing the performance of various departments. If there are any flaws. Significant will be reporting directly to the Audit Committee.

The Company has appointed Ms. Laddawan Kanchanapust to the position of Deputy Manager of Internal Audit, act as the head of internal audit of the company, as she had the experience to perform the audit and had been trained in courses relevant to operations, including internal audit, such as Internal audits to prepare for the Certified Internal Auditor. She had an understanding of the activities and operations of the Company. So it is appropriate to perform such duties appropriately enough.

The approval of the appointment, transfer and dismissal of internal audit of the company must be approved by the Audit Committee.



## The Connected Transactions

The transactions between the company, subsidiaries and persons that may have some discrepancies in 2018:

The company and its subsidiaries had transactions between each other by the general business practices and fair trading terms as the following:

### The transactions between the company with subsidiaries

Relevant person/entity	Relationship	Nature of transaction	Type of transaction	Amount (Baht)	Necessity and feasibility
				As of 31 <sup>st</sup> December 2018	
Tluxe Enterprise (Thailand) Co., Ltd.	Tluxe Enterprise (Thailand) Co., Ltd. is a subsidiary of the company in which the company holds 100% of the paid capital.	The company provided loans for Tluxe Enterprise (Thailand) Co., Ltd.	* Other receivables	11,000.00	
Tluxe Power Co., Ltd.	Tluxe Power Co., Ltd. is a subsidiary of the company in which the company holds 100% of the paid capital.	The company provided loans for Tluxe Power Co., Ltd.	* Interest income	9,604,176.85	Interest rate 6.0%
			* Interest received	23,925,738.70	
			* Loans	157,000,000.00	
			* Other receivables	286,450.00	
Geothermal Power A Company Limited	Geothermal Power A Co., Ltd. is a subsidiary of the company in which the company holds 100% of the paid capital.	The company provides loans for Geothermal Power A Co., Ltd.	* Interest income	36,245,235.00	Interest rates 6.5%
			* Interest received	47,051,361.95	
			* Loans	557,619,000.00	

Relevant person/entity	Relationship	Nature of transaction	Type of transaction	Amount (Baht)	Necessity and feasibility
				As of 31 <sup>st</sup> December 2018	
Geothermal Power B Company Limited	Geothermal Power B Co., Ltd. is a subsidiary of the company in which the company holds 100% of the paid capital.	The company provided loans for Geothermal Power B Co., Ltd.	* Interest income	24,436,035.00	Interest rates 6.5%
			* Interest received	31,197,787.15	
			* Loans	375,939,000.00	
PPSN Co., Ltd.	PPSN Co., Ltd. is a subsidiary of the company in which the company holds 100% of the paid capital.	The company provided loans for PPSN Co., Ltd.	* Interest income	37,832,172.06	Interest rates 2.5% , 6.5% , 8.0%
			* Interest received	91,800,800.77	
			* Loans	589,369,974.13	
			* Other receivables	1,728,912.00	
Sumo Power Co., Ltd.	Sumo Power Co., Ltd. is a subsidiary of the company in which the company holds 100% of the paid capital.	The company provided loans for Sumo Power Co., Ltd.	* Interest income	6,716,641.08	Interest rates 8.0%
			* Interest received	14,020,529.46	
			* Loans	83,728,620.00	
P Green Energy Company Limited	P Green Energy Co., Ltd. is a subsidiary of the company in which the company holds 100% of the paid capital.	The company provided loans for P Green Energy Co., Ltd.	* Interest income	335,771.46	Interest rates 6.5%
			* Interest received	362,991.00	
			* Loans	4,904,082.00	

Relevant person/entity	Relationship	Nature of transaction	Type of transaction	Amount (Baht)	Necessity and feasibility
				As of 31 <sup>st</sup> December 2018	
The transactions between the company with associated					
M-Luxe Energy Co., Ltd.	M-Luxe Energy Co., Ltd. is an associated of the company. in which the company holds 25% of the paid capital.	The subsidiary company provides loans for M-Luxe Energy Co., Ltd.	* Interest income	2,197,169.14	Interest rates 3%
			* Interest received	4,735,030.70	
			* Loans	74,737,695.00	
			* Other receivables	824,576.59	
The Connected Transactions					
Asia Capital group Public Company Limited	The company invested in the common stock of Asia Capital group Plc. at the rate of 14% of the registered capital.	The company invested in B/E.	* Interest income	2,427,534.23	Interest rates 5-6.5%
Nutrix Public Company Limited	The company jointly director with Nutrix Plc.	The company sale of good and purchase of raw material with Nutrix Plc.	* Sale revenue	187,362,982.10	Interest rates 6.5%
			* Purchase raw materials	53,430,126.73	
			* Trade receivables	30,565,435.84	
			* Trade payables and other payables	22,773,559.78	
			* Consultant fee	2,379,465.64	

# Ratio Analysis

Table showing comparison of key financial ratios for the period 2016 - 2018

	Consolidated			Company only		
	2016	2017	2018	2016	2017	2018
<b>Liquidity ratio</b>						
Current ratio (times)	3.62	0.56	0.80	3.64	0.59	0.33
Quick ratio (times)	3.27	0.43	0.68	3.28	0.45	0.21
Receivable turnover (times)	9.65	10.31	8.23	10.46	10.29	7.99
Average collection period (days)	37.30	34.93	43.74	34.40	34.98	45.07
Account payable turnover (times)	9.42	18.31	11.03	10.47	18.17	10.59
Average payment period (days)	38.23	19.66	32.64	34.37	19.82	34.00
Cash cycle (days)	80.55	76.55	83.65	79.28	77.59	87.24
Inventory turnover period (times)	4.42	6.93	7.48	4.54	6.80	7.18
Holding period (days)	81.49	51.93	48.15	79.25	52.90	50.16
Asset turnover ratio (times)	0.42	0.46	0.62	0.42	0.44	0.53
<b>Profitability ratio</b>						
Gross profit margin (%)	14.31	16.23	12.98	14.31	14.73	13.24
Net profit margin (%)	15.37	-13.85	-5.34	15.10	-5.91	12.94
<b>Efficiency ratio</b>						
Return on assets (%)	6.51	-6.68	-3.00	6.36	-2.76	6.52
Return on equity (%)	12.77	-15.79	-10.05	12.38	-6.22	17.45
<b>Financial ratio</b>						
Debt to Equity ratio (times)	0.96	1.90	3.11	0.95	1.61	1.75
Interest Coverage ratio (times)	5.84	1.38	-0.18	5.66	0.02	3.07
Dividend ratio (%)	-	-	-	-	-	-
<b>Other ratio</b>						
Average earning (losses) per share (baht)	0.41	-0.45	-0.20	0.40	-0.19	0.46
Basic earning (losses) per share (baht)	0.41	-0.45	-0.20	0.40	-0.19	0.46
Net book value per share	3.23	2.45	1.44	3.25	2.79	2.43

## Analysis and the Management's discussion

### Analysis and the Management's discussion

For the year ending 31 December 2018

In 2018 PP Prime Public Company Limited (“the Company”) and its subsidiaries (formerly Thai Luxe Enterprises Public Company Limited) had total revenues of 2,121.45 million baht, an increase of 245.93 million baht or 13.11 percent compared to the previous year. Which consists of income from aquatic animal feed business Pet food is 1,984.35 million baht. Income from the production and distribution of geothermal energy In Japan and its subsidiaries, equal to 76.63 million baht, representing an increase of 10.81% and 142.52%, respectively, compared to the previous year. And with other income totaling 60.47 million baht. And subsidiaries with a total net loss of 110.08 million baht, a decrease of 56.39% compared to the previous year. The main reason was due to the decrease in selling and administrative expenses in 2018. There was no expense for the purchase of a subsidiary in Japan and the Company was able to manage (profit) loss from exchange rate and better control of various expenses

### Explanations and analysis of financial position and performance in 2018

#### Performance

Revenue	2016		2017		2018	
	Million baht	%	Million baht	%	Million baht	%
Revenues from sales of animal feed	1,501.29	67.02%	1,790.73	95.48%	1,984.35	93.54%
Revenues from sales of processed frozen food	-	-	-	-	-	0.00%
Revenues from hatchery farms	-	-	-	-	-	0.00%
Revenues from sales of electricity	10.00	0.45%	31.60	1.68%	76.63	3.61%
Others	-	-	-	-	-	0.00%
<b>Total revenues</b>	<b>1,511.29</b>	<b>67.46%</b>	<b>1,822.33</b>	<b>97.20%</b>	<b>2,060.98</b>	<b>97.15%</b>
Interest income	39.43	1.76%	26.20	1.40%	8.74	0.41%
Profits from investment in securities	649.04	28.97%	4.82	0.26%	1.60	0.08%
Profits from gain on disposal investment of subsidiary	11.11	0.50%	-	-	-	0.00%
Profits from gain on disposal investment of associate companies	21.00	0.94%	-	-	-	0.00%
Reversal of allowance for impairment of assets	-	0.00%	-	-	4.53	0.21%
Other income	8.31	0.37%	22.17	1.18%	45.60	2.15%
<b>Total income</b>	<b>2,240.18</b>	<b>100.00%</b>	<b>1,875.53</b>	<b>100.00%</b>	<b>2,121.45</b>	<b>100.00%</b>

## Sales

In 2016, 2017 and 2018, the group generated sales of 1,511.29 million baht, 1,822.33 million baht and 2,060.98 million baht respectively from aquatic animal feed, pet food, hatchery farms and electricity power transmission business. However, the main income is derived from aquatic animal feed.

In 2018, the company's sales contributed by aquatic animal feed business and pet food totaled 1,984.3 million baht, up 10.81% compared to the prior year. Revenues from sales of aquatic animal feed, pet food

The shrimp farming industry in 2018, Black tiger shrimp farming increased by 30% from the production of food that is higher than 42.80.

The fish farming industry Affected by the quality of water and heavy rain, causing the water in the reservoir to flow strong. There are dead fish born and diseases from the changing environment, resulting in the income from fish food sales decreased by 5.05% compared to the same quarter of the previous year.

The production of pet food has an impact from Indonesia that reduces imports from Thailand and because the pet food market tends to decrease therefore, the income from the production of pet food decreased by 12.04% The geothermal energy business, the company conducting business of producing and selling thermal energy electricity. Geothermal in Japan with income from the sale of electricity from subsidiary companies, which are PPSN Company Limited, SUMO Power Company Limited, SNS Power Company Limited, Fino Binary Power Plant Limited, Lena Power Station No.1 Limited Liability Company, Beppu Tsurumi Onsen Geothermal No.1 Liaison Company, Binary Power Plant Limited Liability Company, and Dual Energy Binary - Power Plant No.1 Limited Liability Company. In 2018, sales were 76.63 million baht or 3.61 percent of the total sales of both The Company Which the company currently there are 23 power plants and 15 projects can be recognized.

## Income from investment in securities

In 2015, the company invested in the common shares of Asia Capital Group PCL, a related company whose shares are registered in the SET's MAI. Such investment represents 14% of Asia Capital Group PCL's paid-up capital. Initially, the company has no intention to jointly participate in managing the company or exercise its influence. Such investment was intended mainly for sale. On 24 June 2015, the board meeting approved to change the status of such investment from for sale to for trading. The company adjusted the investment value using fair market value as of the date of the status change. Subsequently, in the first quarter 2017, the company again changed the investment status from for trading to for sale for longer term investment horizon and changed other investment in all non-related companies from for trading to for sale starting from 1 January 2017 onwards.

## Other income

The group has other income in 2016, 2017 and 2018 of 8.31 million baht, 22.17 million baht and 45.60 million baht respectively, consisting of rental of cold storage, sale of raw material, supplies and other income from subsidiaries etc.

## Cost of goods sold and gross profits

The main cost of goods sold are raw materials for producing aquatic animal feed e.g. fish meal, soy bean husk, flour, octopus liver etc. The group buys such raw materials locally and from overseas. In 2016, 2017 and 2018 the group has cost of goods sold of 1,295.06 million baht, 1,526.48 million baht and 1,793.56 million baht respectively. The growth in cost of goods sold is in line with sales growth. Nevertheless, during 2016, 2017 and 2018

the group has the ratio of cost of goods sold to sales of 85.69%, 83.77% and 87.20% respectively. The gross profit margin of the group of the Company decreased by 14.31%, 16.23% and 12.98% respectively, due to the increase in sales together with higher raw material prices in 2018.

## Selling and administration expense

The group has selling and administration expense in 2016, 2017 and 2018 of 208.81 million baht, 292.54 million baht and 307 million baht with the ratio of selling and administrative expense to sales of 13.82%, 16.05% and 14.90% respectively. The main components of selling and administrative expense are wages, marketing promotion expense and traveling expense.

## Net profits (losses)

The group suffered profits in 2016 of 232.32 million baht, losses of 252.41 million baht in 2017 and losses of 110.08 million baht in 2018 or net profit margin of 10.37%, -13.46% and -5.19% respectively.

## Financial position

### Total assets

Total assets of standalone company during 2016-2018 were 3,564.81 million baht, 4,111.48 million baht and 3,761.30 million baht respectively whereas for the consolidated financials during 2016-2018 were 3,569.31 million baht, 3,987.77 million baht and 3,339.88 million baht respectively. The main components of the group assets shown as percentage of total assets are as follows:

Assets	% of total assets		
	End of 2016	End of 2017	End of 2018
Cash and cash equivalents	2.05	1.21	0.61
Short-term investment	49.73	10.50	0.00
Trade receivables and other debtors	5.32	4.86	9.67
Inventory	6.23	5.46	7.84
Assets held for sale	-	-	36.60
Current assets	63.93	22.78	54.90
Land, building and machinery	25.46	37.48	20.22
Fixed assets	36.07	77.22	45.10

The components of the group's assets has changed as the ratio of current assets, which consist of cash and cash equivalents, trade debtors and other debtors, inventory, to total assets increased and assets held for sale. The proportion of current assets to total assets increased in 2016 at 63.93 percent, decreased in 2017 at 22.78% and increased again from assets held for sale in 2018 at the rate 54.90%

Non-current assets with main items, ie land, buildings and equipment the proportion of non-current assets to total assets has decreased in 2016 at 36.07 percent, increasing in 2017, 77.22 percent and decreasing in 2018 at the rate of 45.10 percent.

## Trade receivables and other debtors

Trade accounts receivable of the Group are aquaculture farmers in the country. And sales agents of companies in various provinces of Thailand with trade accounts receivable and other receivables as shown in the separate financial statements in 2016, 2017 and 2018 in the amount of 213.85 million baht, 281.58 million baht and 424.98 million baht respectively 6%, 6.85% and 11.30% of total assets in each year respectively. The financial statements of the Group for the year 2016, year 2017 and 2018, there were 189.73 million baht and 322.81 million baht, respectively, representing 5.32 percent, 4.71 percent and 9.67 percent of total assets of Group of companies respectively

	End of 2016		End of 2017		End of 2018	
	Million baht	%	Million baht	%	Million baht	%
<b>Trade receivables</b>						
Not yet due	139.41	82.88	151.76	73.21	234.65	69.19
<b>Overdue</b>						
Not more than 3 months	23.50	13.97	29.45	14.20	72.04	21.24
3-6 months	1.24	0.74	17.77	8.57	8.06	2.38
6-12 months	2.71	1.61	8.08	3.90	7.23	2.13
More than 12 months	1.35	0.80	0.23	0.11	17.18	5.07
Total	168.21	100.00	207.29	100.00	339.16	100.00
Deduct: Provision for bad debt	(4.68)	(2.78)	(17.20)	(8.30)	(28.44)	(8.39)
Total trade receivables - net	163.53	97.22	190.09	91.70	310.72	91.61
Other debtors	26.20	15.58	3.69	1.78	12.09	3.56
<b>Total trade receivables and other debtors</b>	<b>189.73</b>	<b>112.79</b>	<b>193.79</b>	<b>93.49</b>	<b>322.81</b>	<b>95.18</b>

## Inventory

At the end of 2016, 2017 and 2018, the Group had net inventories of 222.53 million baht, 217.86 million baht and 261.87 million baht, representing approximately 6.23 percent, 5.46 percent and 7.84 percent of total assets, respectively. The main items consist of raw materials. In the proportion of approximately 43.17 - 57.85 percent and finished products in the proportion of approximately 18.13 - 25.09 percent of the total inventories of the group at the end of 2018



	End of 2016		End of 2017		End of 2018	
	Million baht	%	Million baht	%	Million baht	%
Finished products	49.40	20.70	42.01	18.13	69.65	25.09
Work in process	-	-	-	-	-	-
Raw material	103.01	43.17	124.42	53.69	160.60	57.85
Raw material in transit	40.84	17.12	18.75	8.09	-	-
Packaging & supplies	16.08	6.74	17.22	7.43	14.15	5.10
Spare parts	29.26	12.26	29.36	12.67	33.21	11.96
Total	238.59	100.00	231.76	100.00	277.61	100.00
Deduct: Impairment provision	(16.06)	(6.73)	(13.90)	(6.00)	(15.74)	(5.67)
<b>Net inventory</b>	<b>222.53</b>	<b>93.27</b>	<b>217.86</b>	<b>94.00</b>	<b>261.87</b>	<b>94.33</b>

At the end of 2016 - 2018, the Group set aside allowance for stock obsolescence equal to 16.06 million baht, 13.90 million baht and 15.74 million baht, respectively. Is an allowance for raw materials Containers and supplies and machinery spare parts

## Assets held for sale

The Group has assets to be disposed of classified assets held for sale equal to 1,222.34 million baht, accounting for 36.60 percent of total assets. Since on May 18, 2018, approved the company Distribution of geothermal energy projects located in nearby areas at Oaxasu Rumi, Beppu, Oita Prefecture. In japan And commercial operation of 15 projects (“Power Plant Project”) with a purchase price of approximately 320 million yen per project or approximately 91.71 million baht per project, representing a total value of not less than 4,800 million yen or 1,375.69 million baht (Refer to the exchange rate at 28.6602 baht per 100 yen from the Bank of Thailand on 17 May 2018) to the Relocation Group, a company established under the laws of Japan (“Buyer”). Electricity in the form of selling shares in the subsidiary of the company which owns the power plant project Or by selling the assets of the power plant project

On 21 June 2018, the Company entered into an agreement to purchase and sell the electricity project with the buyer (Relocation Group). The Company received a deposit of Yen 200 million (approximately Baht 59.98 million). Specified the buyer (Relocation Group) to pay the remaining amount of 4,600 million yen by February 2019 On February 21, 2019, Relocation House Corporation (Relocation Group) transferred the rights and obligations under the purchase and sale agreement to Beppu Forest Power Co., Ltd. and extended the time to 30 June 2019.

## Investment in subsidiaries

### Thai Luxe Enterprise (Thailand) Company Limited.

On 16 July 2018, has approval the Company, Restructuring plan to invest in a new subsidiary name “Thai Luxe Enterprise (Thailand) Company Limited.” to accept the transfer of the production of aquatic animals and pets of partial business transfer, i.e. manufacturing of aquatic animal feed (shrimp feed and fish feed) and pet feed, including all assets and liabilities, relevant licensing and promotional certificates, including all personnel involved

in the business to Thai Luxe Enterprise (Thailand) Company Limited has already registered on 18 September 2018, amounting to Baht 1 million (100,000 ordinary shares with a par value of Baht 10 each). The Company holds 99,997 shares or 99.99 percent of the registered capital.

#### **P PRIME SINGAPORE LTD**

On May 18, 2018, it resolved to approve that the Company (or its subsidiary) enters into the joint investment transaction with Rich Partners Co., Ltd. (“Rich Partners”), a company incorporated under Japanese law (or Rich Partners’ subsidiary), in the mixed-use development project under the project’s name “Riverside Tower” located in Da Nang City, Vietnam (the “Riverside Project”) which is being developed by Sun Frontier Investment Co., Ltd., a company incorporated under Vietnamese law under, the Company sets up its 100 percent wholly-owned subsidiary in Singapore, namely P PRIME SINGAPORE PTE. LTD. which will be the company to enter into the Investment in Riverside Project Transaction with Rich Partner’s subsidiary in Singapore.

#### **Origin Power Investment Co., Ltd.**

On May 30, 2018, Tluxe Power Company Limited registered the incorporation of a subsidiary in the Republic of Mauritius under the name of Origin Power Investment Co., Ltd. to invest in wind power business. The Company has authorized capital of USD 100 (1 share with a par value of USD 100 each).

#### **Wind Power A Co.,Ltd.**

On 31 October 2018, Origin Power Investment Co., Ltd. registered the incorporation of a subsidiary in Hong Kong Special Administrative Region under the name Origin Power Investment Co., Ltd. to invest in wind energy business. The Company has authorized capital of USD 100 (1 share with a par value of USD 100 each).

#### **Tluxe Global Business Co., Ltd. (previously known as Thai Demeter Co., Ltd.)**

On 18 November 2009, the company registered a new subsidiary, namely, Thai Demeter Co., Ltd. to sell raw material for producing animal feed. The company has registered capital of 3 million baht (300,000 common shares at 10 baht par value). The company holds 100% of the subsidiary with paid-up capital of 100 million baht. The subsidiary has already registered the paid-up shares with the Ministry of Commerce.

