



ANNUAL REPORT 2019

EMPOWERING FOR SUSTAINABILITY

# ANNUAL REPORT 2019







# 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;

# Content

<b>Message from the Chairman Board of Directors</b>	<b>3</b>
<b>Message from Audit Committee</b>	<b>4</b>
<b>Report of the Nomination and Remuneration Committee</b>	<b>6</b>
<b>Board of Directors</b>	<b>8</b>
<b>Financial Information</b>	<b>9</b>
<b>Business Overview</b>	<b>10</b>
<b>Nature of Business</b>	<b>22</b>
<b>Risk Factors</b>	<b>35</b>
<b>General Information</b>	<b>38</b>
<b>Shareholders Structure</b>	<b>44</b>
<b>Dividend Policy</b>	<b>45</b>
<b>Management Structure</b>	<b>46</b>
<b>Good Corporate Governance</b>	<b>69</b>
<b>Social Responsibility</b>	<b>83</b>
<b>Internal Control and Risk management</b>	<b>92</b>
<b>The Connected Transactions</b>	<b>93</b>
<b>Ratio Analysis</b>	<b>96</b>
<b>Management Discussion and Analysis</b>	<b>97</b>
<b>Responsibilities of the Board of Directors upon Financial Report</b>	<b>102</b>
<b>Report of Independent Auditor</b>	<b>103</b>
<b>Financial Statements and Notes to Financial Statements</b>	<b>110</b>

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 The Chairman Board of Directors



PP Prime Public Company Limited ("The Company") has jumped up into the 33rd year for production and distribution business of aquatic animal feed - our main business that generates income of more than Baht 2,000 million per year and has continuous growth of revenue every year. The sales revenue has increased by 4% compared to the year 2018 as the company is being accepted and stayed along with Thai farmers under important slogan "Quality comes first and every step we pay attention to. The country's aquaculture environment has changed due to the use of academic and technology knowledge to assist in the aquaculture promotion which is necessary and important to drive success.

In 2019, the Company had faced with various business challenges - uncontrollable factors such as uncertain weather, drought, white epidemics being found throughout the year, and red blotting disease found at the end of last year resulting the business operation was not as planned. However, Due to the effective internal management, the Company was able to reduce production cost by 3% compared to the previous year. Also, the cost management focusing on human resource development and the use of information systems assist effective administration. Although the foreign investment has been confronted with various obstacles, the management team stepped in to resolve. They are confident that if such problems are well-managed, it will generate stable and continuous income.

The Company is committed to promote the sustainable society and communities with the project "School fishery project" for more than 10 years, gear up to the project, " The sufficiency economic through fishery school of the Thai Border Patrol Police School." Throughout the period of this project, the Company has promoted the aquaculture in schools so that student have lunch from fish products which is the source of protein. In addition, it is to promote the study to enhance career and knowledge for students and the surrounding communities. The Company is also realized on the environment as the project "Planting Love, Returning aquatic feed, Mangrove Forest Protection," in collaboration with government sector and civil society in the conservation of natural resources and the ecosystem to continue existing together with conducted business in accordance with ethics and good governance for sustainable future.

On behalf of the Board of Directors, I would like to express my sincere thanks to shareholders, business partners, financial institutions, government and private agencies for their always support as well as our customers who have entrusted the company. Meanwhile, the management and staff of the company will continue to work together and dedicate to contribute the growth of sustainable and stable business.

Mrs. Namkang Pungthong  
Chairman of the Board of Director

Remark : Mrs. Namkang Pungthong took the position of Chairman of the Board of Director on 5 February 2020.

## 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. Boonjing Cholviroj as Director.
- 3) Mr. Teerawit Tanakijsoontorn 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 2019, 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.

# Report of the Nomination and Remuneration Committee

Dear Shareholders,

The Company has recognized the importance of selecting qualified candidates to be our directors and executives and to provide them proper remuneration package. According to the resolution of the Board of Directors' meeting no. 15/2019 held on 30 July 2019, the Board of Directors has appointed the Nomination and Remuneration Committee to perform the duty of recruiting, selecting and nominating knowledgeable and qualified candidates to the director and executive positions. The Committee is also responsible for proposing an appropriate policy and guidelines of remuneration and other benefits for the Company's directors, members of sub-committees as well as other executives, ensuring that the packages are well balanced between each position's responsibilities, the Company's operating results and market situations with the aim to motivate and retain the directors and executives with good performance with the Company.

In 2019, the Nomination and Remuneration Committee has arranged 1 meeting to consider the following matters and has submitted the meeting minutes together with its opinions and recommendations to the Board of Directors for consideration and approval.

- **Recruit, select and nominate candidates to replace directors who retire by rotation**

The Committee has recruited, selected and decided to nominate the candidate to replace the directors who retire by rotation to the Board of Directors meeting for concurrence before submitting to the Shareholders' meeting for approval.

- **Recruit, select and nominate candidates to replace the resigned directors**

The Committee has recruited, selected and decided to nominate the candidate to replace the resigned directors to the Board of Directors meeting .

- **New Directors Appointment**

The Committee has proposed to appoint Mr. Parin Chanuntranont, Mr. Boonjing Cholviroj, Mr. Waroon Atthakorn, and Mr. Theera Kittijarurat as the new directors resulting to increase in the number of directors from 8 to 9. This allows the Company to be more efficient and in relation to the business expansion.



- **Determine remuneration for directors and members of each sub-committee**

The Committee has determined remuneration packages for directors and members of each sub-committee by considering the appropriateness when comparing to other companies in the same industry and the aim to motivate and retain qualified directors with the Company. Therefore, directors who are assigned with more responsibilities or work for each sub-committee are compensated accordingly.

The Nomination and Remuneration Committee has reported its meeting results to the Board of Directors on continual basis. In 2019, the Committee has performed its duties and assignments completely, carefully, cautiously and independently, providing forthright opinions for the highest benefit of shareholders and all other stakeholders. The Committee is committed to perform its duties based on the principle of equality, fairness and transparency in order to conform to the good governance principle stipulated by the Stock Exchange of Thailand and to be well-accepted on the international level.



(Pol.Lt.Col. Thienrath Vichiensan)  
Chairman of the Nomination and Remuneration Committee

# Board of Directors



**Mrs. Namkang Pungthong**  
Chairman of the Board of Director



**Mr. Waroon Atthakorn**  
Director / Chief Executive Officer



**Dr. Denchai Akaradajdachachai**  
Director



**Mrs. Kanokwan Wannabuit**  
Director /  
Chief Administrative Officer



**Ms. Phatcharada Jutaprateep**  
Director /  
Chief Compliance and Corporate Secretary



**Mr. Theera Kitijarurat**  
Director /  
Assistant Chief Executive Officer



**Pol. Col. Thienrath Vichiensan**  
Independent Director /  
Chairman of the Audit Committee



**Mr. Boonjing Cholviroj**  
Independent Director / Audit Committee



**Mr. Theerawit Thanakijisuntorn**  
Independent Director /  
Audit Committee

## Financial Information

		2019	2018	2017
Sales	(Baht)	2,133,458,468	2,123,569,317	1,875,523,686
Net Profit (Loss)	(Baht)	(1,460,595,346)	(110,084,444)	(252,406,913)
Earning (Loss)per Share	(Baht)	(2.34)	(0.20)	(0.45)
Total Asset	(Baht)	2,376,019,839	3,339,876,952	3,987,770,023
Total Liabilities	(Baht)	1,996,899,385	2,526,867,363	2,610,754,228
Shareholders' Equity	(Baht)	379,120,454	813,009,589	1,377,015,795
Book Value	(Baht)	0.55	1.44	2.45
Return on Asset	(%)	(51.11)	(3.00)	(6.68)
Return on Equity	(%)	(245.04)	(10.05)	(15.79)
Debt to Shareholders	(times)	5.27	3.11	1.90
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 which the company entered into a preliminary agreement And received a deposit of 200 million yen on 21 June 2018.

On 21 February 2019, the Relocation Group transferred the rights and obligations under the Memorandum of Understanding MOU to sell 15 geothermal power plants in Japan to Beppu Forest Power Co., Ltd. and On April 11, 2019, the company received a 400 million yen deposit from Beppu Forest Power Co., Ltd.

The Board of Directors Meeting No. 22/2019, held on December 23, 2019, resolved to deliver a letter notifying Beppu Forest Power., Ltd. to pay the remaining amount of 4.200 million yen to the company by January 31, 2020 if Beppu Forest Power., Ltd ignores the remaining payment. The company has the right to cancel the contract and confiscate the entire deposit of 600 million yen, as well as hasten to find other investors to continue.