#### **Tluxe Power Co., Ltd.**

On 18 February 2016, the company registered and established a 100% owned subsidiary, namely, Tluxe Power Co., Ltd. to invest in the energy business with registered and paid-up capital of 100 million baht (10 million common shares at 10 baht par value). The subsidiary has already registered the paid-up shares with the Ministry of Commerce.

#### **Tluxe Investments Co., Ltd. (Owned by Tluxe Power Co., Ltd.)**

On 12 April 2016, Tluxe Power Co., Ltd. registered and established a 100% owned subsidiary based in Mauritius, namely, Tluxe Investment Co., Ltd., to invest in the energy business with registered and paid-up capital of USD 10,000 (100 common shares at USD 100 par value).

### Fluxe Holding Co., Ltd. (Owned by Fluxe Investment Co., Ltd.)

On 25 April 2016, Fluxe Investment Co. Ltd. registered and established a 100% owned subsidiary based in Hong Kong Special Administrative Zone, namely, Fluxe Holding Co., Ltd. to invest in the energy business with registered and paid-up capital of USD 10,000 (0.3 million baht) (100 shares at USD 100 par value).

### Geothermal Power A Company Limited and Geothermal Power B Company Limited (owned by Fluxe Investment Co., Ltd.)

On 8 August 2017, Fluxe Investments Co., Ltd. registered and established a 100% owned subsidiary based in Hong Kong Special Administrative Zone, namely, Geothermal Power A Company Limited and Geothermal Power B Company Limited to invest in the energy business with registered and paid-up capital of USD 10,000 (100 common shares at USD 100 par value).

### PPSN Co., Ltd. (owned by Geothermal Power B Company Limited)

On 11 May 2016, the company invested in the common shares of PPSN Co., Ltd. which operates geothermal electricity generating business in Japan totaling 280 million yen (90 million baht) and in June 2016, the company transferred all of the shares in PPSN Co., Ltd. to Fluxe Holding Co., Ltd., a 100% owned subsidiary, for the sum of 90 million baht. As such, the company considers that PPSN Co., Ltd. is a group subsidiary since 11 May 2016 onwards. On 27 June 2017, the company's board meeting approved the investment in the geothermal electricity generating project in Japan by acquiring 4 companies in Japan (each one has 2 units of geothermal electricity generating business) i.e. Fino Binary Power Plant Limited Liability Company, NIS Binary Power Plant Limited Liability Company, Beppu Tsurumi Onsen Geothermal Power Station No. 1 Liaison Company and Dual Energy Binary – Power Plant No. 1 Limited Liability Company with total project cost of 2,200 million yen (675 million baht).

On 2 August 2017, the company's board meeting approved the investment in the geothermal electricity generating project in Lena Power Station No. 1 Limited Liability Company. Which operates 2 geothermal electricity generating plants in Japan. And 28 August 2017, Geothermal Power A Company Limited to signed the share purchase agreement to buy the shares and paid share payment total project cost of 530 million yen (160 million baht).

Later on 28 August 2017, the company signed the share purchase agreement to buy the shares of Fino Binary Power Plant Limited Liability Company. and on 4 September 2017, the company signed the share purchase agreement to buy the shares of NIS Binary Power Plant Limited Liability Company, Beppu Tsurumi Onsen Geothermal Power Station No. 1 Liaison Company and Dual Energy Binary – Power Plant No. 1 Limited Liability Company. The company has the authority to control these companies on 30 August 2017 and 7 September 2017. As such, it is considered that these companies are subsidiaries of the group from the above dates onwards.

In September 2017, the company restructured the shareholding structure of the 4 new subsidiaries using Geothermal Power A Company Limited to invest in Fino Binary Power Plant Limited Liability Company and NIS Binary Power Plant Limited Liability Company and Geothermal Power B Company Limited to invest in the shares of Beppu Tsurumi Onsen Geothermal Power Station No. 1 Liaison Company and Dual Energy Binary – Power Plant No. 1 Limited Liability Company making the above companies subsidiaries of the group since August 2017 and September 2017. The company invested in the common shares of the 5 Subsidiaries i.e. Fino Binary Power Plant Limited Liability Company, NIS Binary Power Plant Limited Liability Company, Beppu Tsurumi Onsen Geothermal Power Station No. 1 Liaison Company and Dual Energy Binary – Power Plant No. 1 Limited Liability Company and Lena Power Station No. 1 Limited Liability Company. the company incurred investment cost of 98 million baht (320 million yen) which is recorded as other expenses in the Profit & Loss statements for the year ending 31 December 2017.

Revenues and profits of the above 5 subsidiaries Subsidiaries i.e. Fino Binary Power Plant Limited Liability Company, NIS Binary Power Plant Limited Liability Company, Beppu Tsurumi Onsen Geothermal Power Station No. 1 Liaison Company and Dual Energy Binary – Power Plant No. 1 Limited Liability Company and Lena Power Station No. 1 Limited Liability Company. After being acquiring, are reflected in the Profit & Loss Statements for the year ending 31 December 2017 totaling 10 million baht and 2 million baht respectively.

At present, the company is in the process of assessing the fair market value of the assets and liabilities as of the date of the acquisition to allocate the cost of such acquisition. Such exercise involves estimating the value of certain non-tangible assets as well as tangible assets which will take about 12 months from the acquisition date per the reporting standards no. 3 (revised 2016). During this time, the company shall revise retroactively the projections done as of the date of the acquisition and recognize additional assets, liabilities and adjusted the profit/loss figure to reflect the additional information taking into account the facts and the environment on the date of the acquisition. The company recorded the difference in the cost of investment in subsidiaries which is higher than the net value of these companies in the consolidated financial statements under the heading “cost of business acquisition not yet allocated”.

On 20 October 2017, the company adjusted the shareholding structure of the group as follows:

1. Tluxe Holding Limited purchased the common shares of Beppu Beppu Tsurumi Onsen Geothermal Power Station No. 1 Liaison Company from Geothermal Power B Company Limited for the sum of USD 5.7 million.
2. Geothermal Power B Company Limited purchased all the 120,000 common shares of PPSN Company Limited from Tluxe Holdings Limited for the sum of USD 2.6 million.
3. Geothermal Power B Company Limited purchased all the 50 common shares of SNS Power Company Limited from SUMO Power Company Limited for the sum of 0.5 million yen.

#### **SUMO Power Co., Ltd. (owned by Tluxe Holding Co., Ltd.)**

In September 2016, Tluxe Holding Limited, a subsidiary of the company, invested in the common shares of Sumo Power Company Limited which operates geothermal electricity generating business in Japan for the sum of 495 million yen (165 million baht). The financial statements of Sumo Power Co., Ltd. are thus consolidated with the company since the company has the management control on 6 September 2016.

In March 2017, the company made a change in the group shareholding structure using Sumo Power Company Limited to purchase the common shares of Otomeyama Energy Company Limited from PPSN Company Limited totaling 50 shares at 10,000 yen per share for the sum of 500,000 yen.

On 31 December 2017, Sumo Power Company Limited owns 1 already operated geothermal electricity generating plant while the remaining 8 units are in the process but have not signed agreement with any customer. There is no significant progress on this subsidiary since the end of last year.

#### **Otomeyama Energy Company Limited (owned by Sumo Power Co., Ltd.)**

On 23 September 2016, PPSN Company Limited registered and established a 100% owned subsidiary in Japan, namely, Otomeyama Energy Company Limited, to invest in geothermal electricity generating business in Japan with registered and paid-up capital of 500,000 yen (50 common shares at 10,000 yen per share).

### **S-Power Company Limited (owned by Sumo Power Co., Ltd.)**

On 23 September 2016, Sumo Power Company Limited registered and established a 100% owned subsidiary in Japan, namely, S-Power Company Limited to invest in geothermal electricity generating business in Japan with registered and paid-up capital of 500,000 yen (50 common shares at 10,000 yen per share).

### **SNS Power Company Limited (owned by Geothermal Power B Company Limited)**

On 5 October 2016, Sumo Power Company Limited registered and established a 100% owned subsidiary in Japan, namely, SNS Power Company Limited to invest in geothermal electricity generating business in Japan with registered and paid-up capital of 500,000 yen (50 common shares at 10,000 yen per share).

In March 2017, SNS Power Company Limited invested in an already operating electricity generating plant.

### **Lena Power Station No. 1 Limited Liability Company (owned by Geothermal Power A Company Limited)**

On 2 August 2017, the company's board approved the investment in Lena Power Station No.1 Limited Liability Company which operates geothermal electricity generating business in Japan. The company already operates 2 plants and on 28 August 2017, Geothermal Power A Company Limited signed the share purchase agreement and paid for the shares at the sum of 530 million yen (160 million baht)

Geothermal Power A Company Limited has the controlling stake in Lena Power Station No. 1 Limited Liability Company on 9 September 2017. Thus from 9 September 2017 onwards, such company is considered a subsidiary of the group.

### **P Green Energy Company Limited (owned by Tluxe Holding Co., Ltd.)**

On 2 October 2017, Tluxe Holding Co., Ltd., a subsidiary of the company, acquired all common shares of P Green Energy Company Limited of Japan totaling 100 shares at 10,000 yen per share for the sum of 1 million yen from the former directors of the subsidiary. The company operates as advisor, planning and managing business.

## **Investment in associate companies**

On 12 September 2016, PPSN Company Co., Ltd., a subsidiary, invested in M-Luxe Energy Company Limited to develop land for geothermal electricity generating plant in Japan with registered capital of 10 million yen (1,000 million common shares at par value of 10,000 yen). The subsidiary holds 25% in M-Luxe.

On 15 September 2017, the company changed the shareholding structure of joint venture companies. Tluxe Power Co., Ltd. bought common shares of M-Luxe Energy Company Limited from PPSN Company Limited totaling 250 shares at 10,000 yen per share for the total sum of 2.5 million yen.

## **Other long term investments**

Other long term investment consist of general investment totaling 3.45 million baht and investment in common shares of companies listed in MAI totaling 320.15 million baht

## Long term debtors

Long term debtors worth 44 million baht (2017: 58 million baht) are many trade accounts receivable that have been long overdue and are in the process of prosecution of the company. The Company has set up an allowance for doubtful accounts for such debtors by taking into account the auction price of collateral or collateral value. As at 31 December 2018, the Company has set up an allowance for doubtful accounts in the amount of 44 million baht (2017: 58 million baht)

## Land, building and machinery

Land, building and machinery of the group as at year ending 2016, 2017 and 2018 totaled 908.69 million baht, 1,494.46 million baht and 675.30 million baht respectively or 25.46%, 37.48% and 20.22% of total assets.

In 2018, the company has a decrease in property, plant and equipment from 2017 totaling 819.16 million baht due to the company will sell the geothermal power plant project therefore classified as an asset for sale

### Sources of funds

	% of total assets		
	2016	2017	2018
Bank over drafts and short term loan from financial institutions	-	10.25	16.47
Trade and other payables	3.38	4.11	8.92
Short term loan from related parties	0.04	-	-
Short term loan from unrelated parties	-	-	-
Current portion of long term loan	-	1.01	18.30
Current portion of debenture	13.92	24.67	21.18
Current portion of liabilities under long - term lease agreement	0.03	0.05	0.06
Other current liabilities	0.28	0.23	0.14
Liabilities included in the assets to be disposed classified as assets held for sale	-	-	3.86
<b>Total current liabilities</b>	<b>17.65</b>	<b>40.91</b>	<b>68.92</b>
Long term loan – net of current portion	-	15.43	-
Debentures – net of current portion	27.43	6.59	5.97
Liabilities under long - term lease agreement, net of current portion	0.04	0.08	0.06
Deferred liabilities tax	3.58	1.54	0.13
Provision for long term employee benefit	0.33	0.34	0.58
<b>Non - current liabilities</b>	<b>31.38</b>	<b>23.98</b>	<b>6.74</b>
<b>Total liabilities</b>	<b>49.03</b>	<b>64.89</b>	<b>75.66</b>
<b>Shareholder Equity</b>	<b>50.97</b>	<b>35.11</b>	<b>24.34</b>
<b>Debt/Equity (times)</b>	<b>0.96</b>	<b>1.85</b>	<b>3.11</b>

Upon considering the group's sources of fund, it can be seen that presently the majority are sourced from debenture issuance and long term loan from banks or 61.91% of the group's total assets in the consolidated financials. The group's D/E ratio during 2016-2018 stood at 0.96X, 1.90X and 3.11X respectively.

## Long term lease

The company entered into long term lease agreement with a leasing company to lease equipment and vehicles for the company's operations based on monthly payment. The average lease period is between 2-4 years and the agreement is irrevocable.

## Total liabilities

As at end of 2016, 2017 and 2018, the group has total liabilities of 1,749.96 million baht, 2,610.75 million baht and 2,526.87 million baht or 49.03%, 65.47% and 75.66% of total assets respectively. The main items of the group's total liabilities are trade payables and other creditors. Such items are the sources of fund for raw material and the group's working capitals. In 2017 and 2018, the increased in total liabilities, apart from trade payables and other creditors, is attributable to the issuance of debenture and borrowings from financial institutions in 2018 respectively.

## Shareholder Equity

As at end of 2016, 2017 and 2018, the group has shareholder equity of 1,819.35 million baht, 1,377.02 million baht and 813.01 million baht respectively.

At end of 2018, the company and subsidiaries have shareholder equity of 813.01 million baht, a decline from 31 December 2017 of 564.01 million baht or a decline of 69.37% due to the unrealized loss of marketable securities and net loss for the year 2018.

## Liquidity

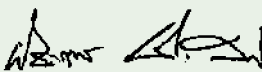
The Current Ratio during 2016-2018 equaled 3.62X, 0.56X and 0.80X, at the same time, the group has total liabilities at end of 2016, 2017 and 2018 of 1,749.96 million baht, 2,610.75 million baht and 2,526.87 million baht respectively and Debt/Equity ratio 0.96X, 1.90X and 3.11X respectively.

At end of 2018, the company and subsidiaries has net cash flow from operations of 21.02 million baht, cash outflow for business activities of 272.16 million baht from investment in subsidiaries, land, building and equipment purchase. This is supplemented by cash inflow from borrowings of 250.41 million baht, which caused the company to have cash and cash equivalents decreased by 10 million baht. As a result, as at December 31, 2018, the company had cash and cash equivalents at the end of the remaining amount of 20.51 million baht

## Responsibilities of the Board of Directors upon Financial Report

The Board of Directors is responsible upon the Company's financial report. Presentation of the Company's financial report was made in accordance with generally accepted accounting standard by following accounting standard prescribed by the Certified Accountant and Auditor Association of Thailand, using appropriate accounting policy on a regular basis in transaction to ensure that the accounting information is accurate, complete and adequate to maintain properties of the Company and prevent abnormal transactions which may occur.

The Board of Directors appointed the Audit Committee comprising 3 independent directors to oversee and ensure that the financial report is truthful, complete, adequate and reliable, and to supervise appropriate and efficient internal control system. The Board of Directors finds that the quality of the Company's internal control system is generally adequate and appropriate to provide reliability of the financial statement as at 31 December 2018.

Air Chief Marshal   
(Pitthaporn Glinfueng)  
Chairman of the Board of Directors



## Independent Auditor's Report

To the Shareholders of PP PRIME Public Company Limited (Former name “Thai Luxe Enterprises Public Company Limited”)

### Opinion

I have audited the financial statements of PP PRIME Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position and as at December 31, 2018, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of PP PRIME Public Company Limited and its subsidiaries as at December 31, 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated financial statements. I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Material Uncertainty Related to Going Concern

I draw attention to Note 1.2 of the consolidated financial statements relating to the going concern of the Group. The consolidated statements of financial position. As at 31 December 2018, the group has current liabilities exceeds current assets amounting to Baht 468 million (the company Baht 1,458 million). The current liabilities funded various investment projects; debenture of Baht 714 million that mature in third quarter of 2019 and short-term borrowing from financial institutions and promissory notes from financial institutions and non-related parties and non-related persons of Baht 483 million those mature in first and second quarters of 2019.

As at 31 December 2018 the company has long-term loan from financial institutions of Yen 2,060 million (Baht 611 Million). The company was unable to maintain the debt to equity ratio that stipulated in the loan agreement which constitutes a breach of agreement. As a result, the bank may demand

payment of the loan immediately. Currently, the Company's management is in process of negotiating with the bank to provide a waiver from compliance with the agreement.

The Company's management believes that this event will not have a significant impact on the Company due to the bank lender will grant the waiver.

In addition the management is preparing the following matters.

1. Board of Directors Meeting No. 8/2018 dated May 18, 2018 approved the Company to sell the 15 geothermal power plant projects located in the same vicinity in Oasa-Tsurumi, Beppu city, Oita prefecture, Japan approximately JPY 320 million per project or equivalent to approximately THB 91.71 million per project. Total project value is not less than JPY 4,800 million or equivalent to approximately THB 1,375.69 million. On June 21, 2018, the Company entered into a sale-purchase agreement of Power Plant Projects with a buyer (Relocation Group), the Company received the deposit of JPY 200 million (approximately of Baht 59.98 million), the agreement indicated that the buyer (Relocation Group) will pay remaining amounting of JPY 4,600 million to the company within February 2019.

On February 21, 2019, Relocation Group transferred the right and obligation under the agreement to Beppu Forest Power Co., Ltd. and extent to June 30, 2019.

2. Offering and allocation of the company's newly issued ordinary shares to the existing shareholders in proportion of their existing stock (Right Offering) and private placement under General Mandate. The minute of board of director meeting of PP PRIME Public Company Limited No. 3/2562 dated 11 February, 2019 approved to propose the extra-ordinary meeting agenda No. 1/2562 dated 25 March, 2019 to approve the offering and allocation of the company's newly issued ordinary shares per Note 37.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. My opinion is not modified in respect of this matter.

### Emphasis of matters

Without expressing modified in respect of these matters, I draw attention to the Note 15.1 to the consolidated financial statements, the Company has an investment in the ordinary shares of a related company that is listed on the Market for Alternative Investment (MAI), representing approximately 14% of the total share capital of that company. Some shareholders of the Company are also shareholders of that company. The Company has informed us that the Company has no intention to participate in the management of that company and also has no influence over it. The outstanding balance of this investment as at Decemer 31, 2018 is approximately Baht 118.49 million is 3.55% of total assets of the Group, This is considered as an asset with risk being concentrated in only one related company. The value of the investment depends on the operating results and the future market price of this related company and on Company's decisions regarding the sale of the investment.

## Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matters	Audit procedures respond risk
<p><b>Compliance with covenants stipulated in loan/debenture agreements</b></p> <p>As at 31 December 2018, the Group had loans from financial institutions and debentures totaling Baht 1,518 million (60% of total liabilities) (Separate financial statements: Baht 1,518 million (63% of total liabilities)), which are significant accounts. Under the loan/debenture agreements, the Group is required to comply with certain covenants, as discussed in Note 23 to the financial statements. If the Group is unable to comply with those covenants, it may result in the loans and debentures being called by the lenders/debenture holders, and the reclassification of the liabilities from non-current liabilities to current liabilities, impacting the going concern of the Group.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>- I read the loan/debenture agreements and gained an understanding of and assessed the process by which compliance with the covenants specified in the contracts is monitored by management.</li> <li>- I also examined documentation related to compliance with both the non-financial and financial covenants, including testing the financial ratio calculations to assess whether they complied with the covenants in the loan/debenture agreements.</li> <li>- I reviewed the disclosure of information on conditions of loan/debenture agreements in the notes to the financial statements.</li> </ul>
<p><b>Allowance for doubtful accounts</b></p> <p>The adequacy of allowance for doubtful accounts is one of key matters that the management is required to make significant judgement in determining the recoverable amount of trade accounts receivable, which is an inherently uncertainty involving various factors including the current status of receivable, the payment histories, liquidity, expected ability of debtors' payment. Also, as at 31 December 2018, the Company had trade accounts receivable amounted to Baht 384 million and allowance for doubtful accounts amounted to Baht 73 million (net amount was 11 percent of total assets) of the Group .</p> <p>Therefore, I pay particular attention to the adequacy of allowance for doubtful accounts of trade accounts receivable.</p> <p>Accounting policies and details of trade accounts receivable and allowance for doubtful accounts were disclosed in Notes 4 and 9 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understand the process of accounting records, contracting, follow-up debt, collection of debt, and the basis of estimate of allowance for doubtful accounts to perform substantive procedures;</li> <li>• Perform substantive testing as follows: <ul style="list-style-type: none"> <li>- Send the confirmation requests to trade accounts receivable at the end of year;</li> <li>- Verify the analytical overdue receivable aging report and corroborated on whether these items were classified in the appropriated arrear bracket, and recalculated allowance for doubtful accounts;</li> <li>- Verify the subsequent collection from receivables after the reporting period;</li> <li>- Review the financial position and performance of the major customer to be long-term overdue in debtor file, the latest financial information and other information to be necessary in order to consider the debtors' ability to make payment;</li> <li>- Review the adequacy of disclosures in note to the financial statements.</li> </ul> </li> </ul>

### Other Matters

The consolidated and company statements of financial position of Asia Precision Public Company Limited and its subsidiaries and of Asia Precision Public Company Limited for the year ended December 31, 2016 (before adjusted) and the consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year ended December 31, 2016 (before adjusted) and the accompanying notes are an integral part of these financial statements displayed as a comparison were audited by another auditor, whose report dated on February 28, 2018 expressed an unqualified opinion.

### Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 within the Group 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 those charged with governance 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 those charged with governance 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 those charged with governance, I determine those matters that were of most significance in the audit of the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Jadesada Hungsapruerk



(Mr. Jadesada Hungsapruerk)  
Certified Public Accountant  
Registration No. 3759  
Karin Audit Company Limited  
Bangkok, Thailand  
February 26, 2019

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)  
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	Note		(RESTATED)		
Assets					
Current assets					
Cash and cash equivalents	7	20,505,636	48,293,144	16,396,102	14,706,837
Current investments	8				
Available - for - sale securities		33,635	308,185,887	33,635	308,185,887
Bills of Exchange		-	110,500,000	-	110,500,000
Total current investments		33,635	418,685,887	33,635	418,685,887
Trade and other current receivables	6, 9	322,806,491	193,785,735	424,980,359	281,581,436
Inventories	10	261,867,018	217,856,536	261,867,018	217,856,536
Other current assets		6,095,969	29,656,199	5,864,474	4,558,464
Disposal groups classified as held for sale	11	1,222,335,496	-	-	-
Total current assets		1,833,644,245	908,277,501	709,141,588	937,389,160
Non - current assets					
Investment in associate	14	-	-	-	-
Investments in subsidiaries	13	-	-	81,807,353	2,999,980
Other long - term investments	15	323,605,286	858,930,463	323,605,286	858,930,463
Trade and other non - current receivables	9	-	-	-	-
Long - term loans	6	145,079,055	72,451,500	1,768,560,676	1,515,741,792
Investment properties	16	38,684,776	10,375,601	38,684,776	10,375,601
Property, plant and equipment	17	675,300,875	1,494,455,343	594,977,591	663,222,561
Goodwill	19	13,651,434	57,090,775	-	-
Other intangible assets	18	11,507,837	346,305,810	11,490,156	10,436,770
Deferred tax assets		89,708,404	39,778,083	89,708,404	34,789,025
Other non - current assets					
Restricted bank deposits	12	7,865,307	7,795,693	7,865,307	7,795,693
Advances payment	20	195,723,407	181,845,408	130,364,560	65,053,590
Other		5,106,326	10,463,846	5,096,472	4,753,845
Total other non - current assets		208,695,040	200,104,947	143,326,339	77,603,128
Total non-current assets		1,506,232,707	3,079,492,522	3,052,160,581	3,174,099,320
Total assets		3,339,876,952	3,987,770,023	3,761,302,169	4,111,488,480



PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)  
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	Note		(RESTATED)		
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions	21	549,947,985	408,761,483	549,947,985	408,761,483
Trade and other current payables	6, 22	297,764,379	163,937,528	293,950,443	156,786,127
Current portion of long - term liabilities	23	1,320,486,826	1,025,881,321	1,320,486,826	1,025,881,321
Current income tax payable		82,065	2,856,172	-	1,846,749
Other current liabilities		4,717,359	6,274,934	3,429,328	4,186,916
Liabilities included in disposal groups					
classified as held for sale	11	128,834,758	-		-
<b>Total current liabilities</b>		<b>2,301,833,372</b>	<b>1,607,711,438</b>	<b>2,167,814,582</b>	<b>1,597,462,596</b>
<b>Non - current liabilities</b>					
Long - term loan	23	201,352,444	868,531,856	201,352,444	868,531,856
Deferred tax liabilities		4,247,810	120,965,692	4,247,810	59,288,137
Non - current provisions for employee benefits	24	19,433,737	13,545,242	19,433,737	13,545,242
<b>Total non - current liabilities</b>		<b>225,033,991</b>	<b>1,003,042,790</b>	<b>225,033,991</b>	<b>941,365,235</b>
<b>Total liabilities</b>		<b>2,526,867,363</b>	<b>2,610,754,228</b>	<b>2,392,848,573</b>	<b>2,538,827,831</b>

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)  
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Note			(RESTATED)		
<b>Shareholders' equity</b>					
Share capital					
Authorized share capital					
843,813,359 ordinary shares of Baht 1 each	29.3	843,813,359	-	843,813,359	-
568,451,520 ordinary shares of Baht 1 each	29	-	568,451,520	-	568,451,520
Issued and paid share capital					
563,050,687 ordinary shares of Baht 1 each		563,050,687	563,050,687	563,050,687	563,050,687
Share premium - ordinary shares		489,124,511	489,124,511	489,124,511	489,124,511
Capital reserve for share-based payment transactions		41,479,200	41,479,200	41,479,200	41,479,200
Retained earnings					
Appropriated - Legal reserve		56,845,152	56,845,152	56,845,152	56,845,152
Unappropriated		308,154,944	421,416,769	826,772,165	573,266,420
Other components of shareholders' equity		(645,644,905)	(194,900,524)	(608,818,119)	(151,105,321)
<b>Total shareholders' equity</b>		<b>813,009,589</b>	<b>1,377,015,795</b>	<b>1,368,453,596</b>	<b>1,572,660,649</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,339,876,952</b>	<b>3,987,770,023</b>	<b>3,761,302,169</b>	<b>4,111,488,480</b>

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)  
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Note			(Restated)		
<b>Revenues</b>					
	Revenues from sales	2,060,977,303	1,822,329,930	1,984,351,945	1,790,732,106
	Other income				
	Gain on investments in securities	1,597,175	4,818,750	1,597,175	4,818,750
	Interest income	8,736,858	26,201,527	21,393,256	92,822,746
	Reversed allowance of impairment on assets	4,533,289	-	1,635,229	-
	Reversed allowance of impairment on loans	-	-	270,800,000	-
	Reversed allowance of impairment on investment in subsidiary Company	-	-	77,774,553	-
	Other	45,604,889	22,173,479	27,842,658	15,876,760
	<b>Total revenues</b>	<b>2,121,449,514</b>	<b>1,875,523,686</b>	<b>2,385,394,816</b>	<b>1,904,250,362</b>
<b>Expenses</b>					
	Cost of sales	1,793,561,551	1,526,483,683	1,721,579,201	1,498,393,566
	Cost of distributions	95,425,161	73,876,477	95,425,161	73,875,787
	Administrative expenses	211,578,583	218,667,668	175,727,299	182,010,149
	Other expenses				
	Loss on impairment of loan to related parties	-	-	-	118,800,000
	Loss on impairment of assets	-	15,098,926	-	12,072,255
	Loss on impairment of goodwill	-	25,577,947	-	-
	(Profit) Loss on foreign exchange	(2,119,803)	61,560,185	6,321,370	16,867,159
	Expense of acquisition of a subsidiaries	13.1	98,052,877	-	-
	Finance costs	125,961,963	104,974,071	125,961,963	104,970,215
	<b>Total expenses</b>	<b>2,224,407,455</b>	<b>2,124,291,834</b>	<b>2,125,014,994</b>	<b>2,006,989,131</b>
	Share of loss from investments in associates	32	(613,502)	-	-
	<b>Profit (loss) before income tax expenses</b>	<b>(102,957,941)</b>	<b>(249,381,650)</b>	<b>260,379,822</b>	<b>(102,738,769)</b>
	Tax expenses (tax Income)	27	3,025,263	3,696,696	3,029,804
	<b>Profit (loss) for the year</b>	<b>(110,084,444)</b>	<b>(252,406,913)</b>	<b>256,683,126</b>	<b>(105,768,573)</b>

หมายเหตุประกอบงบการเงินเป็นส่วนหนึ่งของงบการเงินนี้

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)  
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Note		(Restated)		
<b>Other comprehensive income :</b>					
Other comprehensive income to be reclassified					
to profit or loss in subsequent period :					
Exchange differences on translation of financial statements					
in foreign currency		6,968,417	(37,885,198)	-	-
Gain (loss) on changes in value of available - for - sale investments					
- net of income tax		(457,712,798)	(152,038,005)	(457,712,798)	(152,038,005)
Components of other comprehensive income that will not be					
reclassified to profit or loss					
Gains (losses) on remeasurements of defined benefit plans		(3,177,381)	-	(3,177,381)	-
<b>Other comprehensive income (expense) for the year</b>		<b>(453,921,762)</b>	<b>(189,923,203)</b>	<b>(460,890,179)</b>	<b>(152,038,005)</b>
<b>Total comprehensive income (expense) for the year</b>		<b>(564,006,206)</b>	<b>(442,330,116)</b>	<b>(204,207,053)</b>	<b>(257,806,578)</b>
<b>Earning (Loss) per share (Baht: Shares)</b>	31	<b>(0.20)</b>	<b>(0.45)</b>	<b>0.46</b>	<b>(0.19)</b>

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)  
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

Consolidated financial statements													(Unit : Baht)
Equity attributable to owners of the Company													
	Note	Issued and fully paid - up share capital	Share premium - ordinary shares	Capital reserve for share - based payment transactions	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Surplus (deficit) on changes in value of available - for - sale investments	Gains(losses) on remeasurements of defined benefit plans	Total other components of shareholders' equity	Total shareholders' equity		
					Appropriated	Unappropriated							
					Other comprehensive income								
Balance as at January 1, 2017		563,050,687	489,124,511	41,479,200	56,845,152	673,823,682	(5,910,005)	932,684	-	(4,977,321)	1,819,345,911		
Changes in shareholders' equity for the year 2017 :													
Total comprehensive income (expense) for the year (Restated)		-	-	-	-	(252,406,913)	(37,885,198)	(152,038,005)	-	(189,923,203)	(442,330,116)		
Balance as at December 31, 2017		563,050,687	489,124,511	41,479,200	56,845,152	421,416,769	(43,795,203)	(151,105,321)	-	(194,900,524)	1,377,015,795		
Changes in shareholders' equity for the year 2018 :													
Total comprehensive income (expense) for the year		-	-	-	-	(110,084,444)	6,968,417	(457,712,798)	(3,177,381)	(453,921,762)	(564,006,206)		
Transferred to retained earnings		-	-	-	-	(3,177,381)	-	-	3,177,381	3,177,381	-		
Balance as at December 31, 2018		563,050,687	489,124,511	41,479,200	56,845,152	308,154,944	(36,826,786)	(608,818,119)	-	(645,644,905)	813,009,589		

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

	Separate financial statements										(Unit : Baht)
	Other components of shareholders' equity										
	Other comprehensive income										
	Surplus (deficit)										
			Capital reserve				Gains(losses) on		Total other		
	Issued and	Share premium	for share - based	Retained earnings	Unappropriated	in value of	remeasurements	of defined	components of	Total	
	fully paid - up	- ordinary shares	payment	Appropriated	transactions	available - for - sale	of benefit plans	benefit plans	shareholders'	shareholders'	
Note	share capital					investments			equity	equity	
Balance as at January 1, 2017	563,050,687	489,124,511	41,479,200	56,845,152	679,034,993	932,684	-	-	932,684	1,830,467,227	
Changes in shareholders' equity for the year 2017 :											
Total comprehensive income (expense) for the year	-	-	-	-	(105,768,573)	(152,038,005)	-	-	(152,038,005)	(257,806,578)	
Balance as at December 31, 2017	563,050,687	489,124,511	41,479,200	56,845,152	573,266,420	(151,105,321)	-	-	(151,105,321)	1,572,660,649	
Changes in shareholders' equity for the year 2018 :											
Total comprehensive income (expense) for the year	-	-	-	-	256,683,126	(457,712,798)	(3,177,381)	(3,177,381)	(460,890,179)	(204,207,053)	
Transferred to retained earnings	-	-	-	-	(3,177,381)	-	3,177,381	3,177,381	3,177,381	-	
Balance as at December 31, 2018	563,050,687	489,124,511	41,479,200	56,845,152	826,772,165	(608,818,119)	-	-	(608,818,119)	1,368,453,596	



PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017 (Restated)	2018	2017
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax expenses	(102,957,941)	(249,381,650)	260,379,822	(102,738,769)
Adjustments to reconcile profit (loss) to cash received (paid)				
Adjusted financial costs	125,961,963	102,966,181	125,961,963	102,962,325
Adjusted trade accounts and other current receivables (increase) decrease	(154,669,467)	(43,802,429)	(124,826,261)	(43,069,861)
Adjusted inventories (increase) decrease	(42,169,966)	5,860,174	(42,169,966)	5,860,174
Adjusted other assets (increase) decrease	15,830,027	9,599,079	(1,659,638)	916,830
Adjusted trade accounts and other current payable increase (decrease)	134,933,883	28,356,755	136,536,680	37,108,617
Adjusted other liabilities increase (decrease)	(1,080,706)	(4,421,573)	(757,589)	1,338,743
Depreciation and amortization	142,323,192	107,081,212	74,025,236	78,561,768
Adjusted provisions for employee benefits (reversal)	3,171,114	1,870,954	3,171,114	1,870,954
Adjusted unrealised on exchange loss (gain)	3,875,707	50,591,010	6,321,370	7,150,373
Adjusted share of loss (gain) from investments in associates	-	613,502	-	-
Adjusted bad debts and doubtful accounts (reversal)	18,536,355	2,701,274	18,536,355	2,701,274
Adjusted loss (gain) sales of non - current asset				
- Loss (gain) on sales of available for sale securities	(1,597,257)	(4,818,750)	(1,597,257)	(4,818,750)
- Loss (gain) on sales of equipment	(461,111)	(2,305,621)	(461,111)	(1,740,854)
Adjusted other reconcile profit (loss)				
- Dividend income from investments held as available for sale	(10,827,466)	(122,188)	(10,827,466)	(122,188)
- Reversal of reduce cost of inventories to net realisable value	(1,840,516)	(2,154,018)	(1,840,516)	(2,154,018)
- Reversed allowance of impairment on loans	-	-	(270,800,000)	118,800,000
- Reversed allowance of impairment on investment in subsidiary Company	-	-	(77,774,553)	-
- Profit by the investors	-	(658,216)	-	-
- Loss on impairment of unallocated costs of business acquisition	-	25,577,947	-	-
- Allowance for doubtful accounts (reversal)	(20,483,810)	14,875,177	(20,483,810)	14,875,177
- Reversed allowance of impairment on assets	(4,533,289)	15,098,926	(1,635,229)	12,072,255
- Fee for acquisition subsidiaries	-	97,938,000	-	-
- Amortized of inventories	-	972,201	-	972,201
- Write-off on withholding tax	-	671,108	-	671,108
- Interest income	(8,736,858)	(26,201,527)	(21,393,256)	(92,822,746)
<b>Total adjustment to reconcile profit (loss)</b>	<b>198,231,795</b>	<b>380,289,178</b>	<b>(211,673,934)</b>	<b>241,133,382</b>
<b>Net cash provided by (used in) operating activities</b>	<b>95,273,854</b>	<b>130,907,528</b>	<b>48,705,888</b>	<b>138,394,613</b>
Interest expenses	(112,291,547)	(93,247,647)	(117,557,507)	(93,201,453)
Tax received (paid)	(3,538,633)	(28,005,912)	(1,846,749)	(27,706,779)
Cash paid for employee benefits	(460,000)	-	(460,000)	-
<b>Net cash provided by (used in) operating activities</b>	<b>(21,016,326)</b>	<b>9,653,969</b>	<b>(71,158,368)</b>	<b>17,486,381</b>

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017 (Restated)	2018	2017
<b>Cash flows from investing activities</b>				
(Increase) decrease in restricted bank deposits	(69,614)	(71,148)	(69,614)	(71,148)
Cash received from sale of investment in subsidiary	-	10,867,072	-	10,867,072
Fee for acquisition subsidiaries	-	(97,938,000)	-	-
Acquisition of investments in subsidiaries	-	(760,604,880)	(1,032,820)	-
Cash received from sale of investment in associate	-	14,121,858	-	14,121,858
Cash received from sales other equity instrument	926,048,716	2,300,407,722	926,048,716	2,300,407,722
Cash paid for purchases other equity instrument	(652,343,229)	(2,474,371,333)	(652,343,229)	(2,474,371,333)
Decrease in other current investments	200,500,000	601,327,397	200,500,000	601,327,397
Increase in other current investments	(90,000,000)	(110,602,995)	(90,000,000)	(110,602,995)
Cash receipt from redeem held-to-maturity securities	-	2,000,000	-	2,000,000
Cash received from property, plant and equipment	526,259	2,344,548	526,259	2,344,548
Cash paid for property, plant and equipment	(26,129,189)	(163,348,669)	(26,129,189)	(42,951,923)
Cash paid for intangible assets	(2,517,355)	(5,214,054)	(2,517,355)	(3,462,813)
Cash received from loan to related parties	-	-	88,010,816	-
Cash paid for loans to related person or parties	(92,557,607)	(15,541,400)	(70,029,700)	(1,095,182,052)
Cash paid for loans to related person other or parties other	(4,103,246)	-	-	-
Advance for acquisition of assets	2,704,442	(92,447,814)	253,590	(61,453,590)
Cash paid to settle payables from asset purchase	-	(65,638,668)	-	(446,907)
Deposit from the sale of geothermal power plants	59,980,300	-	-	-
Advance for acquisition of intangible assets	-	(5,416,466)	-	-
Deposit for acquisition of investment	(65,564,560)	-	(65,564,560)	-
Dividend received	10,827,466	122,188	10,827,466	122,188
Interest income	4,853,310	22,964,795	4,779,049	24,429,275
<b>Net cash provided by (used in) investing activities</b>	<b>272,155,693</b>	<b>(837,039,847)</b>	<b>323,259,429</b>	<b>(832,922,701)</b>

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)  
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017 (Restated)	2018	2017
<b>Cash flows from financing activities</b>				
Cash received from borrowing				
From bill of exchange	260,200,000	639,605,797	260,200,000	639,605,797
From debenture	653,500,000	258,586,325	653,500,000	258,586,325
From financial institution		558,200,000	-	558,200,000
Cash paid for repayment of borrowing				
Bill of exchange due	(187,200,000)	-	(187,200,000)	-
Maturity debenture	(986,200,000)	(500,000,000)	(986,200,000)	(500,000,000)
Borrowing from financial institutions	(42,553,875)	(150,000,000)	(42,553,875)	(150,000,000)
Cash paid for repayment of liabilities under long - term lease agreements	(2,126,165)	(1,601,839)	(2,126,165)	(1,601,839)
Other cash received (paid) from financing activities		(1,539,753)	-	-
- Accounts payable - trust receipts increases	69,497,234	-	69,497,234	-
- Bank overdrafts increase (decrease)	276,244	-	276,244	-
- Payment of front end fee and debenture issuing costs	(15,805,234)	-	(15,805,234)	-
<b>Net cash provided by (used in) financing activities</b>	<b>(250,411,796)</b>	<b>803,250,530</b>	<b>(250,411,796)</b>	<b>804,790,283</b>
Net cash and cash equivalents increase (decrease)				
before effect of exchange rate	727,571	(24,135,348)	1,689,265	(10,646,037)
Effect of exchange rate to cash and cash equivalents	(10,740,622)	(773,331)	-	-
<b>Net in cash and cash equivalents increase (decrease)</b>	<b>(10,013,051)</b>	<b>(24,908,679)</b>	<b>1,689,265</b>	<b>(10,646,037)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>48,293,144</b>	<b>73,201,823</b>	<b>14,706,837</b>	<b>25,352,874</b>
Cash and cash equivalents from discontinued operations at the end of the period	(17,774,457)	-	-	-
<b>Cash and cash equivalents at ending of the year</b>	<b>20,505,636</b>	<b>48,293,144</b>	<b>16,396,102</b>	<b>14,706,837</b>

**Supplemental Disclosure of Cash flows information**

Non - cash items

Reclassification of current investments in trading securities

to available - for - sale securities	-	1,027,602,807	-	1,027,602,807
Acquisition of power plants for which paid in advance	-	76,141,598	-	-
Acquisition of intangible assets for which paid in advance	-	46,029,137	-	-
Acquisition of assets that have not yet been paid	3,688,089	4,408,884	3,688,089	4,408,884
Assets acquired under long-term lease agreements	1,238,112	3,942,000	1,238,112	3,942,000
Transferred Property Plant and Equipment to Investment Property	27,175,701	-	27,175,701	-
Disposal groups classified as held for sale	1,222,335,497	-	-	-
Past of liabilities in disposal groups classified as held for sale	128,834,758	-	-	-

**PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

**1. GENERAL INFORMATION**

**1.1 Corporate information**

PP PRIME Public Company Limited (Former name “Thai Luxe Enterprises Public Company Limited”) (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of feeds for aquatic animals and pets. The registered office of the Company is at 69/5 Moo 5 Rama 2 Road (Km. 71) Tambol Bangkhantaek, Amphur Muang, Samutsongkhram.