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. On 25 June 2018, a deposit of 210 million yen was paid and all remaining payments will be made upon various conditions precedent. As specified in the joint venture agreement Complete



Later, the Board of Directors Meeting No. 15/2019, held on July 30, 2019, passed a resolution to cancel the said investment. And request a refund of deposit Due to the project development is delayed than agreed In addition, the cost of developing the project is higher. On November 1, 2019, the company received a refund of the deposit of JPY 171 million from Rich Partners Co., Ltd. At present, the company is in the process of following up closely. close And will take legal actions to reimburse.

The company started investing in wind power projects in Aomori city since 2017, by establishing a new company in Japan, a total of 7 units, valued at 232 million yen. Currently, 7 wind power plants can recognize revenue from Sold Later, in January 2018, the company passed a resolution to invest in a wind power plant project in Aomori City. Japan, increase the number of 20 projects.

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

According to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2019, 8 February 2019 of Thai Luxe Company Enterprise (Thailand) Limited has approved the amendment of

the details of the transfer of aquaculture production from PP Prime Public Company Limited, consisting of assets, liabilities, business licenses And all employees related to the said animal feed production business With effect from 1 January 2019 (date of business transfer) by specifying the value of the business transfer according to the book value according to the partial business transfer criteria

The Board of Directors Meeting No. 22/2019, held on 23 December 2019, resolved to acknowledge the progress of the business transfer in part that The company has received notification from the Revenue Department regarding the tax that will be exempted from partial business transfers of the company. Found that did not comply with the criteria for filing tax exemption for partial business transfers Currently, the company is in the process of finding facts to discuss with the Revenue Department.

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
<b>1987</b>	Established the company on 11 June to import shrimp feed from Taiwan and raise black tiger shrimp.
<b>1989</b>	Built aquatic animal feed factory and the factory to process frozen shrimp at Samut Songkram Province.
<b>1990</b>	Began producing shrimp feed for local distribution and processed frozen products for export and reduce import of aquatic animal feed.
<b>1993</b>	Add fish feed production line and was awarded an outstanding company for export of agricultural industry products in 1993.
<b>1994</b>	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.
<b>1998</b>	Ceased the production of processed frozen food due to economic recession in the country.
<b>1999</b>	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.
<b>2001</b>	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.
<b>2003</b>	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.
<b>2004</b>	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%.
<b>2005</b>	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
<b>2007</b>	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.
<b>2008</b>	Cease production of fish feed at the Samut Songkram factory to shift production to the Phetchaburi factory.
<b>2009</b>	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.
<b>2011</b>	<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>
<b>2012</b>	Awarded certification on environmental management standards system ISO 14001:2015 from Euro Veritas Certification (Thailand) Co., Ltd.
<b>2013</b>	<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>
<b>2014</b>	<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>
<b>2015</b>	<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
<b>2015</b>	<ul style="list-style-type: none"> <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> </ul>
<b>2016</b>	<ul style="list-style-type: none"> <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>
<b>2017</b>	<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, the Board appointed Dr. Pongrak Jindasombatcharoen and Police Lieutenant Colonel Thienrath vichiensan as directors.</li> <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> </ul>

Year	Important changes and development
<b>2017</b>	<ul style="list-style-type: none"> <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>
<b>2018</b>	<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> <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> </ul> </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>

Year	Important changes and development
2018	<ul style="list-style-type: none"> <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>
2019	<ul style="list-style-type: none"> <li>● In January <ul style="list-style-type: none"> <li>- Mr. Nasu Chunsom resigned as Chief Finance Officer, Director, Executive Committee and Director All subsidiaries and the finance and accounting director</li> <li>- Issuing and offering debentures in the amount of 207.6 million baht</li> </ul> </li> <li>● In June <ul style="list-style-type: none"> <li>- The shareholders' meeting has a resolution to allocate new ordinary shares of the Company to the existing shareholders of the company according to the proportion of shareholding in the ratio of 2: 1, not exceeding 281,525,344 baht</li> </ul> </li> </ul>

Year	Important changes and development
2019	<ul style="list-style-type: none"> <li>- The shareholders' meeting has a resolution to issue and offer warrants to purchase the ordinary shares of the company, version 4, to the existing shareholders of the company. According to the proportion of shareholding in the ratio of 3 to 1, not exceeding 281,525,344 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 1,126,101,375.- baht</li> <li>● In July <ul style="list-style-type: none"> <li>- Mr. Suthee Tantiwanichanon take the position of Chief Finance Officer, Director, Executive Committee,</li> <li>- Mr. Suthee Tantiwanichanon Resigned from the position of Accounting and Finance Director, Director, Executive Committee,</li> <li>- Approved the cancellation of investment in a real estate project in Vietnam with Rich Partners Company Limited in the project called "Riverside Project"</li> <li>- Has approved the setting up of the Nomination and Remuneration Committee</li> </ul> </li> <li>● In August <ul style="list-style-type: none"> <li>- Paid of Baht 134 million of debentures</li> <li>- A.C.M. Pitthaporn Glinfueng resigned from the position of Chairman of the Board of Directors. By appointing Mr. Parin Chanuntranont to be the Chairman of the Board of Directors instead <ul style="list-style-type: none"> <li>- GEN Chaowarit Prapajit resigned Vice Chairman of the Board of Directors, Chairman of Executive Committee, Chief Executive Officer. By appointing Mr. Waroon Atthakorn to replace the position</li> <li>- Mrs. Natee Chuansanit resigned from the position of Audit Committee by appointing Mr. Boonjing Cholviroj to be the member of the Audit Committee instead</li> <li>- Mr. Theera kitjarurat Take position as a director, executive committee</li> <li>- Mr. Praween Deekajonedej took position Executive Committee, Chief Finance Officer and directors in subsidiaries</li> </ul> </li> </ul> </li> <li>● In September <ul style="list-style-type: none"> <li>- Resolution canceling the investment committee</li> <li>- Hold the bondholders' meeting, version Tluxe198A, on 2 September 2019 to revise the terms and conditions to extend the term of the debentures from the original due on 2 August 2019 to 2 July 2020.</li> </ul> </li> <li>● In November <ul style="list-style-type: none"> <li>- Hold a meeting of bondholders of model Tluxe205A on 12 November 2019 to amend the terms and conditions for using Tluxe Power shares as additional collateral.</li> </ul> </li> </ul>

# Business Structure

บริษัท พีพี ไพรม์  
PP PRIME Public Co.  
(PP)

บริษัท ไทยลักซ์ เอ็นเตอร์ไพรส์ (ประเทศไทย) จำกัด  
Thai Luxe Enterprise (Thailand) Company Limited  
(บริษัทย่อย) (TLUXE)

บริษัท ทีลักซ์ พาวเวอร์ จำกัด  
Tluxe Power Company Limited  
(บริษัทย่อย) (TLP)

Tluxe Investments Limited  
(นิติบุคคลสัญชาติ Mauritius) (บริษัทย่อย)  
(TLI)

Tluxe Holdings Limited  
(นิติบุคคลสัญชาติ Hong Kong)  
(TLH)

Geothermal Power A Co.,Ltd.  
(นิติบุคคลสัญชาติ Hong Kong)  
(GEO A)

P Green Energy  
Co., Ltd.  
(นิติบุคคลสัญชาติญี่ปุ่น)  
(P Green)

SUMO POWER  
Co.,Ltd.  
(นิติบุคคลสัญชาติญี่ปุ่น)  
(SUMO)

Beppu Tsurumi  
Onsen  
Geothermal Power  
Station No.1  
Liaison Company  
(นิติบุคคลสัญชาติญี่ปุ่น)  
(BEPPU)

S-POWER  
Co.,Ltd.  
(นิติบุคคลสัญชาติญี่ปุ่น)  
(S-Power)

Otomeyama  
Co.,Ltd.  
(นิติบุคคลสัญชาติญี่ปุ่น)  
(Otomeya)

Lena Power  
Station No.1  
Limited Liability  
Company  
(นิติบุคคล  
สัญชาติญี่ปุ่น)  
(LENA)

Fino Binary  
Power Plant  
Limited Liability  
Company  
(นิติบุคคล  
สัญชาติญี่ปุ่น)  
(FINO)

NIS Binary Power  
Plant  
Limited Liability  
Company  
(นิติบุคคล  
สัญชาติญี่ปุ่น)  
(NIS)



จำกัด (มหาชน)  
Company Limited  
(PM)

บริษัท ทีลักซ์ โกลบอล บิซิเนส จำกัด  
Tluxe Global Business Company Limited  
(บริษัทย่อย) (TGB)

P PRIME SINGAPORE PTE. LTD.  
(นิติบุคคลสัญชาติ Singapore)  
(บริษัทย่อย) (PPMS)

Origin Power Investment Company Limited  
(นิติบุคคลสัญชาติ Mauritius) (บริษัทย่อย)  
(OPI)