On September 19, 2018 the extraordinary general meeting shareholders No. 2/2018 approved changing the company name from Thai Luxe Enterprises Public Company Limited to PP PRIME Public Company Limited. The company changed name in the memorandum of association and registered with Ministry of Commerce on September 21, 2018.

**1.2 Fundamental accounting assumptions**

As at 31 December 2018, the group has current liabilities exceeds current assets amounting to Baht 468 million (the company Baht 1,458 million). The current liabilities funded various investment projects; debenture of Baht 714 million that mature in third quarter of 2019 and short-term borrowing from financial institutions and promissory notes from financial institutions and non-related parties and non-related persons of Baht 483 million those mature in first and second quarters of 2019.

As at 31 December 2018 the company has long-term loan from financial institutions of Yen 2,060 million (Baht 611 Million) (Note 23.1). The company was unable to maintain the debt to equity ratio that stipulated in the loan agreement which constitutes a breach of agreement. As a result, the bank may demand payment of the loan immediately and charge interest on the defaulted loan principal at the default rate. Currently, the Company’s management is in process of negotiating with the bank to provide a waiver from compliance with the agreement.

The Company’s management believes that this event will not have a significant impact on the Company due to the bank lender will grant the waiver.

In addition the management is preparing the following matters.

- 1) Board of Directors Meeting No. 8/2018 dated May 18, 2018 approved the Company to sell the 15 geothermal power plant projects located in the same vicinity in Oasa-Tsurumi, Beppu city, Oita prefecture, Japan approximately JPY 320 million per project or equivalent to approximately THB 91.71 million per project. Total project value is not less than JPY 4,800 million or equivalent to approximately THB 1,375.69 million. On June 21, 2018, the Company entered into a sale-purchase agreement of Power Plant Projects with a buyer (Relocation Group), the Company received the deposit of JPY 200 million (approximately of Baht 59.98 million), the agreement indicated that the buyer (Relocation Group) will pay remaining amounting of JPY 4,600 million to the company within February 2019.

**PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

On February 21, 2019, Relocation Group transferred the right and obligation under the agreement to Beppu Forest Power Co., Ltd. and extent to June 30, 2019.

- 2) Offering and allocation of the company's newly issued ordinary shares to the existing shareholders in proportion of their existing stock (Right Offering) and private placement under General Mandate. The minute of board of director meeting of PP PRIME Public Company Limited No. 3/2562 dated 11 February, 2019 approved to propose the extraordinary meeting agenda No. 1/2562 dated 25 March, 2019 to approve the offering and allocation of the company's newly issued ordinary shares per Note 37.2

To strengthen its finance to pay long-term loan, debenture redemption and payment of short-term loan to financial institutions, promissory notes financial institutions, and payment to promissory notes non-related parties and non-related persons and payment to future obligation when due.

However the management believe that the group will have sufficient fund for operations and future obligations, thus the management of the group believe that the Group has ability to continue as a going concern and using the going concern basis of accounting. Assets and liabilities were recorded under the basis that the group could sell assets and repay obligations as normal business.

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENT**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Thai Luxe Enterprises Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			Percent	Percent
<b>Subsidiaries directly held by the Company</b>				
Thuxe Global Business Co., Ltd.	Distribution of raw material for animal feed	Thailand	100	100
Thuxe Power Co., Ltd	Invest in energy business	Thailand	100	100
Thai Luxe Enterprises (Thailand) Co., Ltd	The manufacture and distribution of feeds for aquatic animals and pets	Thailand	100	100
P PRIME SINGAPORE PTE. LTD.	Investment and property development	Singapore	100	-
<b>Subsidiary held through Thuxe Power Limited</b>				
Thuxe Investments Limited	Invest in energy business	Republic of Mauritius	100	100
Origin Power Investment Co., Ltd.	Invest in energy business	Republic of Mauritius	100	-
<b>Subsidiary held through Thuxe Investments Limited</b>				
Thuxe Holdings Limited	Invest in energy business	Hong Kong Special Administrative Region	100	100
Geothermal Power A Co., Ltd.	Invest in energy business	Hong Kong Special Administrative Region	100	100
Geothermal Power B Co., Ltd.	Invest in energy business	Hong Kong Special Administrative Region	100	100
<b>Subsidiary held through Origin Power Investment Co., Ltd.</b>				
Wind Power A Co., Ltd.	Invest in wind energy business	Hong Kong Special Administrative Region	100	-



**PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			Percent	Percent
Subsidiary held through Tluxe Holding Limited				
Sumo Power Co., Ltd.	Geothermal power generation business	Japan	100	100
Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company	Geothermal power generation business	Japan	100	100
P Green Energy Co., Ltd.	The business consulting and management	Japan	100	100
Subsidiary held through Geothermal Power A Co., Ltd.				
Fino Binary Power Plant LLC.	Geothermal power generation business	Japan	100	100
NIS Binary Power Plant LLC.	Geothermal power generation business	Japan	100	100
Lena Power Station No.1 LLC.	Geothermal power generation business	Japan	100	100
Subsidiary held through Geothermal Power B Co., Ltd.				
PPSN Co., Ltd.	Geothermal power generation business	Japan	100	100
SNS Power Co., Ltd.	Geothermal power generation business	Japan	100	100
Dual Energy Binary - Power Plant No.1 LLC.	Geothermal power generation business	Japan	100	100
Subsidiary held through Sumo Power Co., Ltd.				
Otomeyama Energy Co., Ltd	Geothermal power generation business	Japan	100	100
S-Power Co., Ltd.	Geothermal power generation business	Japan	100	100

**PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associate under the cost method.

**3. New financial reporting standards**

**3.1. Financial reporting standards that became effective in the current year**

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries’ financial statements.

**3.2. Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019**

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are

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effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

**IFRS 15 Revenue from Contracts with Customers**

IFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
IFRIC 13 (revised 2017)	Customer Loyalty Programmes
IFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
IFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

**3.3. Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

During the current year, the Federation of Accounting Professions issued the set of IFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

**Financial reporting standards:**

IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments

**Accounting standard:**

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

##### **4.1 Revenue recognition**

###### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

###### *Sales of electricity*

Sales of electricity is recognised when the significant risks and rewards passed to the buyer. Sales of electricity is calculated based on actual electricity delivered and in according to the rates and terms set out in the power purchase agreement. Sales of electricity is the invoiced value, excluding value added tax.

###### *Rendering of services*

Service revenue is recognised when services have been rendered taking into account the stage of completion.

###### *Rental income*

Rental incomes are recognised as revenue at the amounts as stipulated in the agreements on an accrual basis.

###### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

###### *Dividends*

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Dividends are recognised when the right to receive the dividends is established.

**4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

**4.3 Trade accounts receivable and allowance for doubtful debts**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

The Company and its subsidiaries have a policy to set allowance for doubtful accounts for overdue debtors as follows:

Period of time	Percentage of allowance for doubtful accounts
Over due 91 days but not over 180 days	50
Over due 181 days or more	100

**4.4 Inventories**

Finished goods and work in process are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, packing materials, supplies and spare parts are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

**4.5 Investments**

- a) Investments in trading securities are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

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- e) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rate of government bond adjusted by an appropriate risk factor. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments

In the event the Company and its subsidiaries reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

**4.6 Disposal assets (liabilities) groups classified as held for sale**

Disposal assets (liabilities) groups is classified as held for sale if its carrying value will be recovered principally through a sale transaction rather than through continuing use, such asset (liabilities) is available for immediate sale in its present and its sale is highly probable.

Disposal assets (liabilities) groups classified as held for sale is measured at the lower of its carrying value and fair value less costs to sell.

**4.7 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation charges of building investment property are valued with reference to its costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment property is included in determining income.

No depreciation is provided for land investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

**4.8 Property, plant and equipment/Depreciation**

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Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

	<u>The Company</u>	<u>Subsidiaries</u>
Buildings and building improvement	5, 20 years	5, 20 years
Machinery and equipment	5, 10 years	5 - 15 years
Furniture and office equipment	5 years	3, 5 years
Motor vehicles	5 years	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

**4.9 Intangible assets**

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The intangible assets with finite useful lives are as follows:

	<u>The Company</u>	<u>Subsidiaries</u>
Computer software	10 years	3 years
Patent	8 years	-
Hot spring rights	-	15 years
Power purchase agreement rights	-	15 - 16 years

No amortisation is provided on software under installation.



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**4.10 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

**4.11 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies, and individuals or enterprise which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the operations of the Company and its subsidiaries.

**4.12 Long-term leases**

Leases of vehicles which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

**4.13 Foreign currencies**

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The consolidated and separate financial statements are presented in Baht, which is also the Company’s functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

**4.14 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset’s fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm’s length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

**4.15 Employee benefits**

*Short-term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

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*Post-employment benefits and other long-term employee benefits*

*Defined contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

*Defined benefit plans and other long-term employee benefits*

The Company and its subsidiary have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

**4.16 Provisions**

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**4.17 Equity-settled share-based payment transactions**

The Company recognise the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the vesting period of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating fair value for share-based payment transactions requires determination relating to appropriate assumptions, including the expected life of the share options, share price volatility and dividend yield.

**4.18 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

**Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**4.19 Derivatives**

**Forward exchange contracts**

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortized on a straight-line basis over the contract periods.

**4.20 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

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Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

**5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from estimates. Significant judgements and estimates are as follows:

**Impairment of equity investments**

The Company treats available-for-sale investments, investments in subsidiaries and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

**Allowance for impairment of loans**

In determining allowance for impairment of loans, the management needs to make judgements and estimates based upon analysis of factors such as the financial position of each debtor, the ability of debtors to make repayment given their operating results, the collection history of the debtors and the prevailing economic conditions.

**Property plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

**Goodwill and intangible assets**

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The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

**6. RELATED PARTY TRANSACTIONS**

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2018	2017	2018	2017	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	17	69	3 - 8 percent per annum
<u>Transactions with associated company</u>					
Interest income	2	2	-	-	3 percent per annum
<u>Transactions with related companies</u>					
Sales of goods	187	213	187	213	Cost plus contract rate
Interest income	2	18	2	18	5 - 7 percent per annum
Purchase of raw materials	53	77	53	77	Market prices
Consulting fee	2	2	2	2	Contract prices

The balances of the accounts as at December 31, 2018 and December 31, 2017 between the Company and its related parties are as follows:

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	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Trade and other current receivables – related parties</u> (Note 9)				
Subsidiaries	-	-	111,872	95,186
Associate	5,559	3,406	-	-
Related party (common director)	1,197	16	-	-
Related party (common shareholders)	30,565	11,730	30,565	11,730
	<b>37,321</b>	<b>15,152</b>	<b>142,437</b>	<b>106,916</b>

Trade and other current payables – related parties (Note 22)

Related party (common director)	-	5	-	-
Related party (common director and shareholders)	22,773	4,250	22,773	4,250
Related parties (director of subsidiaries)	1,459	1,179	-	-
	<b>24,232</b>	<b>5,434</b>	<b>22,773</b>	<b>4,250</b>

Long – term loans to related party

As at December 31, 2018, the balance of loans between the Company and those related parties and the movement are as follows:

(Unit : Thousand Baht)

		Consolidated financial statements			
Loans to related parties	Relationship	Balance as at	Increase	Translation	Balance as at
		January 1, 2018	during the	adjustment	December
			period		31,2018
M - Luxe Energy Co., Ltd.*	Associate	72,452	1,465	820	74,737
Aulux Power Co., Ltd.**	Co-directors	-	70,342	-	70,342
		<b>72,452</b>	<b>71,807</b>	<b>820</b>	<b>145,079</b>

\*The loans to related parties carried interest rate at 3 percent per annum and has maturity date on March 2020, therefore, classified such loans as non-current assets in the financial statements.

\*\* The loans to related parties carried interest rate at 3 percent per annum and are has maturity date on March 2020



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(Unit : Thousand Baht)

Loans to related parties	Relationship	Separate financial statements			
		Balance as at January 1, 2018	Increase during the period	Decrease during the period	Balance as at December 31,2018
Tluxe Power Co., Ltd.	Subsidiary	166,659	-	(9,659)	157,000
PPSN Co., Ltd.	Subsidiary	598,786	68,241	(77,657)	589,370
Sumo Power Co., Ltd.	Subsidiary	83,729	-	-	83,729
Geothermal Power A Co., Ltd.	Subsidiary	557,619	-	-	557,619
Geothermal Power B Co., Ltd.	Subsidiary	375,939	-	-	375,939
P Green Energy Co., Ltd.	Subsidiary	3,810	1,788	(694)	4,904
Total		1,786,542	70,029	(88,010)	1,768,561
Less : Allowance for impairment		(270,800)	-	270,800	-
		<b>1,515,742</b>	<b>70,029</b>	<b>182,790</b>	<b>1,768,561</b>

Board of Directors Meeting No.8/2018 convened on May 18, 2018, to approved that the Company disposes of the 15 geothermal power plant projects located in the same vicinity in Oasa-Tsurumi, Beppu city, Oita prefecture, Japan which have already commenced their commercial operations (the “Power Plant Projects”) at the purchase price of approximately JPY 320 million per one power plant project or equivalent to approximately THB 91.71 million per one power plant project, making a total purchase price for the Power Plant Projects of not less than JPY 4,800 million or equivalent to approximately THB 1,375.69 million and then on June 21, 2018, the Company has a sale contract of Power Plant Projects with the buyer(Relocation Group), the Company has received the deposit amounting of JPY 200 millions (approximately of Baht 59.98 millions), according to the sale contract indentify that the buyer (Relocation Group) will pay remaining amounting of JPY 4,600 millions within February 2019 so that the Company therefore recognised allowance for impairment on loans amounting to Baht 270.80 million in statement of income in separate financial statement for year period ended December 31, 2018 and the Company reversed allowance of impairment on investment at Baht 77.78 million in the consolidated statement of comprehensive income. (Note 11 to the financial statements)

The loans to subsidiaries are loans used for investing in the geothermal power plant in Japan. These loans carry interest at rates of 3 – 8 percent per annum and mature on demand. However, the Company has no plans to call the loans within one year, and therefore classified them as non-current assets in the financial statements.

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Directors and management’s benefits

For the three-month and nine – month periods ended December 31, 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and managements as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short – term employee benefits	25	19	19	14
Post – employment benefits	1	1	1	1
Other long – term benefits	-	-	-	-
<b>Total</b>	<b>26</b>	<b>20</b>	<b>20</b>	<b>15</b>

**7. CASH AND CASH EQUIVALENTS**

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash	269	141	258	105
Bank deposits	20,236	48,152	16,138	14,602
<b>Total</b>	<b>20,505</b>	<b>48,293</b>	<b>16,396</b>	<b>14,707</b>

As at 31 December 2018, bank deposits in saving accounts carried interests between 0.25 and 0.63 percent per annum (2017: between 0.0 and 0.5 percent per annum).

\* One bank account of the business Having obligations as a business guarantee (Under the Business Security Act 2015) for short-term loans from financial institutions with obligations (Note to financial statements No. 21)

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**8. CURRENT INVESTMENTS**

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	2018	2017
Investments in trading securities (Mutual Fund)		
Investments in available – for – sale securities, cost	33	307,522
Add: Gain on changes in value of investments	-	664
Investments in available – for – sale securities, fair value	33	308,186
Bills of exchange	-	110,500
Total	33	418,686

**8.1 Investments in trading securities (Mutual Fund)**

During the year period ended December 31, 2018, the movement of available-for-sale investments is as follows:

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
Book value as at January 1, 2018	307,522
Acquisition during the period	579,700
Disposal during the period – at cost	(887,189)
Gain (loss) on changes in value of available – for – sale investments during the period	-
Book value as at December 31, 2018	33

During the year period ended December 31, 2018, the Company sold available-for-sale securities with book value totaling Baht 888.67 million (2017 : Baht 731.90 million) and recognised gains on the sales amounting to Baht 1.51 million (2017 : Baht 3.84 million) in profit and loss financial statement.

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8.2 Bills of exchange

During the year period ended December 31, 2018, the movement of the bills of exchange is as follows:

	(Unit : Thousand Baht)
	Consolidated / Separate financial statements
Net book value as at January 1, 2018	110,500
Increase	90,000
Decrease	(200,500)
Net book value as at December 31, 2018	-

**9. TRADE AND OTHER CURRENT RECEIVABLES**

9.1 Trade and other current receivables

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Trade receivables – related party</u>				
Aged on the basis of due dates				
Not yet due	14,379	11,730	14,379	11,730
Past due				
Up to 3 months	16,186	-	16,186	-
3 – 6 months	-	-	-	-
6 – 12 months	-	-	-	-
Over 12 months	-	-	-	-
	<b>30,565</b>	<b>11,730</b>	<b>30,565</b>	<b>11,730</b>

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	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Trade receivables – unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	220,268	140,033	220,268	136,064
Past due				
Up to 3 months	55,856	29,445	55,856	29,445
3 – 6 months	8,057	17,770	8,057	17,770
6 – 12 months	7,229	8,082	7,229	8,082
Over 12 months	17,184	228	17,184	228
Total	<b>308,594</b>	<b>195,558</b>	<b>308,594</b>	<b>191,589</b>
Less: Allowance for doubtful debts	(28,441)	(17,195)	(28,441)	(17,195)
Total trade receivables – unrelated parties – net	<b>280,153</b>	<b>178,363</b>	<b>280,153</b>	<b>174,394</b>
	<b>310,718</b>	<b>190,093</b>	<b>310,718</b>	<b>186,124</b>
<u>Other current receivables</u>				
Amounts due from related parties	854	916	2,026	1,997
Amounts due from unrelated parties	3,109	140	168	140
Interest receivable – related parties	5,903	2,506	109,846	93,189
Interest receivable – unrelated parties	88	131	88	131
Advance corporate income tax	2,134	-	2,134	-
Total other receivables	<b>12,028</b>	<b>3,693</b>	<b>114,262</b>	<b>95,457</b>
	<b>322,806</b>	<b>193,786</b>	<b>424,980</b>	<b>281,581</b>

9.2 Trade and other non-current receivables

These represent the balance of long outstanding debts amounting to Baht 44 million (2017: Baht 58 million) due from various trade debtors against whom the Company has taken legal actions. As at December 31, 2018, the Company has set up an allowance for doubtful accounts amounting to Baht 44 (2017: Baht 58 million) million in its accounts by taking into consideration the auction price and the value of the related collaterals

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**10. INVENTORIES**

(Unit: Thousand Baht)						
Consolidated / Separate financial statements						
Reduce cost to net						
	Cost		realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	69,650	42,006	(411)	(2,893)	69,239	39,113
Raw materials	160,603	124,423	(44)	(118)	160,559	124,305
Raw materials in transit	-	18,750	-	-	-	18,750
Packing materials and supplies	14,146	17,215	(3,670)	(2,248)	10,476	14,967
Spare parts	33,208	29,363	(11,615)	(8,641)	21,593	20,722
Total	277,607	231,757	(15,740)	(13,900)	261,867	217,857

Movements in the reduction of inventory to net realisable value account during the year period ended December 31, 2018 and 2017, is summarised below.

(Unit: Thousand Baht)		
Consolidated / Separate financial statements		
	2018	2017
Balance as at January 1	13,900	16,054
Reversal / Distribution during the year	1,840	(2,154)
Balance as at December 31	15,740	13,900

**11. DISPOSAL ASSETS (LIABILITIES) GROUPS CLASSIFIED AS HELD FOR SALE**

Board of Directors Meeting No. 8/2018 convened on May 18, 2018, to approved that the Company disposes of the 15 geothermal power plant projects located in the same vicinity in Oasa-Tsurumi, Beppu city, Oita prefecture, Japan which have already commenced their commercial operations (the “Power Plant Projects”) at the purchase price of approximately JPY 320 million per one power plant project or equivalent to approximately THB 91.71 million per one power plant project, making a total purchase price for the Power Plant Projects of not less than JPY 4,800 million or equivalent to approximately THB 1,375.69 million ( based on the exchange rate of THB 28.6602 per JPY 100 as announced by the Bank of Thailand on May 17, 2018) to Relocation Group, a company incorporated under the laws of Japan (the “Buyer”). This transaction may

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be undertaken by way of disposition of shares in the Company’s subsidiaries or disposition of assets of the Power Plant Projects.

Then on June 21, 2018, the Company has a sale contract of Power Plant Projects with the buyer(Relocation Group), the Company has received the deposit amounting of JPY 200 millions (approximately of Baht 59.98 millions), according to sale contract indentify that the buyer (Relocation Group) will pay remaining amounting of JPY 4,600 millions within February 2019.

On February 21, 2019, Relocation Group transferred the right and obligation under the agreement to Beppu Forest Power Co., Ltd. and extent to June 30, 2019.