Geothermal Power B Co.,Ltd.  
(นิติบุคคลสัญชาติ Hong Kong)  
(GEO B)

Wind Power A Co.,Ltd.  
(นิติบุคคลสัญชาติ Hong Kong)

SNS POWER  
Co.,Ltd.  
(นิติบุคคล  
สัญชาติญี่ปุ่น)  
(SNS)

Dual Energy  
Binary - Power  
Plant No.1  
Limited Liability  
Company  
(นิติบุคคล  
สัญชาติญี่ปุ่น)  
(DUAL)

PPSN  
Co.,Ltd.  
(นิติบุคคล  
สัญชาติญี่ปุ่น)  
(PPSN)

บริษัท เอ็มลักซ์  
เอนเนอร์ยี  
จำกัด  
(นิติบุคคล  
สัญชาติญี่ปุ่น)  
(M-LUXE)

# Nature of Business

## Income Structure

Income	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million baht	%
Income from the sale of animal feed	1,790.73	95.48%	1,984.35	93.44%	2,047.89	95.99%
Income from the sale of frozen food	-	-	-	-	-	-
Income from farming	-	-	-	-	-	-
Income from electricity sale	31.60	1.68%	76.63	3.61%	71.27	3.34%
Others	-	-	-	-	0.26	0.01%
<b>Total income from sales</b>	<b>1,822.33</b>	<b>97.16%</b>	<b>2,060.98</b>	<b>97.15%</b>	<b>2,119.42</b>	<b>99.34%</b>
Received Interest income	26.20	1.40%	8.74	0.41%	1.75	0.08%
Gain on investment in securities	4.82	0.26%	1.60	0.08%	-	-
Gain on disposal of investment in subsidiaries	-	-	4.53	0.21%	0.21	0.01%
Gain on disposal of investment in joint ventures	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total income	22.17	1.18%	47.72	2.25%	12.08	0.57%
<b>Total income from sales</b>	<b>1,875.52</b>	<b>100.00%</b>	<b>2,123.57</b>	<b>100.00%</b>	<b>2,133.46</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 Tlux 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 and on July 30, 2019, The Board of Directors Meeting No. 15/2019 has resolved to cancel the investment. Due to the project development is delayed than agreed In addition, the cost of developing the said project is higher.

### **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  
4 Moo 13, Petchkasem Rd., Km 1232, Bang Rieng, Khuan Niang, Songkhla 90220
4. Bangkok Office  
486 People Park , E1 Building 3rd Floor , On Nut Road , On Nut , Suan Luang , Bangkok 10250
5. Distribution center for 2 unit and distribution centers 1 units
 

East Southern Gulf of Thailand Southern Andaman Coast	1. Distribution Center Chantaburi province 2. Distribution Center Surat Thani province 3. Distribution Dealer in Takua Pa (Phang Nga)
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### 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 MluxE 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. The company received a deposit of 200 million yen and in April 2019 the company received an additional 400 million yen deposit until the end of the year 2019. The company had not yet received money from the sale of the remaining power plants. The delay caused the meeting of the Board of Directors No. 22/2019 on December 23, 2019, resolved to send a letter notifying Beppu Forest Power., Ltd. to pay the remaining amount of 4.200 million yen to the company within January 31, 2020, if Beppu Forest Power., Ltd ignores the remaining payment The company has the right to cancel the contract and confiscate the entire deposit of 600 million yen, as well as hasten to find other investors to continue.

## **Industry Trend**

### **Aquatic feed business**

#### **Shrimp feed market and its Trend**

The country's shrimp situation in 2019 has shown the total shrimp production was approximately 290,000 tons, close to the year 2018; however, the production decreased by 3.30 percent compared to the year 2017, the production was 300,000 tons (shrimp production is mainly in the upper southern region (29.93%), following by the eastern region (24.53%), the lower southern region of the Andaman coast (18.78%), the lower southern region - the Gulf of Thailand (15.93%) and the central region (10.80%) respectively. It is the result of weather change, disease problem, high production cost, and shrimp prices slumped by 5% compared to year 2018 during the same period. Farmers do not have motivation to increase farming areas and they reduce the stocking density by 20-30%



Global shrimp production is expected around 3.3 million metric tons in 2019, increase of 5 percent from 2018, the year in which many countries, such as Ecuador produced 700,000 tons of shrimp by increasing farm land (1.37 million rai), India had shrimp production of approximately 640,000 tons, which is expanding exports by 2018-2019, with export volume increasing by 18%; however, percent of profitability dropped to 9% from previous years by 13%, while Vietnam, Indonesia, etc. have increased shrimp production. This is an important cause that affects the price of domestic shrimp products and the competitive of Thai shrimp in the world. The data for shrimp export (Jan-Jun), ocean shrimp exports (not including giant freshwater prawn, lobster, and shrimp paste) in Thailand has an export volume of 80,285 tons, valued of 23,607 million baht, compared to the same period in 2018. The volume of exports and its value decreased by 4.43% and 9.79% respectively, with the export volume increasing significantly in China, Europe and Hong Kong by 26.67%, 4.26 and 3.88% respectively. The major markets for shrimp and Thai products are Japan, the United States, China, ASEAN, and South Korea. The share are of 26.67%, 26.45%, 18.72%, 4.97%, and 4.12%, respectively. In 2019, it is expected that shrimp exports are nearly that of 2018, or about 180,000 - 200,000 tons

Thai shrimp industry this year does not look positive. According to the overall global, economic slow-down and negative factors from Thai shrimp prices that are higher than the competitors in the world market. Even though the Baht is continuously appreciated, resulting the capability to compete in the world market, the demand for shrimp in the world market continue. Nevertheless there is a chance that the Thai shrimp industry will recover, especially from the impact of trade war between the United States and China, causing China to move its production base oversea. Thailand was the first country that China is interested in because we have various systems ready for investment. However, the shrimp industry will be resume. Farmers must focus on raising quality shrimp instead of aiming at the amount of production, raising a large size for price concern as Thailand cannot compete on costs with small shrimp from competing countries. Due to the potential of shrimp balls of the best quality in the world, with fast growing, strong, and disease-free species, Thailand has high potential to produce large size shrimp.

In addition, The strength for Thai shrimp is not using antibiotics or prohibited chemicals in farming that is better than the competing countries and to be accepted by importers and consumers. In the past, Thai shrimp products have never been detected and returned from these problems. We focus on high-ended quality products. Importantly, the government sector must proactively promote continuously on the image of Thai shrimp, "the best Thai shrimp in the world" with premium quality, safety food (Food Safety is the best when compared to others), including allow the minor farmers to access on funding source, increase on liquidity for the manufacturing, export and other related sectors, etc.

The Thai Shrimp Exporters Association estimates that the production of shrimp in 2020 will be at 3.5 hundred thousand tons, an increase of 20% compared to the year of production at 2.9 hundred thousand tons and the export value is expected to be 60,000 million baht, an increase of 20 %. Farmers are familiar with the situation that affects shrimp farming and learn to deal with the and price slump because US shrimp importers had adjusted the import tax, resulting in large quantities of Indian shrimp being unable to be shipped to the US. This causes; therefore, pricing problem in the world market and also causing prices decreased in Thai shrimp. The United Nations Food and Agriculture Organization (FAO) states that shrimp is still in demand in the world market as fishery products caught from the ocean tend to continuously decrease, on the other hand with the increasing population. Even though many countries turn to do shrimp farm; furthermore, shrimp import markets such as the US, the European Union (EU), and China are confident that Thai shrimp are of

good quality and hygienic. Hence farmers are requested to produce sufficient and consistent production at a competitive price, as well as asked for government attention to monitor the exchange rate that affects the export price; for example, if 1 baht is appreciation, the shrimp price will disappear by 5-7 baht, referring to the exchange rate at 30 baht per 1 dollar, including the promotion and development on research of the Thai shrimp industry as well as the arrangement to negotiate with the partner to look for new market of the Thai shrimp industry that is sustainable and more importantly negotiate free trade issue (FTA) with the EU in order to resume the situation of Thai shrimp to compete with others, including to organize the public relations proactively providing the opportunities for small shrimp farmers to access on resource of fund, enhancing liquidity, increasing competitiveness for production and export sectors in order to maintain and support the country shrimp industry

### **Fish feed market and its industry trend**

Regarding the preliminary data, The Nile Tilapia Fish production at the farm during the first 6 months of 2019 for 97,704 tons, decreased by 6.6 percent compared to the same period of last year. Due to the drought since the end of February and it is also expected the drought will be longer than the previous year, the 2019 production output is expected at 212,400 tons, slightly increase of 0.5% compared to the year 2018 as the government promotes the Nile Tilapia Fish in various areas. However, we shall be aware of water in the dams, reservoirs, and natural water sources as it is expected that the water will be less than somewhat in the past year, especially in the northeastern region.

The average selling price of the Nile Tilapia Fish in front of the farm in the central region during the first 6 months of 2019: small size at 27.27 baht / kg, medium size at 38.37 baht / kg and large size at 41.66 baht / kg. The price for all sizes is increasing 20.1%, 21.2% and 7.2% respectively, comparing with the same period of last year due to the decrease in production during the first 6 months of 2019. As the earlier drought and it is expected to be longer than last year. The price of the Nile Tilapia Fish for 2019 is expected to improve positively after continuously decrease during the last 2 years.

The amount of exports for the Nile Tilapia Fish and its products in Thailand for the first 6 months of 2019 were 5,441.7 tons, equivalent to 209.2 million baht, both volume and value are increased by 5.3% and 4.2% compared to the same period of last year. The frozen Nile Tilapia Fish is the most export product at 73.0% of the total export value, followed by the chilled Nile Tilapia Fish at 10.0%, the lived Nile Tilapia Fish at 8.6% and the frozen Nile Tilapia Fish meat at 8.4%. The major markets are the Middle East countries 39.6%, ASEAN 18.7%, United States 16.9%, EU countries 16.5%, Taiwan 3.2% and other countries 5.1%. In 2019, exports are expected to increase slightly in line with increased production, the expansion of economic conditions of trading partner countries. However, the exchange rate information should be closely monitored. If the baht appreciation once compared to competitors will result in the higher price of the Nile Tilapia Fish from Thailand, affecting the ability to compete in the world market. In addition, Thailand should look for additional new markets such as the ASEAN and the market that has tendency to increase the Nile Tilapia Fish consumption such as Mexico, Saudi Arabia, Canada, Côte d'Ivoire and Russia etc.

Trend of the fish feed industry in 2020 is expected that the farm will definitely face with the drought. The water in the dam has decreased, affecting the market in some areas. Fish are in short supply in some areas, higher fish prices due to drought. Farmers in many areas where fish ponds are away from water sources will not have enough water for farming which is the major factor affecting the 2020 fish farming direction. In addition, the competitive situation is existing. The sale of fish food is expected to continue under the severe

of competitive situations. The existing customers have increased the order for fish feed. The increase in new target including the market for meat-eating seafood fish which will be able to generate sales continuously throughout the year.

### **Pet food market**

The overall pet food industry over the decade has grown up at the average of 10% each year. The growth comes from Thai people becoming more popular with pets. In 2017 its value was 30,000 million baht, 32,000 million baht in 2018 and 35,000 million baht in 2019, of which 50% comes from pet food. It is expected that the value in 2020 will increase by 15%, with the value of 40,000 million baht. The company continues to receive orders for production in form of OEM (OEM). The company provides the production at both factories - Phetchaburi and Songkhla. The trend of the pet business is growing continuously according to the behavior of people in society that they are likely to have pet as their friends.

### **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.

## 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 2017 to 2019

### ● Phetchaburi Factory

#### Shrimp feed

	2017	2018	2019
Shrimp feed production capacity (Ton)	80,400	80,400	39,600
Actual Production (Ton)	18,751	23,775	23,704
Production capacity use (%)	23.32	29.57	59.86
Production capacity increase rate (%)	69.34	26.79	-0.30

**Fish and Pet feeds**

	2017	2018	2019
Fish and Pet feed production capacity (Ton)	61,000	61,000	37,440
Actual Production (Ton)	38,372	35,991	34,377
Production capacity use (%)	62.91	59.00	91.82
Production capacity increase rate (%)	-5.30	-6.21	-4.48

**Total Capacity Output of Phetchaburi Factory**

	2017	2018	2019
Feed production capacity (Ton)	141,400	141,400	77,040
Actual Production (Ton)	57,123	59,766	58,081
Production capacity use (%)	40.40	42.27	75.39
Production capacity increase rate (%)	-10.72	4.63	-2.82

● **Songkhla Factory****Shrimp feed**

	2017	2018	2019
Shrimp feed production capacity (Ton)	60,000	60,000	60,000
Actual Production (Ton)	-	3,044	4,080
Production capacity use (%)	-	5.07	6.80
Production capacity increase rate (%)	-100.00	5.07	34.03

**Fish and Pet feeds**

	2017	2018	2019
Fish feed production capacity (Ton)	72,000	72,000	30,000
Actual Production (Ton)	15,431	14,197	15,119
Production capacity use (%)	21.43	19.72	50.40
Production capacity increase rate (%)	17.82	-8.00	6.49

**Total Capacity Output of Songkhla Factory**

	2017	2018	2019
Feed production capacity (Ton)	132,000	132,000	90,000
Actual Production (Ton)	15,431	17,241	19,199
Production capacity use (%)	11.69	13.06	21.33
Production capacity increase rate (%)	17.32	11.73	11.36

\* 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 2017, 2018 and 2019, the Company has purchased raw materials in foreign currencies, totally 252.67 million Baht, 187.94 million Baht and 71.17 million Baht, respectively, equal to 19.90%, 12.74% and 5.61% 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 Setouji 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. However, on 30 July 2019, The Board of Directors Meeting No. 15/2019 has resolved to cancel investment in real estate projects. "Riverside Project" is already due to the project development is delayed than agreed In addition, the cost of developing the said project is higher.

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

## General Information and Others Important Information

<b>Company Name</b>	: PP Prime Public Company Limited formerly Thai Luxe Enterprises Public Company Limited
<b>Type of Business</b>	: Distribution aquatic animal feed business and pet food
<b>Head Office</b>	: 69/5 Moo 5 Rama II Road, Muang District, Samutsongkram 75000 Tel: (66) 3477-1444 Fax: (66) 3477-1025
<b>Petchburi Factory</b>	: 62 Moo 2 Utapao Road, Kaoyoi District, Petchburi 76140 Tel: (66) 3289-9881-4 Fax: (66) 3289-9885
<b>Songkhla Factory</b>	: 98 Moo 13 Petchkasem Road, KM 1232 Bang Rieng, Khuan Naing, Songkhla 90220 Tel: (66) 7489 0765-8 Fax: (66) 7489 0769
<b>Bangkok Office</b>	: 486 People Park , E1 Building 3rd Floor , On Nut Road , On Nut , Suan Luang , Bangkok 10250 Tel: (66) 2029-1480 Fax: (66) 2029-1482
<b>Registration Number</b>	: 0107537000670
<b>Home Page</b>	: <a href="http://www.ppprime.co.th">www.ppprime.co.th</a>
<b>Registered Capital</b>	: 1,126,101,375 Baht (As of 31 December 2019)
<b>Paid Up Capital</b>	: 688,066,476 Baht (As of 31 December 2019)

## 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, Floor24, 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 Sirirorote 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

- 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
- PHOENIX ADVISORY SERVICES Company Limited  
88 Pasa Tower, 17<sup>th</sup> Floor, Unit B, Silom Road, Suriyawong, Bang Rak, Bangkok 10500  
Tel.: (662) 634-3335 ext.28  
Fax.: (662) 634 3988

## **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
- KTB Securities (Thailand) Public Company Limited  
87/2 CRC Tower, All Seasons Place, 9th, 18th, 39th and 52nd Floor,  
Wireless Road, Lumpini, Pathumwan, Bangkok 10330, THAILAND  
Tel.: 02 648 1111

## General information of the Subsidiary and the Associate

Company Name	Type of Business	Registered Capital	Paid Up Capital	Type of Shares	% of Shareholder
<b>The Subsidiary</b>					
<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	100
<b>Thluxe global business Company Limited (Formerly known as Thai Demeter Company Limited)</b> 486 People Park, E1 Building 3 <sup>rd</sup> Floor, On Nut Road, On Nut, Suan Luang, Bangkok 10250 Tel: (66) 2029-1480 Fax: (66) 2029-1482 ext. 777	Distributing of aquafeed raw materials	3,000,000 Baht	3,000,000 Baht	Common Shares	100
<b>Thluxe Power Company Limited</b> 486 People Park, E1 Building 3 <sup>rd</sup> Floor, On Nut Road, On Nut, Suan Luang, Bangkok 10250 Tel: (66) 2029-1480 Fax: (66) 2029-1482 ext. 777	Investment of Energy Business	1,100,000,000 Baht	1,100,000,000 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>Thluxe 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 Minato Tokyo 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 Minato Tokyo 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	100 USD	100 USD	Common Shares	100 (By OPI)
<b>The Associate</b>					
<b>M – Luxe Energy Co., Ltd</b> 1st Oriao Building 2-13 Tammungjo 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 2019, 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
1.	Mr. Parin Chanuntranont	140,304,050	20.39
2.	Jindasombatcharoen family		
	1.1 Mr.Pongrak Jindasombatcharoen	40,388,504	5.87
	1.2 Mr.PongsapakJindasombatcharoen (1)	15,077,040	2.19
	1.3 Mr.Nopruj Jindasombatcharoen (2)	12,718,970	1.85
	Total Jindasombatcharoen family	68,184,514	9.91
3.	Thai NVDR Co., Ltd.	30,495,546	4.43
4.	Kitticharurat family		
	1.1 Mr. Theera Kittijarurat	28,151,335	4.09
	1.2 Mr.Ampon Kittijarurat (3)	20,000	0.003
	Total Kitticharurat family	28,171,335	4.09
5.	Ms. Yuvadee Vachiraprapa	26,520,100	3.85
6.	UOB KAY HIAN PRIVATE LIMITED	19,965,900	2.90
7.	Mr. Tanin Sajjabariboon	19,862,000	2.89
8.	AEC Securities Public Company Limited	19,325,550	2.81
9.	MR.SHOGO FUKUOKA	15,000,000	2.18
10.	Mr. Anuroj Saneepakornkai	9,600,053	1.40
	<b>Total</b>	<b>377,429,048</b>	<b>54.85</b>