The Group's management has assessed that it is highly probable that the agreement will be completed. As a result, the Company has reclassified related assets and liabilities of the project as assets and liabilities held-for-sale in the consolidated statement of financial position and measured them at the lower than between carrying amount and fair value less costs of sell. The lower amount is the carrying amount

Disposal groups classified as held for sale comprised:

	(Unit: Thousand Baht)
	Consolidated financial statements
	December 31, 2018
Cash and cash equivalents	17,774
Trade and other current receivables	31,167
Short-term loans to non-related parties	4,103
Other current assets	7,616
Property, plant and equipment	720,231
Other intangible assets	349,893
Long - term loans related party	19,930
Deferred tax assets	4,692
Other non - current assets	22,843
Goodwill	44,086
Total	1,222,335



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Liabilities included in disposal groups classified as held for sale comprised:

	(Unit: Thousand Baht)
	Consolidated financial statements
	December 31, 2018
Trade account payable	4,645
Current income tax payable	5,533
Other current liabilities	60,457
Deferred tax liabilities	58,200
<b>Total</b>	<b>128,835</b>

**12. RESTRICTED BANK DEPOSITS**

These represent fixed deposits pledged with the banks to guaranteed electricity use.

**13. INVESTMENTS IN SUBSIDIARIES**

Investments in subsidiaries as presented in separate financial statements as at December 31, 2018 and December 31, 2017 are as follows:

Company's name	(Unit : Thousand Baht)									
	Paid-up capital		Shareholding Percentage		Cost		Provision for impairment of investments		Carrying amounts based on cost method - net	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Subsidiaries directly held by the Company</b>										
Thuxe Global Business Co., Ltd.	3,000	3,000	100	100	3,000	3,000	-	-	3,000	3,000
Thuxe Power Co., Ltd.	100,000	100,000	100	100	100,000	100,000	(22,225)	(100,000)	77,775	-
Thailuxe Enterprises (Thailand) Co., Ltd.	1,000	-	100	-	1,000	-	-	-	1,000	-
P PRIME SINGAPORE PTE. LTD.	32	-	100	-	32	-	-	-	32	-
Investments in subsidiaries directly held by the Company - net					104,032	103,000	(22,225)	(100,000)	81,807	3,000
<b>Subsidiaries held through Thuxe Power Limited</b>										
Thuxe Investments Limited	10*	10*	100	100	-	-	-	-	-	-
Origin Power Investment Co., Ltd.	0.1*	-	100	-	-	-	-	-	-	-
<b>Subsidiaries held through Thuxe Investments Limited</b>										
Thuxe Holdings Limited	10*	10*	100	100	-	-	-	-	-	-
Geothermal Power A Co., Ltd.	10*	10*	100	100	-	-	-	-	-	-
Geothermal Power B Co., Ltd.	10*	10*	100	100	-	-	-	-	-	-
<b>บริษัทย่อยที่ถือหุ้นโดย Origin Power Investment Co., Ltd.</b>										
Wind Power A Co., Ltd.	10*	-	100	-	-	-	-	-	-	-
<b>Subsidiaries held through Thuxe Holdings Limited</b>										
Sumo Power Co., Ltd.	1,000**	1,000**	100	100	-	-	-	-	-	-
Beppu Tsurumi Onsen Geothermal	10**	10**	100	100	-	-	-	-	-	-

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(Unit : Thousand Baht)										
Company's name	Paid-up capital		Shareholding Percentage		Cost		Provision for impairment of investments		Carrying amounts based on cost method - net	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Power Station No.1 Liaison Company										
P Green Energy Co., Ltd.	1,000**	1,000**	100	100	-	-	-	-	-	-
Subsidiaries held through Geothermal										
Power A Co., Ltd.										
Fino Binary Power Plant LLC.	10**	10**	100	100	-	-	-	-	-	-
NIS Binary Power Plant LLC.	10**	10**	100	100	-	-	-	-	-	-
Lena Power Station No.1 LLC.	5,000**	5,000**	100	100	-	-	-	-	-	-
Subsidiaries held through Geothermal Power B Co., Ltd.										
PPSN Co., Ltd.	12,000**	12,000**	100	100	-	-	-	-	-	-
SNS Power Co., Ltd.	500**	500**	100	100	-	-	-	-	-	-
Dual Energy Binary - Power Plant No.1 LLC.	100**	100**	100	100	-	-	-	-	-	-
Subsidiaries held through Sumo Power Co., Ltd										
Otomeyama Energy Co., Ltd.	500**	500**	100	100	-	-	-	-	-	-
S - Power Co., Ltd.	500**	500**	100	100	-	-	-	-	-	-
Total investments in subsidiaries - net					104,032	103,000	(22,225)	(100,000)	81,807	3,000

\* Unit: Thousand US dollar

\*\* Unit: Thousand Yen

The Company reversed allowance of impairment on investment at Baht 77.78 million in the consolidated statement of comprehensive income for the year periods ended December 31, 2018. (Note 6 to the consolidated financial statements)

Investments in Thai Luxe Enterprise (Thailand) Company Limited.

In the Extraordinary General Meeting of Shareholders No. 1/2018 held on 16 July 2018, has approval the Company, Restructuring plan to invest in a new subsidiary name “Thai Luxe Enterprise (Thailand) Company Limited.” to accept the transfer of the production of aquatic animals and pets of partial business transfer, i.e. manufacturing of aquatic animal feed (shrimp feed and fish feed) and pet feed, including all assets and liabilities, relevant licensing and promotional certificates, including all personnel involved in the business to Thai Luxe Enterprise (Thailand) Company Limited has already registered on 18 September 2018, amounting to Baht 1 million (100,000 ordinary shares with a par value of Baht 10 each). The Company holds 99,997 shares or 99.99 percent of the registered capital.

Investments in P PRIME SINGAPORE PTE. LTD.

Pursuant to the Board of Director Meeting No. 8/2018 convened on May 18, 2018, it resolved to approve that the Company (or its subsidiary) enters into the joint investment transaction with Rich Partners Co., Ltd. (“Rich Partners”), a company incorporated under Japanese law (or Rich Partners’ subsidiary), in the mixed-use development project under the project’s name “Riverside Tower” located in Da Nang City, Vietnam (the “Riverside Project”) which is being developed by

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Sun Frontier Investment Co., Ltd., a company incorporated under Vietnamese law under, The Company sets up its 100 percent wholly-owned subsidiary in Singapore, namely P PRIME SINGAPORE PTE. LTD. which will be the company to enter into the Investment in Riverside Project Transaction with Rich Partner’s subsidiary in Singapore.

#### Investments in Origin Power Investment Co., Ltd.

On May 30, 2018, Thuxe Power Company Limited registered the incorporation of a subsidiary in the Republic of Mauritius under the name of Origin Power Investment Co., Ltd. to invest in wind power business. The Company has authorized capital of USD 100 (1 share with a par value of USD 100 each).

#### 13.1 Business acquisition

- On June 27, 2017, a meeting of the Company’s Board of Directors passed a resolution to approve investments in the geothermal power generation business in Japan, with a total project value of JPY 2,200 million (Baht 675 million), through the acquisition of four companies which were incorporated in Japan (each company has 2 units of power plant), i.e. Fino Binary Power Plant Limited Liability Company, NIS Binary Power Plant Limited Liability Company, Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company and Dual Energy Binary - Power Plant No.1 Limited Liability Company. On June 28, 2017, PPSN Company Limited signed an investment proposal letter with a seller and on July 3, 2017, paid a deposit equal to 20% of the total project cost, amounting to JPY 440 million (Baht 134 million).

Then, on August 28, 2017, the Company signed a share purchase agreement to acquire shares of Fino Binary Power Plant Limited Liability Company and on September 4, 2017, the Company signed share purchase agreements to acquire shares of NIS Binary Power Plant Limited Liability Company, Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company and Dual Energy Binary - Power Plant No.1 Limited Liability Company, made the remaining payments for the ordinary shares of these companies, amounting to JPY 1,760 million (Baht 541 million) and refund the deposits amounting to JPY 440 million (Baht 134 million) to PPSN Company Limited.

- On August 2, 2017, a meeting of the Board of Directors of the Company passed a resolution to approve investment in Lena Power Station No.1 Limited Liability Company, which is engaged in geothermal power generation business in Japan, 2 units of power plant under this company, and on August 28, 2017, Geothermal Power A Company Limited signed a share purchase agreement to acquire shares of this company and made payment approximately JPY 530 million (Baht 160 million) for the shares.

The Company incurred expenses related to the acquisition of all shares of the 5 subsidiaries mentioned above totaling approximately JPY 320 million (Baht 98 million), which were recorded under other expenses in profit or loss for the three-month and nine-month periods ended 31 December 2017.

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Subsequently, on September 30, 2017, the Company restructured its shareholding by selling all of its shares in Fino Binary Power Plant Limited Liability Company and NIS Binary Power Plant Limited Liability Company to Geothermal Power A Company Limited, at a price of Baht 375.9 million, and selling all of its shares in Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company and Dual Energy Binary - Power Plant No.1 Limited Liability Company to Geothermal Power B Company Limited at a price of Baht 375.9 million.

The subsidiary has assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date and the assessment process has been completed in the second quarter of 2018 within the period of twelve months from the acquisition date allowed by Financial Reporting Standard No.3 (revised 2017), Business Combinations. During this measurement period, the Company obtained further information on the fair value of part of the assets and liabilities and has retrospectively adjusted the provisional amount recognised at the acquisition date. The Company has restated the consolidated financial statements As at December 31, 2017, as presented herein for comparative purposes, to reflect the provisional amount recognised at the acquisition date (August 28, 2017) as below.

	(Unit : Thousand Baht)		
	As previously reported	New adjusted	Restated
<b>Assets</b>			
Cash and cash equivalents	48,293	-	48,293
Total current investments	418,686	-	418,686
Trade and other current receivables	193,786	-	193,786
Inventories	217,857	-	217,857
Other current assets	29,656	-	29,656
Other long - term investments	858,930	-	858,930
Long - term loans	72,452	-	72,452
Investment properties	10,376	-	10,376
Property, plant and equipment	1,494,455	-	1,494,455
Goodwill	16,258	40,833	57,091
Other intangible assets	123,467	222,838	346,305
Deferred tax assets	39,778	-	39,778
Other non - current assets :			
Restricted bank deposits	7,796	-	7,796
Unallocated costs of business acquisition	205,856	(205,856)	-

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(Unit : Thousand Baht)

	As previously reported	New adjusted	Restated
Advances payment	181,845	-	181,845
Other non - current assets	10,464	-	10,464
<b>Total assets</b>	<b>3,929,955</b>	<b>57,815</b>	<b>3,987,770</b>
<b>Liabilities</b>			
Short-term borrowings from financial institutions	(408,761)	-	(408,761)
Trade and other current payables	(163,938)	-	(163,938)
Current portion of long - term liabilities	(1,025,882)	-	(1,025,882)
Current income tax payable	(2,856)	-	(2,856)
Other current liabilities	(6,275)	-	(6,275)
Long - term borrowings	(868,531)	-	(868,531)
Deferred tax liabilities	(60,354)	(60,612)	(120,966)
Non - current provisions for employee benefits	(13,545)	-	(13,545)
<b>Total liabilities</b>	<b>(2,550,142)</b>	<b>(60,612)</b>	<b>(2,610,754)</b>
<b>Shareholders' equity</b>			
Ordinary shares	(563,051)	-	(563,051)
Share premium - ordinary shares	(489,124)	-	(489,124)
Capital reserve for share-based payment transactions	(41,479)	-	(41,479)
Retained earnings			
Appropriated - Legal reserve	(56,845)	-	(56,845)
Unappropriated	(424,259)	2,842	(421,417)
Other components of shareholders' equity	194,945	(45)	194,900
<b>Total shareholders' equity</b>	<b>(1,379,813)</b>	<b>2,797</b>	<b>(1,377,016)</b>
<b>Total liabilities and shareholders' equity</b>	<b>(3,929,955)</b>	<b>(57,815)</b>	<b>(3,987,770)</b>

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	(Unit : Thousand Baht)
<b><u>Total comprehensive income</u></b>	<b><u>For the year ended December 31, 2017</u></b>
Other revenues (increase)	658
Cost of sales (increase)	(4,808)
Tax expenses decrease	1,308
Net profit/Retained earning (decrease )	(2,842)
Other comprehensive income	
on differences translation of financial statements in foreign currency	
(increase)	45

Subsidiaries indirectly held by the Company

**13.1.1 P Green Energy Company limited**

On 2 October 2017, Tluxe Holdings Limited acquired all 100 ordinary shares of P Green Energy Company Limited, which was incorporated in Japan, at a price of JPY 10,000 per share, or for a total of JPY 1 million from a director of the subsidiaries in Japan. This Company is engaged in the business consulting and management. Therefore, the Company has treated this company as a subsidiary of the Group since that date.

Fair values of the identifiable assets acquired and liabilities assumed from P Green Energy Company Limited as at the acquisition date (2 October 2017) were summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	296
Other payables	(97)
Other liabilities	(14)
Net assets value	185
Less: Cash and cash equivalents of the subsidiary	(296)
Net cash received from investment in subsidiary	(111)

The Company assessed the fair value of the assets acquired and liabilities assumed at the acquisition date, and concluded that the fair value did not differ from the net book value. The Company recorded the difference between the cash payment made to acquire the investment in P Green Energy Company Limited and the net book value of P Green Energy Company Limited as other expenses in profit and loss for the year ended 31 December 2017.

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13.2 Dividend income

During the years ended 31 December 2018 and 2017, no dividends was received from the investments in subsidiaries.

**14. INVESTMENTS IN ASSOCIATE**

14.1 Details of associate:

					(Unit: Thousand Baht)			
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated		Separate	
					financial statements		financial statements	
			Carrying amounts based on equity method		Cost			
			<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
			(%)	(%)				
M-Luxe Energy Co., Ltd.	The land development to construct geothermal power plant	Japan	25	25	-	-	-	-
Total					-	-	-	-

- (a) 12 September 2016, PPSN Company Limited establish M-Luxe Energy Company Limited to engage in the land development to construct geothermal power plant in Japan, with a registered share capital of JPY 10 million (1,000 ordinary shares with a par value of JPY 10,000 each). The subsidiary holds a 25 percent interest in this company.

Subsequently, on 15 September 2017, the Company restructured its shareholder of associate company, whereby Thuxe Power Company Limited was to acquire all 250 ordinary shares of M-Luxe Energy Company Limited at a price of JPY 10,000 per share, or for a total of JPY 2.5 million from PPSN Company Limited.

- 14.2 Dividend received. During the year, The associated company did not pay dividends during the years 2018 and 2017.

- 14.3 The Company has taken 4 ordinary shares of the Company (PPSN Company Limited, Sumo Power Co., Ltd., SNS Power Co., Ltd., Lena Power Station No.1 Limited Liability Cooperation) to guarantee loans with financial institutions as discussed in Note 21 to the financial statements



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14.4 Summarised financial information about material associate

Summarised information about financial position

	(Unit: Thousand Baht)	
	2018	2017
Cash and cash equivalents	516	2,765
Other current assets	1,284	6
Property	80,942	66,076
Other payables	(6,027)	(3,545)
Short-term loans from related party	(72,220)	(57,961)
Income tax payable	(20)	(21)
Other current liabilities	-	-
Long-term loans from related party	(14,273)	(14,490)
Net assets	(9,798)	(7,170)
Shareholding percentage (%)	25	25
Proportion based on equity method in assets - net	(2,449)	(1,792)
Unrecognised share of losses	2,449	1,792
Carrying amounts of associate based on equity method	-	-

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the year ended 31 December	
	2018	2017
Loss for the year	(2,810)	(9,578)
Other comprehensive income	-	(13)
Total comprehensive income	(2,810)	(9,591)

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**14.5 Investment in associate with capital deficit**

The Company recognised share of losses from investment in 1 associates, as listed below, until the value of the investments approached zero. Subsequent losses incurred by those associates have not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of those associates. The amount of such unrecognised share of losses is set out below:

Associate company	(Unit : Million Baht)	
	Unrecognised share of losses during the period/the years	
	For the year ended December 31, 2018	For the year ended December 31, 2017
M – Luxe Energy Co., Ltd.	0.70	2.00

**15. OTHER LONG-TERM INVESTMENTS**

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	December 31, 2018	December 31, 2017
Investments in available – for – sale securities – cost	1,080,384	1,045,004
Less: Loss on changes in value of investments	(760,229)	(189,524)
Investments in available – for – sale securities – fair value	320,155	855,480
Other investments – cost	5,000	5,000
Less: Provision for impairment of investment	(1,550)	(1,550)
Other investments – net	3,450	3,450
Total	323,605	858,930

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During the year ended December 31, 2018, the movement of available – for – sale is as follows:

	Consolidated / Separate financial statements	
	Number of shares	Amount
	(Thousand Shares)	(Thousand Baht)
Book value as at January 1, 2018	147,717	1,045,004
Acquisition during the period	20,431	74,240
Increase number of shares form Stock dividend and Warrants <input type="checkbox"/>	13,808	-
Exercise of rights to purchase shares according to the warrants	(8,791)	(4,938)
Disposal during the period - at cost	(30,794)	(33,922)
Gain (loss) on changes in value of Available – for – sale investments during the period	-	(760,229)
Book value as at December 31, 2018	142,371	320,155

15.1 The Company invested in ordinary shares of ASIA Capital Group Public Company Limited, a related company listed on the Market for Alternative Investment (MAI). The investment in these shares represents approximately 14 percent of that company’s paid-up share capital, and some shareholders of the Company are also shareholders of this company. The Company has no intention to take part in the management of this company and has no influence over it. As at December 31, 2018, the investments have amount 42.30 million shares (Book value of Baht 118.49 million) is 3.55% of total assets of the Group this is concentration risk asset in only one related company. The value of the Company's investments depends on the operating results and future market prices of related company and the company will decide to sell this investment.

15.2 As at December 31, 2018, the Company has led Available-for-sale amount 140.45 million shares (Book value of Baht 313.68 million) pledge as collateral for short-term loans and issuing bill of exchange with other companies and individuals. As a guarantee for the issuance of debentures. As discussed in Note 21 and 23.2 to the consolidated financial statements, respectively.

15.3 During the year ended 31 December 2018, the Company sold available-for-sale securities with book value totaling Baht 43 million (2017: 152 million) and recognised (after tax) gain on the sale amounting to Baht 0.08 million (2017: 1 million).

15.4 The Company received dividend income for the year ended 31 December 2018 amount Baht 10.83 million (2017: Baht 0.12 million).

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**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

**16. INVESTMENT PROPERTIES**

The net book value of investment properties as at 31 December 2018 and 2017 are presented below.

	(Unit : Thousand Baht)		
	Consolidated / Separate financial statements		
	Land not being used		
	in operation/ land for rent	Office building for rent	Total
31 December 2017 :			
Cost	10,928	38,417	49,345
Less Accumulated depreciation	-	(38,417)	(38,417)
Less Allowance for impairment loss	(552)	-	(552)
Net book value	10,376	-	10,376
31 December 2018 :			
Cost	28,278	58,552	86,830
Less Accumulated depreciation	-	(47,424)	(47,424)
Less Allowance for impairment loss	(552)	(169)	(721)
Net book value	27,726	10,959	38,685

The reconciliations of the net book value of investment properties for the years 2018 and 2017 are presented below.

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2018	2017
Net book value at beginning of year	10,376	10,376
Depreciation charged	(502)	-
Transfer from land and building for rent to investment properties	28,811	-
	38,685	10,376

The subsidiary transferred Property, plant and equipment to investment property. The net book value is Baht 28.81 million due to the change in the use of assets for rent.

Investment property presented at cost, less accumulated depreciation and allowance for impairment, (if any)

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The fair value of the investment properties stated as at 31 December 2018 and 2017 are presented below:

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	2018	2017
Land not being used in operation/land for rent	76,555	32,793
Office building for rent	57,762	32,105

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent value. The fair value of the land not being used in operation has been determined based on market prices, while that of the land and office using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

The Company have pledge of Investment Properties at cost approximately Baht 74 million as collateral against credit line received from financial institutions and issuing debentures as disclosed in the Note 23 to the consolidated financial statements.

## NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2018

## 17. PROPERTY, PLANT AND EQUIPMENT

	Consolidated financial statement							(Unit : Thousand Baht)
	Land and land improvement	Buildings and building improvement	Power plant, machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total	
<b>Cost:</b>								
Net book value as at January 1, 2018	138,627	567,598	1,134,118	52,132	30,082	72,406	1,994,963	
Additions	609	2,030	95,204	5,775	6,649	137,603	247,870	
Disposals	-	-	(2,240)	(1,023)	(7,339)	-	(10,602)	
Increased from acquisition of investments in subsidiaries	30,391	-	99,857	-	-	371,795	502,043	
Transfers	-	26,042	204,748	733	-	(231,523)	-	
Exchange difference on translation adjustment	(2,972)	(4)	(26,570)	(51)	-	(15,778)	(45,375)	
31 December 2017	166,655	595,666	1,505,117	57,566	29,392	334,503	2,688,899	
Additions	7	1,048	10,742	2,853	1,649	14,757	31,056	
Disposals	-	-	(2,738)	(1,551)	(1,562)	-	(5,851)	
Transfers	-	2,315	279,876	2,504	-	(284,695)	-	
Exchange difference on translation adjustment	612	7	5,651	9	-	3,755	10,034	
Assets classified as held for sale (Note 11)	(42,805)	-	(750,479)	(824)	-	-	(794,108)	
Assets classified as investment property (Note 16)	(17,350)	(20,135)	-	-	-	-	(37,485)	

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NOTES TO FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2018

(Unit : Thousand Baht)

	Consolidated financial statement					
	Land and land improvement	Buildings and building improvement	Power plant, machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress
						Total
Net book value as at December 31, 2018	107,119	578,901	1,048,169	60,557	29,479	68,320
						1,892,545
<b>Accumulated depreciation:</b>						
1 January 2017	-	264,784	677,376	42,480	26,268	-
						1,010,908
Depreciation for the year	-	25,415	63,810	4,134	1,835	-
						95,194
Depreciation on disposals	-	-	(2,202)	(1,022)	(7,339)	-
						(10,563)
Increased from acquisition of investments in subsidiaries	-	-	10,036	-	-	-
						10,036
Exchange difference on translation adjustment	-	-	(1,449)	(19)	-	-
						(1,468)
31 December 2017	-	290,199	747,571	45,573	20,764	-
						1,104,107
Depreciation for the year	-	23,030	84,843	4,818	2,560	-
						115,251
Depreciation on disposals	-	-	(2,673)	(1,550)	(1,562)	-
						(5,785)
Increased from acquisition of investments in subsidiaries	-	-	-	-	-	-
						-
Exchange difference on translation adjustment	-	31	449	8	-	-
						488
Assets classified as held for sale (Note 11)	-	-	(73,420)	(525)	-	-
						(73,945)
Assets classified as investment property (Note 16)	-	(8,506)	-	-	-	-
						(8,506)



## NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2018

(Unit : Thousand Baht)

		Consolidated financial statement					
		Buildings and land improvement	Power plant, machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total
31 December 2018	-	304,754	756,770	48,324	21,762	-	1,131,610
<b>Allowance for impairment loss:</b>							
1 January 2017	209	2,300	72,858	-	-	-	75,367
Increase during year	1,635	169	13,295	-	-	-	15,099
Exchange difference on translation adjustment	-	-	(129)	-	-	-	(129)
31 December 2017	1,844	2,469	86,024	-	-	-	90,337
Increase during year	-	-	(2,999)	-	-	-	(2,999)
Exchange difference on translation adjustment	-	-	33	-	-	-	33
Assets classified as held for sale (Note 11)	-	-	68	-	-	-	68
Assets classified as investment property (Note 16)	(1,635)	(169)	-	-	-	-	(1,804)
31 December 2018	209	2,300	83,126	-	-	-	85,635
<b>Net book value:</b>							
31 December 2017	164,811	302,998	671,522	11,993	8,628	334,503	1,494,455
31 December 2018	106,910	271,847	208,273	12,233	7,717	68,320	675,300

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NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2018

(Unit : Thousand Baht)

Consolidated financial statement					
	Land and land improvement	Buildings and building improvement	Power plant, machinery and equipment	Furniture and office equipment	Motor vehicles Construction in progress Total
<b>Depreciation for the year</b>					
2017 (Baht 80 million included in manufacturing cost, and the balance in administrative expenses)					95,194
2018 (Baht 108 million included in manufacturing cost, and the balance in administrative expenses)					115,251

(Unit : Thousand Baht)

	Separate financial statements					
	Land and land improvement	Buildings and building improvement	machinery and equipment	Furniture and office equipment	Motor vehicles Construction in progress	Total
<b>Cost:</b>						
1 January 2017	112,451	567,598	1,016,326	51,204	31,182	1,784,650
Additions	286	1,447	3,325	5,645	6,649	51,303
Disposals/write-off	-	-	(2,240)	(1,023)	(8,439)	(11,702)
Transfers	-	26,042	10,175	733	-	(36,950)
31 December 2017	112,737	595,087	1,027,586	56,559	29,392	1,824,251

**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2018**

(Unit : Thousand Baht)

	Separate financial statements						
	Buildings and		Furniture and		Motor		Total
	Land and land improvement	building improvement	machinery and equipment	office equipment	vehicles	Construction in progress	
Additions	7	1,048	11,514	2,853	1,649	11,999	29,071
Disposals/write-off	-	-	(2,738)	(1,551)	(1,562)	-	(5,851)
Transfers	-	2,315	11,806	2,504	-	(14,641)	1,984
Assets classified as investment property (Note 16)	(17,350)	(20,135)	-	-	-	-	(37,485)
31 December 2018	93,394	578,315	1,048,169	60,365	29,479	248	1,811,970

**Accumulated depreciation:**

1 January 2017	-	264,784	673,627	42,213	26,780	-	1,007,404
Depreciation for the year	-	25,395	46,097	3,933	1,858	-	77,283
Depreciation on disposals/write-off	-	-	(2,201)	(1,023)	(7,874)	-	(11,098)
31 December 2018	-	290,179	717,523	45,123	20,764	-	1,073,589
Depreciation for the year	-	22,943	41,919	4,638	2,560	-	72,060
Depreciation on disposals/write-off	-	-	(2,673)	(1,550)	(1,562)	-	(5,785)
Assets classified as investment property							

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(Unit : Thousand Baht)

	Separate financial statements					
	Buildings and		Furniture and		Construction	
	Land and land improvement	building improvement	machinery and equipment	office equipment	Motor vehicles	Total
(Note 16)	-	(8,506)	-	-	-	(8,506)
31 December 2018	-	304,616	756,769	48,211	21,762	1,131,358
<b>Allowance for impairment loss:</b>						
1 January 2017	209	2,300	72,858	-	-	75,367
Depreciation for the year	1,635	169	10,268	-	-	12,072
31 December 2017	1,844	2,469	83,126	-	-	87,439
Increase during year	-	-	-	-	-	-
Assets classified as investment property						
(Note 16)	(1,635)	(169)	-	-	-	(1,804)
31 December 2018	209	2,300	83,126	-	-	85,635
<b>Net book value:</b>						
31 December 2017	110,893	302,439	226,937	11,436	8,628	663,223
31 December 2018	95,185	271,399	208,274	12,154	7,717	594,977
<b>Depreciation for the year</b>						
2017 (Baht 63 million included in manufacturing cost, and the balance in administrative expenses)						77,283
2018 (Baht 57 million included in manufacturing cost, and the balance in administrative expenses)						72,060

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During the year 2017, the Company recognised losses on impairment of property, plant and equipment amounting to Baht 12 million in profit or loss in the separate financial statements for the year ended 31 December 2017 because the recoverable amount of assets was lower than their carrying amount.

In addition, as described in Note 19.1 in 2017 to the consolidated financial statements, the subsidiary evaluated the impairment of power plant, machinery and equipment for the geothermal power generation in Japan and noted that the recoverable amount of the assets was lower than the carrying amount therefore the subsidiary recognised loss on impairment of power plant, machinery and equipment amounting to Baht 3 million in profit or loss in the consolidated financial statements for the year ended 31 December 2017.

In 2018, As discussed in Note 11 Board of Directors Meeting No. 8/2018 convened on May 18, 2018, to approved that the Company disposes of the 15 geothermal power plant projects located in the same vicinity in Oasa-Tsurumi, Beppu city, Oita prefecture, Japan which have already commenced their commercial operations (the “Power Plant Projects”) at the purchase price of approximately JPY 320 million per one power plant project or equivalent to approximately THB 91.71 million per one power plant project, making a total purchase price for the Power Plant Projects of not less than JPY 4,800 million or equivalent to approximately THB 1,375.69 million and then on June 21, 2018, the Company has a sale contract of Power Plant Projects with the buyer (Relocation Group), the Company has received the deposit amounting of JPY 200 millions (approximately of Baht 59.98 millions), according to sale contract indentify that the buyer (Relocation Group) will pay remaining amounting of JPY 4,600 millions within February 2019 so that the Company therefore recognised allowance for Power plant, machinery and equipment to Baht 3 million in statement of income in consolidated financial statement for the year ended 31 December 2018

As at 31 December 2018, the Company had equipment and motor vehicles with net book values of Baht 7 million (2017: Baht 7 million), which were acquired under financial lease agreements.

As at 31 December 2018, certain items of buildings and equipment of the Company were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 813 million (2017: Baht 667 million).

As at December 31, 2018, the Company has certain buildings and equipment which have been fully depreciated but are still in use. Book value before deducting accumulated depreciation and allowance for impairment of such assets amounted to approximately Baht 813 million (2017: Baht 667 million)

The Company have pledge of Property, plant and equipment at cost approximately Baht 363 million as collateral against credit line received from financial institutions and bills of exchange from the company and other persons as disclosed in the Note 23.1 to the consolidated financial statements.



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The reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	346,306	106,403	10,437	8,252
Acquisition	2,517	48,934	2,517	3,463
Increased from acquisition of investments				
in subsidiaries	-	222,838	-	-
Decreased from disposal of investments				
in subsidiaries	-	-	-	-
Amortisation	(26,570)	(8,278)	(1,464)	(1,278)
Exchange difference translation adjustment	39,147	(23,591)	-	-
Total	361,400	346,306	11,490	10,437
Assets classified as held for sale (Note 11)	(349,893)	-	-	-
Net book value at end of year	11,507	346,306	11,490	10,437



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NOTES TO FINANCIAL STATEMENTS

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19. GOODWILL

The Company allocated goodwill acquired through business combinations to the cash generating units (CGUs) for annual impairment testing as follows:

		(Unit: Thousand Baht)					
		PPSN Company Limited	Sumo Power Company Limited	Fino Binary Power Plant Limited Liability Company	NIS Binary Power Plant Limited Liability Company	Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company	Dual Energy Binary - Power Plant No.1 Limited Liability Company Total
As at 31 December 2017							
Goodwill		89,695	105,634	29,015	12,353	12,342	261,375
Less: Allowance for impairment loss		(88,623)	(90,448)	(17,678)	(2,318)	(2,029)	(204,284)
Goodwill - net		1,072	15,186	11,337	10,035	10,313	57,091
As at 31 December 2018							
Goodwill		98,647	118,795	29,143	12,467	12,459	283,950
Less: Allowance for impairment loss		(97,500)	(103,500)	(17,678)	(2,318)	(2,029)	(226,212)
Goodwill - net		1,147	15,295	11,465	10,149	10,430	57,738

**PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)****NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2018**

The reconciliation of the net book value of goodwill for the years 2018 and 2017 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2018	2017
Net book value at beginning of year	57,091	19,082
Increased from acquisition of investments in subsidiaries	-	69,861
Impairment loss	-	(25,213)
Exchange difference translation adjustment	44,733	(6,639)
Assets classified as held for sale (Note 11)	(44,086)	-
Net book value at end of year	57,738	57,091

19.1 During the year 2017, the Company and its subsidiaries has assessed all geothermal power plant projects in Japan for impairment, by comparing the carrying amounts and recoverable amounts of the CGUs. The Company and its subsidiaries determined the recoverable amounts of the CGUs on a value-in-use basis, by preparing projections of the cash flows that are expected to be generated from each group of assets in the future, with reference to financial projections approved by the management, under the key assumption that the power purchase agreements of the power plant projects would cover a period of 15 years. Other key assumptions of the value in use calculation can be summarised as follows:

Energy capacity (Unit: Kilowatt per hour)	83 - 100
Growth rates (Unit: Percent per annum)	0.1, 1.2
Pre-tax discount rates (Unit: Percent per annum)	3.0

The management determined growth rates based on long-term inflation rate and discount rates is the pre-tax rate that reflects the risks specific to each CGU.

Based on the impairment review of the assets above, In 2017 the Company and its subsidiaries recognised allowance for impairment loss on the geothermal power plant projects amounting to Baht 29 million. This consisted of allowance for impairment loss amounting to Baht 26 million on new geothermal power plant projects that were purchased during the year 2017, which is recorded as impairment loss on Good will, and allowance for impairment loss of Baht 3 million on power plant, machinery and equipment.

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**NOTES TO FINANCIAL STATEMENTS**

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**20. ADVANCES PAYMENT**

	(Unit : Thousand Baht)			
	Consolidated		Separate financial	
	financial statements		statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Advance payment for construction of geothermal power plants	30,188	29,850	-	-
Advance payment for Hot spring rights	35,171	86,942	-	-
Advance payment for assets	64,800	65,053	64,800	65,053
Advance payment for Riverside Project	65,565	-	65,565	-
Total	195,724	181,845	130,365	65,053

Advance payment for construction of geothermal power plants

On December 13, 2017, a meeting of the Board of Directors of the Company passed a resolution to approve investment in 9 units of geothermal power plant in Japan, with a total project value of JPY 2,700 million (Baht 786 million). As at December 31, 2018, Sumo Power Company Limited, a subsidiary, has paid a deposit of JPY 103 million (Baht 29 million) for 2 units of power plant.

Advance payment for Hot spring rights

On December 13, 2017, a meeting of the Board of Directors of the Company passed a resolution to approve investment in 9 units of geothermal power plant in Japan, with a total project value of JPY 2,700 million (Baht 786 million). As at December 31, 2018, Sumo Power Company Limited, a subsidiary, has paid a deposit of JPY 103 million (Baht 30 million) for 2 units of power plant.

Advance payment for assets

According to the meeting of the Board of Directors of PP Prime Public Company Limited No. 2/2016 on February 26, 2016, has approved the investment in the rental of People Park Onnut Project which is a home office building with a total rental area of 8 rooms, with a total area of 1,369.30 square meters, with a lease term of 18 years, a total rental fee of Baht 72 million to extend the pet food business to a PET CENTER or a full service pet center for animal lovers. As of December 31, 2018, the home office building has 100% progress. Currently, the contractor is in the process of collecting the details of the work.

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Advance payment for Riverside Project

Board of Directors Meeting No.8/2018 convened on May 18, 2018, to approved that the Company enters into the joint investment transaction with Rich Partners Co., Ltd. (“Rich Partners”) in the mixed-use development project under the project’s name “Riverside Tower” located in Da Nang City, Vietnam (the “Riverside Project”) which is being developed by Sun Frontier Investment Co., Ltd. (“Sun Frontier Investment”), a company incorporated under Vietnamese law. The Company will invest in the Riverside Project for the investment amount of not more than JPY 3,100 million or equivalent to THB 911.83 million (based on the exchange rate of THB 29.4140 per JPY 100 as announced by the Bank of Thailand on May 17, 2018). Under the joint investment agreement which to be entered into between the Company and Rich Partners (the “Joint Investment Agreement”), the Company will be entitled to the rights to sell the residential units and receive the consideration from the sale of residential units in the Riverside Project selected by the Company and agreed with Rich Partners the approximate area of which will be not less than 50 percent of the total residential area of the Riverside Project, whereby the Company’s investment return shall be guaranteed at the rate of not less than six percent per annum in respect of the total investment amount of the Company, the terms and conditions of which are currently being negotiated and shall further be executed by the Company and Rich Partners Co., Ltd.

On June 25, 2018, the Company has paid a deposit amount of JPY 210 million (approximately of THB 62.31 million), whilst the remaining investment amount shall be payable to Rich Partners upon completion of all the conditions precedent so specified under the Joint Investment Agreement. If any of the conditions precedent cannot be completed within the specific timeframe, the Company shall be entitled to receive full amount of deposit from Rich Partners.

On July 2, 2018, the Company has memorandum of agreement with shareholder and Rich Partners Co., Ltd., the shareholder of Rich Partners Co., Ltd. agrees to transfer all of the shares in Rich Partners Co., Ltd. at its par value (JPY 10 million) as security against payment of deposit and to ensure that Rich Partners Co., Ltd. and its shareholder shall comply with all conditions precedent under the Joint Investment Agreement which include inter alia Rich Partners Co., Ltd. or its subsidiary acquiring the entire equity stake in Sun Frontier Investment Co., Ltd. Upon all conditions precedent having been completely fulfilled by Rich Partners Co., Ltd. the Company shall transfer the shares of Rich Partners Co., Ltd. back to Rich Partners’ shareholder at its par value, On July 10, 2018, the Company has paid amount of JPY 10 million (approximately of THB 3 million)

According to the resolution of the Board of Directors Meeting No. 2/2019 on February 7, 2019, the resolution was signed in the letter to extend the project period. There are important conditions as follows.

- 1) various licenses In the implementation of the project Must be completed by March 31, 2019
- 2) The Company has the right to continue the project or not which the Company will consider and notify within 31 May 2019
- 3) extend the duration of "Joint Investment Agreement" to be dated June 30, 2019

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**NOTES TO FINANCIAL STATEMENTS**

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**21. SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS**

			(Unit : Thousand Baht)	
	Interest rate (% per annum)	Maturity date	Consolidated / Separate financial statements	
			December 31, 2018	December 31, 2017
Bank overdrafts			277	-
Promissory note from financial institutions	4.50	8 April 2019	180,000	180,000
Bills of exchange from the Company and other persons	7.00 - 7.50	27 March and 27 March 2019	71,937	-
Short-term loan from financial institutions	5.75	28 February 2019	230,000	230,000
Trust Receipt Payable			69,497	-
			551,711	410,000
Deferred front end fee			(1,763)	(1,239)
			549,948	408,761

Bills of exchange from the Company other persons

Bills of exchange from other persons, the securities used are as follows:

1. Pledge of available-for-sale securities of amount 46.85 million shares (Book value of Baht 114.21 million), with a value of not less than 1.5 - 2 times of the credit line, as mentioned in Note 15.2 .
2. Related persons of the Company pledge the ordinary shares of PP PRIME Public Company Limited with a value of not less than 2 times the credit line, There is no charge between them.

Short-term loan from financial institutions

Guaranteed by

1. Guaranteed by pledge of shares, Investment in available-for-sale securities in the amount of 30.50 million shares (book value of Baht 207.40 million ), with a value of not less than 1.2 times the loan amount (Note 15.2 ) and the Company has signed the letter of consent for Bank to be able to process sell shares that are placed as collateral if the Company violates the payment terms.
2. The use of business collateral under the Business Security Act 2015 by bank deposits of the business (Note 7)
3. Bring 7 power plants in Japan as collateral , and pledge 4 Japanese company shares (PPSN Company Limited, Sumo Power Co., Ltd., SNS Power Co., Ltd., Lena Power Station No.1 Limited Liability Cooperation), which own 7 power plants. Note 13)

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Under the loan agreement the Company must comply with condition of financial terms as specified in the agreement, such as maintaining debt to equity ratio.

**22. TRADE AND OTHER CURRENT PAYABLES**

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2018
Trade payables – related party	22,304	3,980	22,304	3,980
Trade payables – unrelated parties	211,914	87,010	211,914	87,010
Other payables – related parties	1,459	1,179	-	-
Other payables – unrelated parties	14,854	13,675	14,612	8,239
Other payables for purchases of assets	5,427	4,409	3,688	4,409
Accrued interest – related party	-	5	-	-
Accrued interest –unrelated parties	10,619	12,385	10,619	12,381
Accrued expenses – related party	469	270	469	270
Accrued expenses – unrelated parties	30,718	41,025	30,344	40,497
Total trade and other current payables	297,764	163,938	293,950	156,786

**23. LONG-TERM LOAN**

As at December 31, 2018 and 2017 are as follows.

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	December 31, 2018	December 31, 2017
<b>Long-term loan</b>		
Long-term loan from financial institutions	611,230	646,678
Debentures	906,666	1,242,811
Liabilities under hire purchase and financial lease agreements	3,943	4,924
Total long-term loan	1,521,839	1,894,413

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	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	December 31, 2018	December 31, 2017
<b>Less: Current portion of long – term</b>		
Long-term loan from financial institutions	(611,230)	(40,185)
Debentures	(707,221)	(983,830)
Liabilities under hire purchase and financial lease agreements	(2,036)	(1,867)
Total current portion of long – term	(1,320,487)	(1,025,882)
	201,352	868,531

23.1 Long – term loan from financial institutions

Movements of the long-term loan account during the year period ended December 31, 2018 are as follows:

	(Unit : Thousand Baht)
	Consolidated financial statements
Balance as at January 1, 2018	646,678
<u>Add</u> Increase	-
<u>Less</u> Payment	(42,554)
Exchange differences on translation adjustment	7,620
Deferred financial fee	(514)
Balance as at December 31, 2018	611,230

		(Unit : Thousand Baht)	
		Consolidated / Separate financial statements	
Interest rate (% per annum)	Maturity date	December 31, 2018	December 31, 2017
JPY LIBOR (3 months) plus 3%	Repayable in monthly installments commencing from the fourth month after the loan is drawn down (November 2017), with 35 installments of JPY 14.5 million each and the balance payable in the thirty six installment	611,230	646,678
Less: Portion due within one year		(611,230)	(40,185)
Long-term loan - net of current portion		-	606,493

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In accordance with the conditions specified in the agreement, this loan amounting to JPY 2,060 million (Baht 611 million) is secured by the pledge of land and buildings of the Company and the Company has to mortgage property of the geothermal power plant projects in Japan, pledge power purchases agreements and shares of the companies that own the geothermal power plant projects, pledge or transfer the rights in the electricity revenue accounts of 4 of the companies, which consist of 8 power plants.