Source : Shareholder registration book closing (XO) as of 31 December 2019 Computed from common stocks already issued and paid-up totaling 688,066,476 shares

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

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

As of 31 December 2019, the company had outstanding debts from issuance of debenture of 727.10 million baht and deferred arrangement fee for debentures of 5.84 million baht.

Total net debt outstanding from issuance of debenture totaled 721.26 million baht.

## Dividend Policy

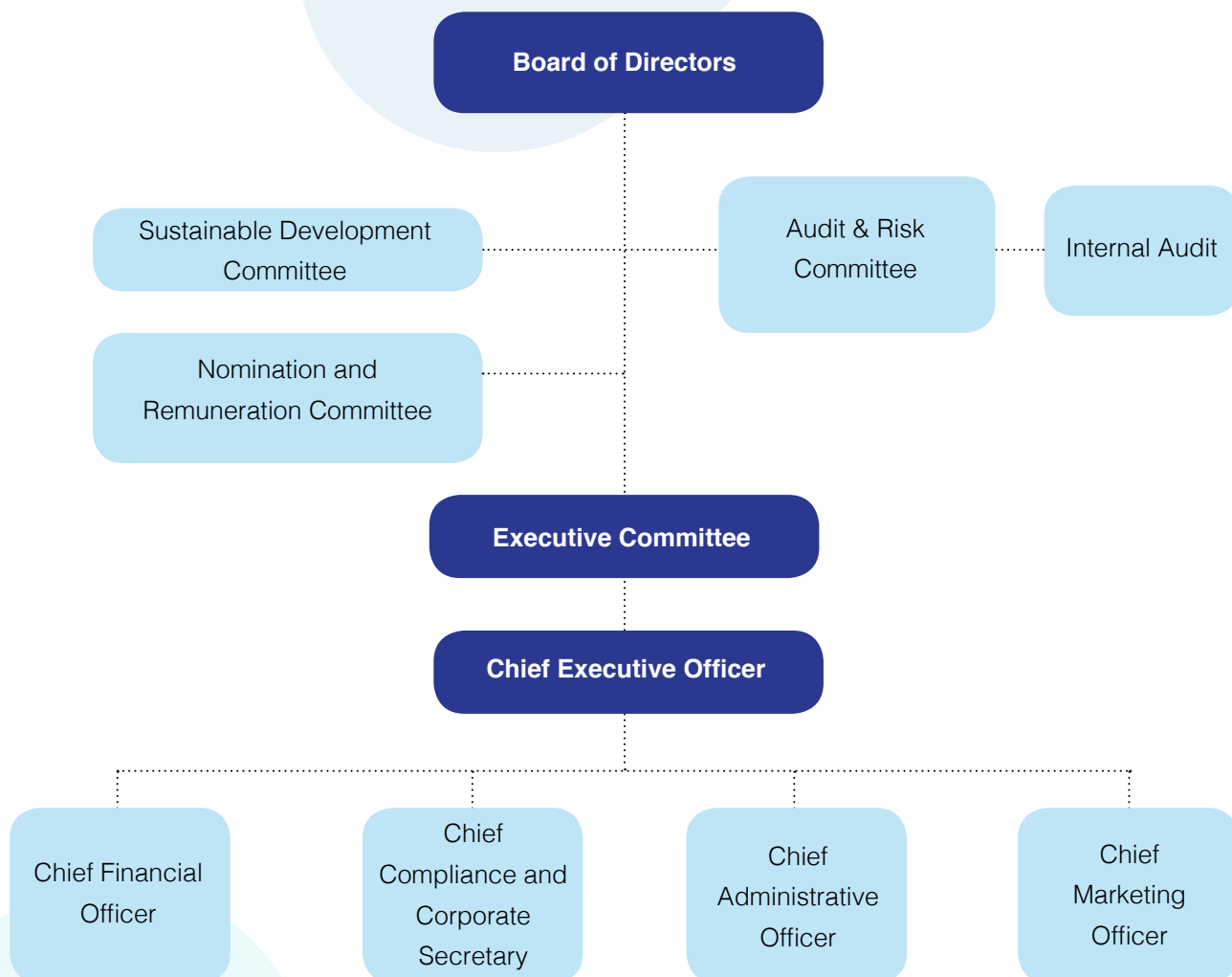
The company paid dividend is not less than 60% of net profit after tax, and also after the company's financial losses deduction and legal reserve (if any). However, the company may pay dividends at a rate less than the rate specified, depending on the need for working capital for operations, expansion 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)	(0.08)	0.42	(0.45)	(0.20)	(2.34)
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 2019 the board of the company consists of 8 directors:

Name	Position
1. Mr. Waroon Atthakorn	Directors / Executive Committee Chairman
2. Dr. Denchai Akaradechachai	Director / Executive Committee
3. Mrs. Kanokwan Wannabuit	Director / Executive Committee / Sustainable Development Committee
4. Ms. Phatcharada Jutaprateep	Director / Executive Committee / Sustainable Development Committee
5. Mr. Theera Kitijarurat	Director / Executive Committee
6. Pol.Col. Thienrath Vichiensan	Audit Committee Chairman / Independent Director
7. Mr. Boonjing Cholviroj	Audit Committee Chairman / Independent Director
8. Mr. Theerawit Thanakijsumton	Audit Committee Chairman / Independent Director

### Remarks

(1) Mr. Waroon Atthakorn was appointed Director from the board meeting session 17/2562 on 14 August 2019

(2) Mr. Theera Kitijarurat was appointed Director from the board meeting session 17/2562 on 14 August 2019

(3) Mr. Boon Cholviroj was appointed Director from the board meeting session 17/2562 on 14 August 2019

### Resigned Directors in year 2019

Name	Tenure
1. Mr. Nasu Chunsom	28 August 2018 - 15 January 2019
2. Mr. Sutee Thantiwanichanont	1 July 2019 - 16 July 2019
3. A.C.M. Pitthaporn Glinfueng	31 July 2015 – 14 August 2019
4. GEN.Chaowarit Prapajit	27 August 2015 - 14 August 2019
5. Ms. Natee Chuansanit	21 January 2015 - 14 August 2019
6. Mr. Parin Chanuntranont	15 August 2019 – 12 December 2019

## Authorized Directors

The authorized directors to execute and bind the company are Mrs. Kanokwan Wannabuit, or Ms. Patcharada Jutaprateep, or Mr. Denchai Akaradechachai, or Mr. Waroon Atthakorn, or Mr. Theera Kitijarurat 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 2019

(1 January 2019 – 31 December 2019)

Name	Audit Committee (3 persons)	Executive Committee (6 persons)	Nomination and Remuneration Committee (3 persons)	Sustainable Development Committee (5 persons)
1. Waroon Atthakorn	-	Chairman	-	-
2. Dr.Denchai Akaradechachai	-	Director	Director	-
3. Mrs.Kanokwan Wannabut	-	Director	-	Director
4. Ms.Patcharada Jutaprateep	-	Director	-	Director
5. Mr.Theera Kitjarurat	-	Director	-	Director
6. Pol.Col.Thienrath Vichiensan	Chairman	-	Chairman	-
7. Mr.Boonjing Cholviroj	Director	-	-	-
8. Mr.Theerawit Thanakijsumton	Director	-	Director	-
9. Mr.Praween Dekajonedej	-	Director	-	Director
10.Mr.Chanchai Nuchruean	-	-	-	Director
<b>Resigned directors in 2018</b>				
1. Mr.Nasu Chunsom	-	Director	-	-
2. Mr.Sutee Tantiwanichanont	-	Director	-	-
3. Gen.Chaowarit Prapajit	-	Chairman	-	Chairman
4. Mrs.Natee Chuansanit	Director	-	-	-

**Remarks:**

(1) Gen.Chaowarit Prapajit Resigned from being the executive committee chairman but still holding the position Chairman of the Sustainable Development Committee.



## Board of Director and Sub-committee meeting attendance of the year 2019

(1 January 2019 – 31 December 2019)

Name	Board of Directors	Audit Committee	Executive Committee	Nomination and Remuneration Committee	Sustainable Development Committee	Shareholder Meeting 2018
	Total yearly Meetings 22 times	Total yearly meetings 11 times	Total yearly meetings 21 times	Total yearly meetings 2 times	Total yearly meetings 2 times	Total yearly meetings 2 times
1. Mr.Waroon Atthakorn	5/5	-	7/7	-	-	N/A
2. Dr.Denchai Akaradejdechachai	15/22	-	19/21	1/1	-	1/2
3. Mrs.Kanokwan Wannabuit	19/22	-	20/21	-	2/2	2/2
4. Ms.Phatcharada Jutaprateep	22/22	-	21/21	-	2/2	2/2
5. Mr.Theera Kitjarurat	5/5	-	7/7	-	-	N/A
6. Pol.Col.Thienrath Vichiensan	17/22	10/11	-	-	-	1/2
7. Mr.Boonjing Cholviroj	5/5	2/2	-	-	-	N/A
8. Mr.Theerawit Thanakijsumton	18/22	10/11	-	1/1	-	2/2
<b>Resigned directors in 2019</b>						
1. Mr.Nasu Chunsom	1/1	-	0/1	-	-	1/1
2. Mr.Sutee Tantiwanichanont	N/A	-	0/1	-	-	N/A
3. A.C.M.Pitthaporn Glinfueng	14/17	-	-	-	-	2/2
4. Gen.Chaowarit Prapajit	16/17	-	14/14	-	2/2	2/2
5. Mrs.Natee Chuansanit	12/17	9/9	-	-	-	2/2
6. Mr.Parin Chanuntranont	3/4	-	-	-	-	-

### Remarks:

N/A means not participating because the director has been appointed to the position during the year 2019

(1) Gen.Chaowarit Prapajit Resigned from being the executive committee chairman but still holding the position Chairman of the Sustainable Development Committee.

## 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 2019, the 6 Executives consist of:

Name	Position
1. Mr. Waroon Atthakorn <sup>(1)</sup>	Chief Executive Officer and Chief Marketing Officer
2. Mr. Theera Kitijarurat <sup>(2)</sup>	Assistant Chief Executive Officer
3. Mr. Praween Deekajonedej <sup>(3)</sup>	Chief Financial Officer
4. Gen. Chaowarit Prapajit <sup>(4)</sup>	Chief Marketing Officer
5. Mrs. Kanokwan Wannabut	Chief Administrative Officer
6. Ms. Patcharada Jutaprateep	Chief Compliance and Corporate Secretary
<b>Resigned executive in 2019</b>	
1. Mr. Nasu Chunsom <sup>(5)</sup>	CO - Chief Executive Officer Chief Financial Officer
2. Mr. Sutee Tantiwanichanont <sup>(6)</sup>	Chief Financial Officer
3. Mr. Nuntawapol Jirachotananantaya <sup>(7)</sup>	Chief Operation Officer

Remark: Data as of 31 December 2019

(1) Mr. Waroon Atthakorn	Appointed of Chief Executive Officer on August 15, 2019
(2) Mr. Theera Kitijarurat	Appointed of Assistant Chief Executive Officer on August 15, 2019
(3) Mr. Praween Deekajonedej	Appointed of Chief Financial Officer on August 15, 2019
(4) Gen. Chaowarit Prapajit	Resigned from the Co-Chief Executive Officer on August 14, 2019
(5) Mr. Nasu Chunsom	Resigned from the Co-Chief Executive Officer and Chief Financial Officer on January 15, 2019
(6) Mr. Sutee Tantiwanichanont	Resigned from the Chief Financial Officer on July 15, 2019
(7) Mr. Nuntawapol Jirachotananantay	Resigned from the Chief Operation Officer on April 1, 2019

## 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 -30, 2019

List of Directors and Executives	Number of shares					
	As of December 28, 2018		As of December 30, 2019		Increase / decrease	% Share-holding
	Direct	Indirect	Direct	Indirect	-	-
1. Mr.Waroon Atthakorn	-	-	-	-	-	-
2. Dr.Denchai Akaradechachai	-	-	-	-	-	-
3. Mrs.Kanokwan Wannabut	-	-	-	-	-	-
4. Ms.Patcharada Jutaprateep	-	-	-	-	-	-
5. Mr.Theera Kitjarurat	15,540,135	1,849,500	28,151,335	20,000	-	4.091%
6. Pol.Col.Thienrath Vichiensan	12,500	-	12,500	-	-	0.002%
7. Mr.Boonjing Cholviroj	-	-	-	-	-	-
8. Mr.Theerawit Thanakijsumtorn	-	-	-	-	-	-
9. Mr.Praween Deekajonedej	-	-	-	-	-	-
10. Gen.Chaowarit Prapajit	-	-	-	-	-	-

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

## The Company Secretary

The Board of Directors has appointed Miss Sasiporn Phanthurat to be the company secretary since February 28, 2017 and resigned on December 30, 2019 by appointing Miss Phatcharada Juthapratheep to be the secretary to the Board of Directors.

### 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 2019, the total amount is 3,226,704 Baht as the following details:

# Remunerations of Board of Director and Sub-committee of 2019

(1 January 2019 - 31 December 2019)

Unit : Baht

Name	Board of Director		Remuneration				Total
	Monthly Remuneration	Meeting Allowance	Audit Committee	Executive Committee	Investment Committee	Corporate Social Responsibility Committee	
1. Mr.Waroon Atthakorn	90,968	12,000	-	10,000	-	-	112,968
2. Dr.Denchai Akaradechachai	240,000	36,000	-	90,000	5,000	-	371,000
3. Mrs.Kanokwan Wannabut	240,000	48,000	-	75,000	-	10,000	373,000
4. Ms.Patcharada Jutaprateep	240,000	48,000	-	80,000	-	10,000	378,000
5. Mr.Theera Kitjarurat	90,968	12,000	-	10,000	-	-	112,968
6. Pol.Col.Thienrath Vichiensan	300,000	60,000	50,000	-	5,000	-	415,000
7. Mr.Boonjing Cholviroj	90,968	24,000	10,000	-	-	-	124,968
8. Mr.Theerawit Thanakijsumton	240,000	48,000	50,000	-	5,000	-	343,000
9. Mr.Praween Deekajonedej	-	-	-	65,000	-	5,000	70,000
10. Mr. Chanchai Nuchruean	-	-	-	-	-	5,000	5,000
<b>Resigned directors in 2018</b>							
1. Mr.Nasu Chunsom	9,333	-	-	-	-	-	9,333
2. Mr.Sutee Tantiwanichanont	10,000	24,000	-	-	-	-	34,000
3. A.C.M.Pitthaporn Glinfueng	223,548	52,500	-	-	-	-	276,048
4. Gen.Chaowarit Prapajit	186,290	24,000	-	70,000	-	10,000	290,290
5. Mrs.Natee Chuansanit	149,032	-	45,000	-	-	-	194,032
6. Mr.Parin Chanuntranont	117,097	-	-	-	-	-	117,097
<b>Total</b>	<b>2,228,204</b>	<b>388,500</b>	<b>155,000</b>	<b>400,000</b>	<b>15,000</b>	<b>40,000</b>	<b>3,226,704</b>

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

## Remunerations of the executives

Year 2017, 2018 and 2019 The Company has paid compensation to the management of the company as follows;

Unit : Baht

Remunerations of the executives	2017 Remuneration	2018 Remuneration	2019 Remuneration
Persons	5	5	6
Total salary	9,713,667	12,382,387	11,410,301
Total bonus	1,944,273	2,809,834	-
Others	4,405,589	2,373,138	1,557,655
<b>Total</b>	<b>16,063,529</b>	<b>17,565,359</b>	<b>12,967,956</b>

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

Year 2019 the company paid the provident fund contribution 185,179 Baht for the 3 executives.