The loan agreements contain several covenants which, among other things, require the Company to maintain a debt-to-equity ratio.

As at 31 December 2018, the Company was unable to maintain the debt-to-equity ratio stipulated in the loan agreement, which constitutes a breach of the agreement. As a result, the bank may demand payment of the loan immediately and charge interest on the defaulted loan principal at the default rate. Currently, the Company's management is in process of negotiating with the bank to provide a waiver from compliance with the agreement and the Company's management believes that this event will not have a significant impact on the Company because the bank lender will grant the waiver.

Therefore showing loans from financial institutions in the amount of 2,060 million baht (equivalent to 611 million baht) as liabilities due within one year in full amount

**23.2 Debentures**

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	December 31, 2018	December 31, 2017
Debentures	914,000	1,246,700
Less: Deferred arrangement fee for debentures	(7,334)	(3,889)
Debentures – net of arrangement fee	906,666	1,242,811
Less: Portion due within one year	(707,221)	(983,830)
Debentures – net of current portion	(199,445)	258,981

Movements of the debentures accounts during the year period ended December 31, 2018 are summarised below.

	(Unit : Thousand Baht)
	Consolidated / Separate financial statements
Balance as at January 1, 2018	1,246,700
Issuance of debentures	653,500
Redemption of debentures	(986,200)
Deferred arrangement fee for debentures	(7,334)
Balance as at December 31, 2018	906,666



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As at December 31, 2018, the balance of the debentures issued by the Company is Baht 914 million. Such debentures were offered to investors by private placement. The debentures pay interest every 3 months. Significant details are as follows:

Issue date	Units	Par value per	Total value	Interest rate	Maturity date
		unit			
		(Baht)	(Million Baht)	(% per annum)	
<u>Registered holders of Debentures unsubordinated and unsecured debentures, which do not have a debenture holders' representative.*</u>					
July 26, 2017	260,500	1,000	261	6.3	July 26, 2019
<u>Registered holders of Debentures unsubordinated and unsecured debentures, which do have a debenture holders' representative.*</u>					
August 2, 2018	319,500	1,000	320	7.25	August 2, 2019
September 3, 2018	134,000	1,000	134	7.25	September 3, 2019

Registered holders of Debentures unsubordinated and secured debentures, which do have a debenture holders' representative.\*\*

May 8, 2018	200,000	1,000	200	7.0	May 8, 2020
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\* The conditions regarding the rights and obligations of the debenture issuer stipulate certain covenants, pertaining to matters such as the maintenance of debt-to-equity ratio.

\*\* As at December 31, 2018, guarantee by pledge investment available for sale amount 63.10 million shares (Book value of Baht 101.53 million) and pledge investment property, book value Baht 160 million, the Company has to comply with conditions that the value of guarantee not less than 1.10 times of the credit line and the Company has to remain the ratio of guarantee to value of debenture not less than 1.10 : 1

**23.3 Liabilities under finance lease agreements**

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	December 31, 2018	December 31, 2018
Liabilities under finance lease agreements	4,924	5,133
Less : Deferred interest expenses	(981)	(209)
Total	3,943	4,924
Less : Portion due within one year	(2,036)	(1,867)
Liabilities under finance lease agreements - net of current portion	1,907	3,057

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The Company has entered into the finance lease agreements with leasing companies for rental of vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 4 years and such contract cannot be terminated

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Million Baht)					
	Consolidated / Separate financial statements					
	Less than 1 year		1-4 years		Total	
	2018	2017	2018	2017	2018	2017
Future minimum lease payments	2	2	2	3	4	5
Deferred interest expenses	-	-	-	-	-	-
Present value of future minimum lease payments	2	2	2	3	4	5

**23.4 Unutilised credit facilities**

On July 19, 2018, the Export-Import Bank of Thailand (EXIM Bank) has approved the loan agreement details are as follows;

- 1) Long-term credit facilities of up to 1,040 million Yen (or about 303.75 million Baht, based on announcement by the Bank of Thailand on July 19, 2018 at 0.292067 baht per yen). A total of 7 projects were installed in Japan, totaling 875 kW.
- 2) The FX forward contract amounted to 1,040 million Yen (or about 303.75 million Baht, based on announcement by the Bank of Thailand on July 19, 2018 at 0.292067 baht per yen).
- 3) JPY LIBOR (3M) + 3.00% per year or Prime Rate -1.50% per year
- 4) 3-year loan period 3 months (including Grace Period 3 months)

Guarantee of borrowings are as follows:

- 1) Mortgage land and constructions by cost estimate for external Valuator company have total value not lower than of Baht 122 millions
- 2) Mortgage land and machine of project in Japan.
- 3) Pledge and Assignments Power Purchase Agreement (PPA).
- 4) Transfer assignments the Benefit of casualty insurance policy, after constructions for EXIM Bank.
- 5) Pledge the stocks of company are as follows:
  - PPSN Limited Liability Company
  - Lena Power Station No.1 Limited Liability Company
  - SNS POWER Limited Liability Company

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- SUMO POWER Limited Liability Company
- 6) Pledge or assignments with conditionals in deposit account of electric income from Power purchase Agency.
- 7) Pledge shares of PP Prime Public Company Limited amount 20,000,000 shares (ownership: the Related persons of company)

**23.5 Debentures that have not been issued**

According to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2018 held on 16 July 2018, Allocation of the newly issued convertible debentures with the right of conversion into ordinary shares of the Company (the “Convertible Debentures”) in the amount of not exceeding 980,000 units, at the offering price of Baht 1,000 per unit, representing the total offering value of not exceeding Baht 980,000,000 by way of private placement, major shareholders and/or financial institutions for a term of not exceeding 3 years from the issuance date of the Convertible Debentures, at the conversion ratio of 1 unit to 142 ordinary share(s) for capital increase (any fraction thereof in digit numbers shall be discarded), and at the conversion price of not less than Baht 7 per share. In this regard, the Company would consider allocating not exceeding 140,000,000 ordinary shares for capital increase of the Company at the par value of Baht 1 per share to accommodate the exercise of the right of conversion of the Convertible Debentures.

**24. NON – CURRENT PROVISIONS FOR EMPLOYEE BENEFITS**

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and subsidiary and other long-term employee benefit plan, namely long service awards, were as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2018	2017
<b>Provision for long-term employee benefits at beginning</b>		
<b>of year</b>	13,545	11,674
<u>Included in profit or loss:</u>		
Current service cost	2,672	1,958
Interest cost	375	304
Actuarial loss	1,387	-
Past service costs and gains or losses on settlement	-	806
Past service costs due to changing benefit plans	(1,263)	-

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(Unit: Thousand Baht)

Consolidated / Separate financial statements	
2018	2017
<u>Included in other comprehensive income:</u>	
Actuarial gain arising from	
Financial assumptions changes	3,294 -
Experience adjustments	(116) -
Benefits paid during the year	(460) (1,197)
<b>Provision for long-term employee benefits at end of year</b>	<b>19,434 13,545</b>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)	
Consolidated / Separate financial statements	
2018	2017
Cost of sales	1,414 1,092
Selling and administrative expenses	1,757 1,976
<b>Total expenses recognised in profit or loss</b>	<b>3,171 3,068</b>

Significant actuarial assumptions are summarised below:

Consolidated / Separate financial statements	
2018	2017
(% per annum)	(% per annum)
Discount rate	1.76 – 4.38 2.7
Salary increase rate	5 – 6.50 5.0
Turnover rate	0.0 – 30.00 0.0 - 35.0

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The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2018 are summarized below:

	(Unit: Thousand Baht)			
	Consolidated / Separate financial statements			
	2018		2017	
	Increase	Decrease	Increase	Decrease
Discount rate (Increase/decrease 1%)	(1,917)	2,217	(761)	835
Salary increase rate (Increase/decrease 1%)	1,916	(1,684)	840	(774)
Turnover rate (Increase/decrease 20%)	(1,561)	1,953	(1,406)	1,821

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As at December 31, 2018, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
Within 1 year	490
Over 1 and up to 5 years	3,054
Over 5 years	90,034

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment. The Company will reflect the effect of the change by recognizing past service cost as an expense in the statements of profit or loss, of the period in which the law is effective of Baht 4.07 million.

**25. STATUTORY RESERVE**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

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**26. EXPENSES BY NATURE**

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Salaries and wages and other employee benefits	172,750	158,607	166,871	153,107
Depreciation	115,251	95,194	72,561	77,283
Amortisation	26,570	7,107	1,464	1,278
Raw materials and consumables used	1,472,966	1,241,341	1,472,966	1,241,341
Changes in inventories of finished goods and work in process	24,846	7,391	24,846	7,391

**27. INCOME TAX**

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Current income tax charge	7,246	30,569	-	29,554
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(119)	(26,236)	3,697	(26,524)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>7,127</b>	<b>4,333</b>	<b>3,697</b>	<b>3,030</b>

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The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2018	2017
Deferred tax on (gain) loss from the change in value of available-for-sale investments	114,428	37,987
Deferred tax on actuarial gain	635	-
	<u>115,063</u>	<u>37,987</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	14,565	14,955	14,565	14,955
Allowance for diminution in value of inventories	3,148	2,780	3,148	2,780
Allowance for impairment on plant and equipment	11,854	14,345	11,854	14,345
Fair value of equipment through business combination	-	4,989	-	-
Provision for long-term employee benefits	3,887	2,709	3,887	2,709
Unrealised loss from revaluation of available-for-sale securities	56,255	-	56,255	-
<b>Total</b>	<u>89,709</u>	<u>39,778</u>	<u>89,709</u>	<u>34,789</u>

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(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Deferred tax liabilities</b>				
Unrealised gain from revaluation of available-for-sale securities	2,326	58,107	2,326	58,107
Intangible assets acquired through business combination	-	61,678	-	-
Deferred arrangement fees for loans and debentures	1,922	1,181	1,922	1,181
<b>Total</b>	<b>4,248</b>	<b>120,966</b>	<b>4,248</b>	<b>59,288</b>

As at December 31, 2018, the subsidiaries have tax deductible temporary differences unused tax losses totaling JPY 357 million (2017: JPY 396 million), on which deferred tax assets have not been recognised as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of the tax deductible temporary differences and unused tax losses.

The unused tax losses of the subsidiaries amounting to JPY 151 million will expire by 2026.

**28. PROMOTIONAL PRIVILEGES**

The Company has received promotional privileges which approved by the Board of Investment for the manufacture and distribution of feeds for aquatic animals, pursuant to the investment promotion certificate No. 2091 (2)/2554 issued on 31 August 2011. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (1 June 2012) with the corporate income tax exempted capped at the amount of capital investment made, excluding in land and working capital. They also include a reduction of import duty on imported machinery as approved by the Board of Investment and an exemption from income tax on dividend paid to the shareholders from the profit of the promoted activities during the corporate income tax exemption period.

In addition, the Company has received promotional privileges which approved by the Board of Investment for the manufacture and distribution of feeds for aquatic animals, pursuant to the investment promotion certificate No. 1856 (2)/2556



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issued on 19 May 2013 and the investment promotion certificate No. 1131 (2)/2558 issued on 4 February 2015. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (the investment promotion certificate No. 1856(2)/2556 has not yet generated revenues and the investment promotion certificate No. 1311(2)/2558 has revenues generate on 30 April 2015) with the corporate income tax exempted capped at the amount of capital investment made, excluding in land and working capital. They also include a reduction of import duty on imported machinery as approved by the Board of Investment, an exemption from income tax on dividend paid to the shareholders from the profit of the promoted activities during the corporate income tax exemption period, and permission to deduct 25 percent of the amount invested in the installation of facilities in addition to normal depreciation.

The Company's operating revenues for the years ended 31 December 2018 and 2017, divided between promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	2018	2017	2018	2017	2018	2017
Sales						
Domestic sales	414,831	342,056	1,569,361	1,448,150	1,984,192	1,790,206
Export sales	-	-	160	526	160	526
Total sales	414,831	342,056	1,569,521	1,448,676	1,984,352	1,790,732

**29. SHARE CAPITAL**

According to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2018 held on 16 July 2018, has the resolutions of each agenda were as follows:

29.1 Approve the Company's registered capital decrease by Baht 5,400,833, from the current registered capital of Baht 568,451,520 to be Baht 563,050,687, by way of cancellation of 5,400,833 ordinary shares allocated for 5,400,833 at the par value of Baht 1 per share.

29.2 Approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the Company's registered capital decrease.

“Clause 4. The Company's capital is	Baht 563,050,687 (Five hundred sixty-three million fifty thousand Six Hundred and Eighty-Seven Baht)
divided into	563,050,687 shares (Five hundred sixty-three million fifty thousand Six Hundred and Eighty-Seven)

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at the par value of divided into	Baht 1 (One Baht) per share
Ordinary shares	563,050,687 shares (Five hundred sixty-three million fifty thousand Six Hundred and Eighty-Seven)
Preferred shares	- shares (-).”

Subsequently, on July 26, 2018, the Company has completely registered the reduction of registered capital together with the amendment to Clause 4 of the Memorandum of Association of the Company to be accorded with the reduction of the registered capital as detailed above, with the Department of Business Development, the Ministry of Commerce

29.3 Approve the Company’s registered capital increase by Baht 280,762,672 from the current registered capital of Baht 563,050,687 to be Baht 843,813,359, by way of issuance of not exceeding 280,762,672 ordinary shares for capital increase at the par value of Baht 1 per share, as per the following details:

29.3.1 Capital increase by Baht 140,762,672, by way of issuance of 140,762,672 ordinary shares for capital increase at the par value of Baht 1 per share to accommodate the exercise of the Warrants

29.3.2 Capital increase by Baht 140,000,000, by way of issuance of 140,000,000 ordinary shares for capital increase at the par value of Baht 1 per share to accommodate the conversion of the Convertible Debentures

29.4 Approve the amendment of Clause 4 of the Company’s Memorandum of Association to be in line with the Company’s registered capital increase.

“Clause 4. The Company’s capital is	Baht 843,813,359 ( Eight Hundred Forty- Three Million Eight Hundred Thirteen Thousand Three Hundred and Fifty-Nine Baht)
divided into	843,813,359 shares ( Eight Hundred Forty-Three Million Eight Hundred Thirteen Thousand Three Hundred and Fifty-Nine)
at the par value of divided into	Baht 1 (One Baht) per share
Ordinary shares	843,813,359 shares ( Eight Hundred Forty-Three Million Eight Hundred Thirteen Thousand Three Hundred and Fifty-Nine)
Preferred shares	- shares (-).”

Subsequently, on July 31, 2018, the Company has completely registered the increase of registered capital together with the amendment to Clause 4 of the Memorandum of Association of the Company to be accorded with the increase of the registered capital as detailed above, with the Department of Business Development, the Ministry of Commerce.

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**30. WARRANTS NOT YET ISSUED AND OFFERED**

According to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2018 held on 16 July 2018, has the resolutions of each agenda were as follows:

Approved to propose the Extraordinary General Meeting of the Shareholders No. 1/2018 to consider approving the issuance and allocation of the warrants to purchase ordinary shares for capital increase of the Company No. 3 (TLUXE-W3) to the Company's existing shareholders according to their shareholding percentage (Right Offering) (the “Warrants”) in the amount of not exceeding 140,762,672 units, free of charge, at the ratio of 4 existing ordinary share(s) to 1 unit of the Warrants (any fraction thereof shall be discarded), for a term of not exceeding 3 years from the issuance date of the Warrants, at the exercise ratio of 1 unit to 1 ordinary share(s) for capital increase, and at the exercise price of Baht 2 per share. In this regard, the Company would consider allocating not exceeding 140,762,672 ordinary shares for capital increase of the Company at the par value of Baht 1 per share to accommodate the exercise of the Warrants

**31. EARNINGS PER SHARE**

Basic earnings (loss) per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

The following table sets forth the computation of basic earnings (loss) per share for the three-month and year periods ended December 31, 2018 and 2017:

	For the year period ended December 31			
	Consolidated financial		Separate financial	
	statements		statements	
	2018	2017	2018	2017
<b>Earnings per share</b>				
Profit (Loss) attributable to equity holders of the parent company	(110,088)	(252,407)	256,683	(105,769)
Number of common shares (Thousand Shares)	563,051	563,051	563,051	563,051
Profit (Loss) per share (Baht / Share)	(0.20)	(0.45)	0.46	(0.19)

**32. SEGMENT INFORMATION**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Board of Directors.

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For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows:

1. Aquatic animal feed segment
2. Pets food segment
3. Production and distribution of electricity segment

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for outsider transactions.

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The following tables present revenue and loss information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2018 and 2017, respectively.

	(Unit : Million Baht)									
	Domestic					Overseas				
	Aquatic animal feed		Pets food		Manufacturing and distributing frozen food		Production of electricity		Eliminations	
	2561	2560	2561	2560	2561	2560	2561	2560	2561	2560
Revenue from external customers	1,797	1,577	187	213	-	-	77	32	-	2,061
<b>Total revenues</b>	<b>1,797</b>	<b>1,577</b>	<b>187</b>	<b>213</b>	<b>-</b>	<b>-</b>	<b>77</b>	<b>32</b>	<b>2,061</b>	<b>1,822</b>
<b>Results</b>										
<b>Segment profit (loss)</b>	(11)	35	4	1	-	-	(29)	(28)	(3)	(39)
Gain (loss) on investments in securities										5
Interest income										2
Other income (expenses)										9
Loss on impairment of assets										26
Loss on unallocated costs of business acquisition										51
Share of loss from investments in associates										(138)
Finance cost										-
<b>Profit (loss) before income tax expenses</b>										(15)
Income tax expenses										-
<b>Profit (loss) for the year</b>										(26)
										-
										(1)
										(126)
										(105)
<b>Profit (loss) before income tax expenses</b>										(103)
Income tax expenses										(249)
<b>Profit (loss) for the year</b>										(7)
										(3)
										(110)
										(252)

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Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	2018	2017
Thailand	1,984,351	1,790,732
Japan	76,567	31,598
Total	2,060,918	1,822,330

Non-current assets

(other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance contracts)

	(Unit: Thousand Baht)	
	2018	2017
Thailand	780,614	753,842
Japan	159,361	1,346,694
Total	939,975	2,100,536

Major customers

For the years 2018 and 2017, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues

**33. PROVIDENT FUND**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and its employees contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 2 million (2017: Baht 2 million) were recognised as expenses.

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**34. COMMITMENTS AND CONTINGENT LIABILITIES**

**34.1 Power purchase agreements**

As at December 31, 2018 a subsidiary entered into PPA with an unrelated company. The PPA is effective for a period of 15 years starting from scheduled commercial operation date. The sales quantity and its price must be complied with the agreement.

**34.2 Hot springs service agreement**

As at December 31, 2018 the overseas subsidiaries have commitments in respect of power plant hot springs service agreements made with an unrelated company, amounting to approximately JPY 0.4 million per month per power plant for periods of 15 years from the commercial operation dates.

In November 2017 and January 2018, the subsidiaries entered into a memorandum of understanding with an unrelated company to waive hot springs service charges, in accordance with the conditions specified in the agreement.

**34.3 Power plant operation and maintenance agreement**

As at December 31, 2018 an overseas subsidiary has commitments in respect of power plant operation and maintenance agreements made with an unrelated company, amounting to approximately JPY 0.1 million per month per power plant for 5 years starting from a project awarded date, which can be extended every 5 years, and has maximum duration of 15 years, under the same conditions.

**34.4 Property rights of land agreement**

As at December 31, 2018 an overseas subsidiary has commitments in respect of property rights of land agreement with an unrelated company to operate in a project of electricity production from wind power amounting to approximately JPY 0.1 million per month per power plant. The term of this agreement is 21 years starting from an agreement signing date.

**34.5 Capital commitments**

As at December 31, 2018 the Company had capital commitments of approximately Baht 0.1 million (December 31, 2017: Baht 7 million), relating to acquisition and installation of machinery and equipment. In addition, the overseas subsidiaries had capital commitments of approximately JPY 2,351 million (December 31, 2017: JPY 1,981 million), relating to the construction of power plant.

**34.6 Purchase of raw material commitments**

As at December 31, 2018 the Company had purchase commitments of USD 1.3 million (December 31, 2017: USD 2 million) in respect of the purchase of raw materials for aquatic animal feed.

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**34.7 Lease and services commitments**

The Company has entered into several lease agreements in respect of office building space and service agreement and vehicle rental. The terms of the agreements are generally duration from 1 to 3 years.

Future minimum lease payments required under these non-cancellable leases and services contracts were as follows.

	(Unit : Million Baht)	
	December 31, 2018	December 31, 2017
Payable:		
within 1 year	2	9
more than 1 year but not over 2 years	0.5	-

**34.8 Long-term property lease commitment**

As at December 31, 2018 the Company had space lease contracts commitments of approximately Baht 7.2 million for a full service center. The term of the lease is 18 years, starting from the date the possession of assets is delivered. At present, the leased space is under construction and has yet been delivered.

**34.9 Guarantees**

As at December 31, 2018 the Company were outstanding bank guarantees of approximately Baht 8 million (December 31, 2017: Baht 8 million), issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee are relating to guarantee electricity use.