## 2 ) Other remunerations

- None -

## Personnel

As of 31 December 2019, the group has 664 staffs in total. The monetary remunerations paid to non-executive staffs, including the subsidiaries' amounted to 166,620,248 Million Baht Consisting of:

Unit : Baht

	Registered company	Subsidiary	Total
1. Salary, bonus, overtime, incentives, uniforms	69,645,403	90,916,067	160,561,470
2. Social security contribution	1,436,924	2,673,945	4,110,869
3. Provident fund contribution	972,691	975,218	1,947,909
<b>Total</b>	<b>72,055,018</b>	<b>94,565,230</b>	<b>166,620,248</b>

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

Name/Position <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the manage- ment	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
1. AMC Pitthaporn Glinfueng <i>Chairman of the Board of Directors</i>	68	<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>	None	None	2015 - 2019  2016 - present  2008 - present 2006 - present	Chairman of the Board of Directors Dean of aviation & transportation  Association President  Advisor	- 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
<ul style="list-style-type: none"> <li>- Started the Director position on July 31, 2015</li> <li>- Started the Chairman of the Board of Directors position on Aug 27, 2015</li> <li>- Resigned from of Chairman of the Board of Directors on 14 August 2019</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>			2015 – 2016  2012 - 2014	Chairman of the Board of Directors Director	



Name/Position <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
2	Gen.Chaowarit Prapajit <i>Vice Chairman / Executive Committee Chairman / Investment Committee Chairman / Corporate Social / Responsibility</i> <i>Committee Chairman / Co-Chief Executive Officer and Chief Marketing Officer</i>  Started the Director position on Aug 27,2015 and Vice Chairman position on June 14,2018 Resigned from of Directors on 14 August 2019	65  - The Course of Development Politics and Elections Batch#1 - Thailand National Defence College DSI Batch#49 - Army Chief of Staff College Batch# 64  <b>Training courses</b> - Director Certification Program (DCP) Batch#192 Thai Institute of Directors (IOD)	None	None	2019 - present  2017 - 2019  2017 - 2019  2017 - 2019  2017 - 2019  2017 - 2019  2017 - 2019  2017 - 2019  2013 - present  2012 - present 2015 - 2017  2013 - 2016	Chief Marketing Officer Director / Chief Executive Officer Director  Director  Director  Director  Director  Director Advisor Advisor Vice Chairman / Chief Executive Independent Director / Audit Committee	- PP Prime Public Company Limited - 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.

Name/Position <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
3 Mr. Nasu Chunsom <i>Director / Co-Chief Executive Officer and Chief Financial Officer</i>  Started the Director position on August 14, 2018 Resigned from of Directors on 14 August 2019	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	- 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 <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
4 Dr. Danchai Akaradajdachachai <i>Director</i>	55	<ul style="list-style-type: none"> <li>- Doctoral Degree of Doctor Of Public Administration (DPA), University of Northern Philippines</li> <li>- MBA Kasetsart University</li> <li>- Bachelor of Economics - Industry Ramkhamhaeng University</li> </ul> <p><b>Training courses</b></p> <ul style="list-style-type: none"> <li>- Director Certification Program (DCP) Thai Institute of Directors (IOD)</li> <li>- Anti-Corruption: The Practical Guide (ACPG) Thai Institute of Directors (IOD)</li> <li>- Ethical Leadership Program (ELP) Thai Institute of Directors (IOD)</li> <li>- Course of Promotion of Peaceful Society (4s) Batch#4 King Prajadhipok's Institute</li> <li>- Thailand National Defence College DSI Batch#56 The National Defence College of Thailand (NDC)</li> <li>- Course of Management in Social Order Police Education Bureau Batch#2 Royal Thai Police Department</li> </ul>	None	None	2017 - Present 2017 - Present 2017 - Present 2017 - Present 1994 - Present 1994 - Present 1994 - Present 2013 - Present 2012 - Present 2015 - Present 2014-2015 2012 -2013	Director Director Director Director Chairman of Board of Directors 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	- PP Prime Public Company Limited - TLuxe Global Business Co.,Ltd. - Hi Healthcare Center Co.,Ltd. - Filter Vision PCL. - M.B.C. Center Co.,Ltd. - I.E.Q. Co.,Ltd. - ComputerSqaure Co.,Ltd. - Channel True TNN2 - Appeal Court 7 - Thai Luxe Enterprises PLC. - Council - Deputy Speaker of the House of Representatives

Name/Position <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
		<ul style="list-style-type: none"> <li>- Course of Environmental Governance for Executive Officer Batch# 4 Department of Environmental Quality Promotion (DEQP) Ministry of Natural Resources and Environment</li> <li>- Course of Democratic Governance Politics for Executives Batch #20</li> <li>- Course of Thailand Insurance Leadership Program Batch# 7 Office of Insurance Commission (OIC)</li> </ul>					
5	Mrs.Kanokwan Wannabulit <i>Director / Chief Strategic Officer</i>  Started the director position on Jan 21,2015	53  - 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	2015 – present  2017 - 2019  2017 - 2019  2017 – Present 2017 - Present 2016 - present  2016 - 2019  2016 – 2019  2015 - present 2015 - 2016	Director  Director  Director  Director Director  Director  Director  Director Director  Director Promotion & Market	- PP Prime Public Company Limited - Geothermal Power A Ltd. - Geothermal Power B Ltd. - KaYaWa Co.,Ltd. - Wannasan Co.,Ltd. - T Luxe Power Co.,Ltd. - Tluxe Investments Co., Ltd - Tluxe Holdings Co.,Ltd. - Qbizm Co.,Ltd. - Thai Luxe Foods Products Co.,Ltd

Name/Position <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
6 Miss Phatcharada Jutaprateep <i>Director / Chief Corporate Secretary</i>  Started the director position on Jan 21, 2015	41	- 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	2015 - 2016	Director	- NPP Foods Incorporate Co., Ltd.
					2008-2015	Managing Director Business	- E For L Aim Public Co., Ltd.
					2008-2013	Media Director	- E For L Aim Public Co., Ltd.
					2019 - Present	Company Secretary	- PP Prime Public Company Limited
					2017 - Present	Director/ Chief Corporate Secretary	- PP Prime Public Company Limited
					2017 - 2019	Director	- Geothermal Power A Ltd.
					2017 – 2019	Director	- Geothermal Power B Ltd.
					2016 - present	Director	- T Luxe Power Co., Ltd
					2016 - 2019	Director	- Tluxe Investments Co., Ltd
					2016 – 2019	Director	- Tluxe Holdings Co.,Ltd
					2010 – present	Director	- LT Miracle Co.,Ltd.
					2015 – July 2017	Chief Finance Officer	- Thai Luxe Enterprises PCL.
					2015-2016	Director	- Thai Luxe Foods Products Co.,Ltd
					2015-2016	Director	- NPP Foods Incorporate Co.,Ltd.

Name/Position <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
7	61	<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 (AACP) 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 Damrongrajubhaph Institute of Research and Development</li> <li>- Administrative Justice for Executives</li> <li>- National Defence College of Thailand</li> </ul>	0.002	ผู้ช่วย	2017 - present	Chairman of the Audit Committee / Independent Director	<ul style="list-style-type: none"> <li>- PP Prime Public Company Limited</li> </ul>
					present	Inspector-General	<ul style="list-style-type: none"> <li>- Office of the Permanent Secretary, Prime Minister Office</li> </ul>
					2014	Director, The Bureau of Legal Affairs and General Regulations	<ul style="list-style-type: none"> <li>- Office of the Permanent Secretary, Prime Minister Office</li> </ul>
					2012	Director	<ul style="list-style-type: none"> <li>- Office of the official information commission</li> </ul>

Name/Position <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
8 Mrs. Natee Chuansanit Audit Committee / <i>Independent Director</i>  - Started the director position on January 21, 2015 - Started the audit committee position on July 31, 2015 - Resigned from of Directors/Independent Director/ Audit committee on 14 August 2019	65	- Master of Executive MBA, SASIN, Graduate Institute of Administration of Chulalongkorn University - Bachelor of Business Administration Chiang Mai University  <b>Training courses</b> - Director Certification Program (DCP) Thai Institute of Directors (IOD) - Anti-Corruption for Executive Program (ACEP) Thai Institute of Directors (IOD)	None	None	2015 - 2019  2015 - Present  2011 - 2015	Audit Committee / Independent Director Executive Vice President  Minister Counsellor	- PP Prime Public Company Limited - Research and Development Economics - Department of Commerce in Prague, Czech Republic
9 Mr. Teerawit Tanakijsoontorn <i>Audit Committee / Independent Director</i>  Started the Audit Committee position on June 17, 2015	41	- Bachelor of Business Administration in Accounting Kasetsart University - Bachelor of Law Thammasat University  <b>Training courses</b> - CPA (Certified Public Accountant) The Federation of Accounting Professions under the Royal Patronage of His Majesty The King - Anti-Corruption for Executive Program (ACEP) Thai Institute of Directors (IOD) - Director Accreditation Program (DAP) Batch#87/2011 Thai Institute of Directors (IOD)	None	None	2015 - Present  2018 - Present  2015 - Present  2003 - 2015  2010 - 2013	Audit Committee / Independent Director Audit Committee / Independent Director Director / Certified Public Accountant (CPA). A Certified Public Accountant (CPA). Audit Committee and Risk Management Committee.	- PP Prime Public Company Limited - Villa Kunalai Public Company Limited - Best Audit Company Limited - B. S. Audit Company Limited - ABSOLUTE IMPACT PUBLIC COMPANY LIMITED