**35. FINANCIAL INSTRUMENTS**

**35.1 Foreign currency risk**

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, investments, trade and other receivables, restricted bank deposits, loans, short-term loans, trade and other payables, long-term loan, debentures and liabilities under long-term lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

**Credit risk**

The Company and its subsidiaries are exposed to credit risk primarily with respect to other investments, trade and other receivables, and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not



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have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of other current investments, trade and other receivables, and loans as stated in the statement of financial position.

**Interest rate risk**

The Company and its subsidiaries are exposure to interest rate risk relates primarily to its cash at banks, investments, loans, short-term loans, long-term loans, debentures and liabilities under long-term lease agreements. Most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

**Significant**

financial assets and liabilities as at 31 December 2018 and 2017 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

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	Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Effective interest rate		
	Within 1 year		Over 5 years										
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
<b>Financial Assets</b>											(% p.a.)	(% p.a.)	
Cash and cash equivalents	-	-	-	-	-	20	47	1	1	21	48	0.0 - 0.5	0.0 - 0.5
Current investments													
Trading securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	-	-	-	-	-	-	-	-	308	-	308	-	-
Others	-	110	-	-	-	-	-	-	-	-	110	-	5.4, 6.3
Trade and other receivables	-	-	-	-	-	-	-	321	194	321	194	-	-
Restricted bank deposits	8	8	-	-	-	-	-	-	-	8	8	0.9	1.0
Other long-term investments	-	-	-	-	-	-	-	324	859	324	859	-	-
Long-term loan to related party	-	-	145	72	-	-	-	-	-	145	72	3.0	3.0
	8	118	145	72	-	20	47	646	1,362	819	1,599		
<b>Financial liabilities</b>													
Short-term loans from financial institutions	550	409	-	-	-	-	-	-	-	550	409	4.5 - 7.5	4.8, 5.8
Trade and other payables	-	-	-	-	-	-	-	298	164	298	164	-	-
Short-term loans from related party	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term loan	-	-	-	-	-	611	647	-	-	611	647	JPY LIBOR	JPY LIBOR
												(3 months)	(3 months) plus
Debentures	707	984	199	259	-	-	-	-	-	906	1,243	plus 3%	3%
Liabilities under long-term lease agreements	2	2	2	3	-	-	-	-	-	4	5	6.3 - 7.25	5.0 - 6.3
												1.17 - 5.12	1.1 - 8.5

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Consolidated financial statements												(Unit: Million Baht)
</												

Separate financial statements													(Unit: Million Baht)
Fixed interest rates				Floating interest rate		Non-interest bearing		Within 1 year		Effective			
Within 1 year		1 - 5 years		Over 5 years		interest rate		Bearing		1 - 5 years			
2018	2017	2018	2017	2018	2018	2017	2018	2017	2018	2017	2018	2017	
-	-	-	-	-	-	15	14	1	1	16	15	0.0 - 0.5	
-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	308	-	308	-	
-	110	-	-	-	-	-	-	-	-	-	110	5.4, 6.3	
-	-	-	-	-	-	-	-	425	281	425	281	-	
8	8	-	-	-	-	-	-	-	-	-	8	0.9	
-	-	-	-	-	-	-	-	324	859	324	859	-	
-	-	1,769	1,516	-	-	-	-	-	-	1,769	1,516	2.5 - 8.0	
												2.5 - 8.0	

**Financial Assets**

Cash and cash equivalents

Current investments

Trading securities

Available-for-sale securities

Others

Trade and other receivables

Restricted bank deposits

Other long-term investments

Long-term loans to related parties

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**Foreign currency risk**

The Company exposure to foreign currency risk arise mainly from trading transactions that are denominated in foreign currencies. The Company seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2018 and 2017, the balances of financial liabilities denominated in foreign currencies are summarised below.

The balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Financial liabilities		Average exchange rate	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	32.61	32.68
Japanese yen	-	-	0.29	0.29

**35.2 Fair values of financial instruments**

Since the majority of the Company and its subsidiary’s financial instruments are short-term in nature or carrying interest at rates close to the market interest rates. Loans given to and loans from others mostly bear interest rates close to the market rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

**35.3 Determination of fair values**

A number of the Group’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods (when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability).

The fair value of cash and cash equivalents, trade and other accounts receivable, short-term loans, other current assets, bank overdrafts, short-term borrowings, trade and other accounts payable and other current liabilities is taken to approximate the carrying value.

The fair value of investments in equity securities - available-for-sales, are determined by reference to their quoted bid prices at the reporting date.

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The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

Fair values and the carrying values of financial assets and liabilities other than the aforementioned were as follows:

(Unit: Million Baht)								
Consolidated / Separate financial statements								
Level 1		Level 2		Level 3		Total		
December	December	December	December	December	December	December	December	
31, 2018	31, 2017	31, 2018	31, 2017	31, 2018	31, 2017	31, 2018	31, 2017	
<b>Financial assets measured at fair value</b>								
Available-for-sale investments								
Equity instruments	320	855	-	-	-	-	320	855
Debt instruments*	-	-	0.03	308	-	-	0.03	308
Other current investments								
Bill of exchanges	-	-	-	110	-	-	-	110
<b>Financial assets for which fair value are disclosed</b>								
Investment properties	-	-	39	10	-	55	39	65
<b>Financial liabilities for which fair value are disclosed</b>								
Debentures	-	-	914	1,243	-	-	914	1,243

\* Level 2 - The fair value determined by using the net asset value as published by the Asset Management

the current year, there were not transfer within the fair value hierarchy.

### 36. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at December 31, 2018 the Group's debt-to-equity ratio was 3.11 : 1 (December 31, 2017: 1.85:1) and the Company's was 1.75 : 1 (December 31, 2017: 1.61:1).

### 37. EVENT AFTER THE REPORTING PERIOD

37.1 According to the Board of Directors' Meeting No. 2/2019 on 7 February 2019 approved to issue Name-Register of Unsubordinated and Unsecured Debentures with debenture holders' representatives, offering investors with limited amount not exceeding 500,000,000 baht, due in 2021. An interest rate of 8.50 % per annum, the company must pledge ordinary shares of Thai Luxe Enterprises (Thailand) Co., Ltd. as collateral for issuance debenture

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37.2 According to the Board of Directors' Meeting No. 3/2019 of PP Prime Public Company Limited on 11 February 2019 had significant details as followings;

1. Approval to propose the Shareholders' Meeting to consider approving the reduction of the Company's registered capital by THB 280,762,672 from the existing registered capital of THB 843,813,359 to THB 563,050,687 by cancelling 280,762,672 authorized but unissued ordinary shares, with a par value of THB 1 per share.
2. Approval to propose the Shareholders' Meeting to consider approving the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the Company's registered capital, as per the following details:

“Clause 4. Registered Capital	THB 563,050,687	(Five Hundred Sixty-Three Million Fifty Thousand Six Hundred and Eighty-Seven Baht)
Divided into	563,050,687 shares	( five hundred sixty-three million fifty thousand six hundred and eighty-seven shares)
Par Value per share	THB 1	(One Baht)
Classified into		
Ordinary Shares	563,050,687 shares	( five hundred sixty-three million fifty thousand six hundred and eighty-seven shares)
Preferred Shares	- shares	(-)”

3. Approval to propose the Shareholders' Meeting to consider approving the Company's registered capital increase by THB 331,525,344 from the existing registered capital of THB 563,050,687 to THB 894,576,031 by issuing 331,525,344 newly issued ordinary shares, with a par value of THB 1 per share.
4. Approving the amendment of Clause 4 of the Memorandum of Association to be in line with the Company's registered capital increase as follows:

“Clause 4. Registered Capital	THB 894,576,031	( Eight Hundred Ninety-Four Million Five Hundred Seventy-Six Thousand and Thirty-One Baht)
Divided into	894,576,031 shares	( eight hundred ninety-four million five hundred seventy-six thousand and thirty-one shares)
Par Value per share	THB 1	(One Baht)
Classified into		
Ordinary Shares	894,576,031 shares	( eight hundred ninety-four million five hundred seventy-six thousand and thirty-one shares)
Preferred Shares	- shares	(-)”

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5. Approving the allocation of not exceeding 331,525,344 newly issued ordinary shares, with a par value of THB 1 per share, as per the following details:
- (1) To allocate not exceeding 281,525,344 newly issued ordinary shares, with a par value of THB 1 per share, by way of rights offering, as per the following details:
- (a) The shares shall be allocated at the ratio of 2 existing ordinary shares to 1 newly issued ordinary share at the offering price of THB 2 per share, any fraction thereof shall be disregarded.
  - (b) Should there be any newly issued ordinary shares remaining from the first round of allocation by way of rights offering, the Company shall allocate the remaining newly issued ordinary shares to the existing shareholders who have expressed their intention to subscribe for the newly issued ordinary shares beyond their rights (beyond their shareholding percentages) until there shall be no more newly issued ordinary shares left to be allocated to the shareholders.
  - (c) Should there be any shares remaining from the existing shareholders' subscription for the newly issued ordinary shares by rights offering on this occasion, the Company shall seek approval to reduce the Company's registered capital at the next Shareholders' Meeting.
  - (d) April 2, 2019 is scheduled to be the record date to determine the list of shareholders entitled to subscribe for the newly issued ordinary shares.
- (2) To allocate not exceeding 50,000,000 newly issued ordinary shares, with a par value of THB 1 per share, by way of private placement under the general mandate (representing approximately 8 percent of the Company's registered and paid-up capital as at the date of the Board of Directors' Meeting's resolution on such capital increase), whereby such issuance and offering may be made in full on a single occasion or in part on several occasions.

In this regard, the details of the allocation of the newly issued ordinary shares to the existing shareholders of the Company in proportion to the existing shareholding (Rights Offering) will occur before the allocation of the newly issued ordinary shares to the private placement under the general mandate (General Mandate). Various matters as discussed in article 1-5, must be approved by the shareholders' meeting again.



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6. Scheduled for the Extraordinary General Meeting of Shareholders No. 1/2019 to be held on March 25, 2019 at 13:30 hours to consider the following agenda:

Agenda Item 1	To consider approving the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2018;
Agenda Item 2	To consider approving the reduction of the Company's registered capital;
Agenda Item 3	To consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the reduction of the Company's registered capital;
Agenda Item 4	To consider approving the Company's registered capital increase;
Agenda Item 5	To consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the Company's registered capital increase;
Agenda Item 6	To consider approving the allocation of the Company's newly issued ordinary shares;
Agenda Item 7	To consider other matters (if any).

**38. THE DECISION IN THE SHAREHOLDERS' MEETING OF SUBSIDIARIES AND THE TRANSFER OF ANIMAL FEED MANUFACTURING BUSINESS TO SUBSIDIARIES.**

**In Year 2018**

According to the Shareholders' Meeting No. 1/2018 of Thai Luxe Enterprises (Thailand) Co., Ltd. on 28 December 2018 had significant details as followings;

1. The resolution was to acquire the partial transfer of business from PP Prime Public Company Limited which consisted of assets, liabilities, business licenses and all employees involved in the production of an animal feed, effective from 1 January 2019. The value of this business transfer will be based on the book value according to the rules of the partial business transfer. The transferred net asset value (All assets of the business that will be transferred are deducted by all liabilities of the transferred business) accounted for 809,904,400 Baht, Thai Luxe Enterprises (Thailand) Co., Ltd. have to increase the registered capital and allocate the newly issued ordinary shares to PP Prime Public Company Limited in order to comply with the rules of partial business transfer.

In this regard, PP Prime Public Company Limited and Thai Luxe Enterprises (Thailand) Company Limited will transfer and acquire the partial business transfer in accordance with the rules of the Royal Decree issued under the Revenue Code regarding to income tax exemption (Issue no. 516) BE 2554 and the announcement of the Director-General of the Revenue Department, on the subject of setting rules, procedures and conditions of partial business transfer for a public company Or limited company in order to exempt an income tax on 27 September 2011, including other announcements related to the matter (Referred as "Partial Business Transfer Rules").

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Assets and Liabilities transferred in 2019 are as followings;

	(Unit : Baht)
	Assets and Liabilities
	transferred between companies
<b>Current Assets</b>	
Cash and cash equivalents	14,620,000.00
Ending inventories balance	198,696,303.06
Other receivables	612,894.48
<b>Non-current Assets</b>	
Property, building and equipment	64,666,270.00
Plant	216,201,311.39
Building	45,436,434.68
Machine	154,894,458.19
Land improvement	17,346,164.35
Shrimp pond	1.00
Fish pond	5,040.52
Artesian well	59,426.12
Factory equipment	32,194,882.49
<b>Non-current Assets</b>	
Tools	20,703,422.64
Research tools	2,872.75
Office supplies	7,264,609.49
Office equipment	2,923,315.85
Decoration	1,136,902.30
Vehicle	13.00
Software	8,523,710.40
Office tools	261,706.64
Software waiting to be installed	2,758,103.29
Other non-current assets	414,867.50
<b>Non-current Liabilities</b>	
Estimation of Non-current Liabilities for employees benefits	10,538,040.00

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2. According to the decision of the Shareholders' Meeting to acquire the aquatic animal feed manufacturing business from PP Prime Public Company Limited, the Meeting had a special resolution to increase the share capital by 809,904,400 Baht by issuing 80,990,440 ordinary shares with a par value of 10 Baht per share to PP Prime Public Company Limited. The allocation of the shares are as follows:

2.1 To increase the capital by 795,039,400 Baht by issuing 79,503,940 new ordinary shares with a par value of 10 Baht each to PP Prime Public Company Limited, which is a shareholder of the Company, in exchange of the animal feed manufacturing business transfer to Thai Luxe Enterprises (Thailand) Co., Ltd. The net asset value of 795,039,400 Baht in lieu of payment of 79,503,940 shares at a par value of 10 Baht.

2.2 To increase the capital by 14,865,000 Baht by issuing 1,486,500 new ordinary shares with a par value of 10 Baht each with payment in cash.

Due to the transfer of the business, it may be necessary that Thai Luxe Enterprises (Thailand) Co., Ltd. will acquire assets related to the animal feed manufacturing business in many occasions. The Board of Directors therefore is authorized to allocate newly issued ordinary shares occasionally, and to consider, determine, amend, and/or change the conditions and details relating to the allocation of the ordinary shares to PP Prime Public Company Limited in order to comply with the transfer of assets from PP Prime Public Company Limited in each occasion.

3. The Meeting had a special resolution to amend the Memorandum of Association No. 5 of the Company in order to comply with the increase of the registered capital of Thai Luxe Enterprises (Thailand) Co., Ltd. The Memorandum of Association will be modified periodically to be consistent with the amount of the registered capital of Thai Luxe Enterprises (Thailand) Co., Ltd. that is increased from the transfer of assets from PP Prime Public Company Limited in each occasion.

**Year 2019**

At the Extraordinary General Meeting of Shareholders No. 1 /2019 of Thai Luxe Enterprises (Thailand) Co., Ltd. on 8 February 2019, the following significant resolutions were made:

1. Approved the amendment of the details of the transfer of the animal feed manufacturing business from PP Prime Public Company Limited, which consisted of assets, liabilities, business licenses and all employees involved in the business. The business transfer with effect from 1 January 2019 ("Business Transfer Date") would be determined by the book value in accordance with the rules of partial business transfer. The net asset value (total assets of the transferred business deducted by total liabilities of the transferred business) to be transferred accounted for 809,904,400 Baht.

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However, during the transfer process of such business, it was found that there were some assets that could not be transferred. Therefore, the value of the business transfer was reduced from 809,904,400 Baht to 773,765,631.64 Baht (actual transfer accounted for 763,564,670.14 Baht). In addition, there were some delayed transfers of certain assets. Hence, Thai Luxe Enterprises (Thailand) Co., Ltd. will issue new ordinary shares to PP Prime Public Company Limited in the amount of 418,078,470.00 Baht and will make cash payment for the remaining amount of 355,687,161.64 Baht (actually accounted for 345,486,200.14 Baht). Due to the fact that there are some assets such as real estates, which PP Prime Public Company Limited still cannot transfer ownership to Thai Luxe Enterprises (Thailand) Co., Ltd., Thai Luxe Enterprises (Thailand) Co., Ltd. will make two payments for the remaining amount to PP Prime Public Company Limited as follows:

- 1) The compensation of business transfer accounted for 196,000,000 Baht will be paid within 60 days from the date of the business transfer
- 2) The remaining amount of the compensation of business transfer 159,687,161.64 Baht (Actual remaining 149,486,200.14 Baht) will be periodically paid by the date of Land and Buildings ownership transfer to its relevant
2. The decision to confirm the capital increase in accordance with the resolution of the Annual General Meeting of Shareholders No.1/2018 of Thai Luxe Enterprises (Thailand) Co., Ltd. as of the receiving of the payment of 43,269,847 shares at par value of 10 Baht, accounted for 432,698,470 Baht and the cancellation of the remaining of 37,720,593 shares.
3. An Approval to increase the capital of Thai Luxe Enterprises (Thailand) Co., Ltd. by 196,000,000 Baht by the issuance of 19,600,000 new ordinary shares at a par value of 10 Baht, in which to be used as money at full value
4. Significant resolution implying the amendment of the Memorandum of the Association no. 5 of Thai Luxe Enterprises (Thailand) Co., Ltd. to comply with the capital increase.

**PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)**  
**NOTES TO FINANCIAL STATEMENTS**  
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The movement of capital shares in 2019 of Thai Enterprises (Thailand) Company Limited is as follows;

		(Unit : Baht)	
	Stock value	As at 15 February 2019	
	Per share		
	(Baht)	Number of Shares	Amount
<b>Authorized share capital</b>			
The amount as of 1 January 2019	10	100,000.00	1,000,000.00
Increase the capital during the period	10	62,869,847.00	628,698,470.00
The balance as of 15 February 2019		<b>62,969,847.00</b>	<b>629,698,470.00</b>
<b>Issued and paid-up share capital</b>			
The amount as of 1 January 2019	10	100,000.00	1,000,000.00
<u>The 1<sup>st</sup> Increase in capital</u>			
Receive payment by remaining inventories balance	10	19,869,630.30	198,696,303.00
Receive payment by machine and tools	10	21,938,216.70	219,382,167.00
Receive payment by cash	10	1,462,000.00	14,620,000.00
The amount as of 8 February 2019		<b>43,269,847.00</b>	<b>432,698,470.00</b>
<u>The 2<sup>nd</sup> Increase in capital</u>			
Receive payment by cash	10	19,600,000.00	196,000,000.00
The amount as of 15 February 2019		<b>62,969,847.00</b>	<b>629,698,470.00</b>
<u>The 1<sup>st</sup> Increase in capital</u>			

On 8 February 2019, Thai Luxe Enterprises (Thailand) Co., Ltd. registered the capital increase as follows;

1. Thai Luxe Enterprises (Thailand) Co., Ltd. received the transfer of assets relating to an animal feed production business from PP Prime Public Company Limited who was the previous shareholder, based on the business transfer.

The net asset value of 418,078,470 Baht was considered as the payment for shares by the following assets;

1. Remaining inventories balance	Total value 198,696,303.00 Baht
2. Machine and tools	Total value 219,382,167.00 Baht
<b>Total assets value</b>	<b>Amount 418,078,470.00 Baht</b>

Thai Luxe Enterprises (Thailand) Co., Ltd. issued 41,807,847 new ordinary shares at a par value of 10 Baht per share, accounted for 418,078,470.00 Baht to PP Prime Public Company Limited, in the implication that PP Public Company Limited had fully paid for the capital shares.

**PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**AS AT DECEMBER 31, 2018**

2. Thai Luxe Enterprises (Thailand) Co., Ltd. received the payment of the additional capital shares accounted for 14,620,000.00 Baht for the quantity of 1,462,000 shares under a par value of 10 Baht from PP Prime Public Company Limited.

Thai Luxe Enterprises (Thailand) Co., Ltd. issued 1,462,000 new ordinary shares at a par value of 10 Baht, accounted for 14,620,000.00 Baht to PP Prime Public Company Limited.

Thai Luxe Enterprises (Thailand) Co., Ltd. proceeded the registration of the capital increase and amendment of the Memorandum of Association of Thai Luxe Enterprises (Thailand) Co., Ltd. in order to comply with the capital increase, to the Department of Business Development Ministry of Commerce on 8 February 2019.

The 2<sup>nd</sup> Increase in capital

On 15 February 2019, Thai Luxe Enterprises (Thailand) Co., Ltd. received the payment for the capital increase as the amount of 196,000,000 Baht under 19,600,000 shares at a par value of 10 Baht from PP Prime Company Limited (Public).

Thai Luxe Enterprises (Thailand) Co., Ltd. proceeded the registration of the capital increase and amendment of has the Memorandum of Association of Thai Luxe Enterprises (Thailand) Co., Ltd. in order to comply with the capital increase, to the Department of Business Development Ministry of Commerce.

**39. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the Company’s authorised director on 26 February 2019.



PP PRIME PUBLIC COMPANY LIMITED

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