Name/Position <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
10 Mr. Nanthuwaphon Jirachot -a -nantaya <i>Chief Operation Officer</i>  - Started the appointed Managing Director of the factory on Oct 10, 2016 - Resigned from of Chief Operation Officer on 1 April 2019	56	- 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
11 Mr. Parin Chanuntranont <i>Chairman of the Board of Directors</i>  - Started the Chairman of the Board of Directors position on August 15, 2019  - Resigned from of Chairman of the Board of Directors on December 12, 2019	60	- M.B.A. Finance SASIN GRADUATE INSTITUTE OF BUSINESS ADMINISTRATION OF CHULALONGKORN UNIVERSITY  - Mechanical engineering, University of San Francisco , U.S.A	20.39	None	Aug 2019 -Dec 2019 2548 – 2553  2551 - Jan 2552 2551 – Feb 2552 2548 – Jan 2553  2548-2550 2536-2540	Chairman of the Board of Directors Vice Chairman of the Board of Directors  Director  Director  Chief Executive Officer  Director Director	- PP PRIME Public Company Limited - Absolute Impact Public Company Limited - Thailand Industrial Promotion Agency - Industrial Estate Authority of Thailand - Absolute Impact Public Company Limited - G M S Power Co.,Ltd. - MDX Co.,Ltd.

Name/Position <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
12 Mr. Waroon Atthakorn <i>Director / Chief Executive Officer</i>  - Started Directors / Chief Executive Officer position on August 15, 2019	59	- M.B.A. in Finance University of Central Oklahoma , USA - B.S. Industrial Engineering, Khon Kaen University  <b>Training courses</b> - Various seminars of social medias and marketing tool - Presentation skill seminar	None	None	2019 - Present  2561-2562  2561-2562  2561-2562  2560-2561 2556-2560 2542-2556	Chief Executive Officer /Director Managing Director/ Chief Executive Officer Managing Director/ Chief Executive Officer Managing Director / Chief Executive Officer Advisor / Chief Executive Officer Chief Executive Officer Managing Director	- PP PRIME Public Company Limited - Sun Assets Co.,Ltd.  - SC 1988 Co.,Ltd.  - Green Teak Thailand Co.,Ltd.  - Nirvana Daii Public Company Limited - MS. SASA Bakery Co.,Ltd. - Energy Design Concept Co.,Ltd.
13 Mr. Theera Kitjarurat <i>Director / Assistant Chief Executive Officer</i>  - Started Directors / Assistant Chief Executive Officer position on August 15, 2019	46	- Faculty of Business Administration, Rangsit University  <b>Training courses</b> - Persuasive Selling Format, Philips (thailand)Co.,Ltd. - Handling Objection Process, Philips (thailand) Co.,Ltd.	4.09	None	2562-Present  2550-2560 2549-2550 2547-2549 2546-2547 2544-2546	Director / Assistant Chief Executive Officer Assistant sale Manager&Engineer Sale&Marketing Sales Supervisor-Southern Region Eastern Sales Representative Sales Representative	- PP PRIME Public Company Limited - Jutha wan metal lab Co.,Ltd. - Nippon paint (Thailand) Co.,Ltd. - Sangnakorn Lighting Co.,Ltd. - Vanda Pack Co.,Ltd. - Borneo Technical (Thailand) Co.,Ltd.

Name/Position <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
14 Mr. Boonjing Cholviroj <i>Independent Director / Audit Committee</i>  - Started Independent Director / Audit Committee position on August 15, 2019	71	- Bachelor Degree of Laws, Thammasart University  <b>Training courses</b> - Matrix Management, The Revenue Department, Ministry of Finance	None	None	2562 – Present  2552 - Present	Independent Director / Audit Committee  Law Lecturer	- PP PRIME Public Company Limited - Assumption University
<b>Chief Financial Officer</b>							
Mr. Praween Deekajonedej <i>Chief Financial Officer</i>  Started Chief Financial Officer position on August 15, 2019	29	- B.B.A., Account, Assumption University  <b>Training courses</b> - Investor relations & Financial Communications , Omega world class, 2019. - Certificate of CFO Orientation, The Stock Exchange of Thailand, 2019.	None	None	Aug 2562 - Present Apr 2560 - Aug 2562 Nov 2557-Mar 2560 Sep 2556 - Oct 2557	Chief Financial Officer  Accounting Manager -Oversea Account Senior Assistance Auditor Semi-Senior Assistance Auditor	- PP Prime Public Company Limited - PP Prime Public Company Limited - Thai Info Co.,Ltd. - SAM NAK-NGAN A.M.C Co.,Ltd.

Name/Position <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
Chief Accountant							
Miss Phatranit Sinka <i>General Manager of Accounting and Finance</i>	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
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							

Name/Position <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the manage- ment	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
Company Secretary							
1	Miss Sasiporn Panturatana <i>Company Secretary</i>  Started the Appointed as Company Secretary on Feb 2017	34  <b>Training courses</b> - Fundamentals Practice for Corporate Secretaries, by Thai Listed Companies Association - Rules of the Shareholders' Meeting, The Board of Meeting by Dharmniti Seminar and Training Company Limited	None	None	2017 - Present  2014 - 2017	Company Secretary  Secretary	- PP Prime Public Company Limited - KTech Construction Public Company Limited.
2	Miss Phatcharada Jutaprateep <i>Company Secretary</i>  Started the Appointed as Company Secretary on Dec 2019	41  <b>Training courses</b> - 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	2019 - Present  2017 - Present  2017 - 2019  2017 – 2019  2016 - present 2016 - 2019  2016 – 2019  2010 – present 2015 – July 2017 2015-2016  2015-2016	Company Secretary  Director/ Chief Corporate Secretary Director  Director  Director  Director Chief Finance Officer  Director  Director	- PP Prime Public Company Limited - PP Prime Public Company Limited - Geothermal Power A Ltd. - Geothermal Power B Ltd. - TLuxe 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 <sup>(1)</sup>	Age (Year)	Education / Training Program	Number of shares (%) (2)	Relation with the management	Last 5 years experienced (as at 31 December 2019)		
					Period	Position	Company
Internal Audit Manager							
Miss Ladawan Khanjanaphusit <i>Internal Audit Manager</i>	47	Bachelor of Accounting Sripatham University  <b>Training courses</b> - Curriculum Internal Audit - Curriculum Management Internal Audit - Anti-Corruption for Executive Program (ACEP) Thai Institute of Directors - Internal Audit's challenge in value adding	None	None	2015 - present  1997 - 2014	Internal Audit Manager Credit and Legal Departments Manager	- PP Prime Public Company Limited - PP Prime Public Company Limited

# 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 2019, the Company held 2 shareholders' meetings, divided into the Annual General Meeting 2019, Extraordinary General Meeting No. 1/2019. 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, including 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. Consideration of the 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.

#### **● Safety, occupational health and working environment**

The company is committed to conducting business under safety. Environment and quality of life of employees The company will operate under the company policy as follows

1. The company will support to comply with safety laws and regulations. Health and safety.
2. The company will promote and support the development and improvement of the working environment and safe working methods. To ensure safety and occupational diseases
3. The company will develop employees at all levels to have knowledge and create safety awareness. Along with safety policy announcements Occupational health and working environment for employees to be informed
4. The company will provide appropriate resources, budget, time, personnel and related resources for safety, occupational health and working environment.
5. The company will promote and support public relations activities. Security in the company

#### **● Compensation and benefits for employees**

The company provides benefits and benefits. In return for employees who have cooperated well with the company such as

- Social Security Fund, The company will allow all employees at all levels into the social security fund system. Which is a fund that provides security to insurers in order to receive benefits when experiencing danger or illness Disability or death which is not caused by work including cases of giving birth child welfare, old age and unemployment. Will be in accordance with the conditions of the Social Security Fund.

- Compensation fund, The company sends a contribution to the compensation fund annually. By sending a single contribution which the workmen's Compensation Fund will pay compensation to employees suffering from illness or loss of organs, loss of capacity of organs, disability, death or loss of work for the company.

- Annual health check, The company determines the employee's health check annually once a year by a team of doctors or certified health examination institutions. Check-ups are based on job risks. By checking the list by considering job groups and separate the list of employees by age



- Scholarships for education Education Fund for Education There are rules and conditions In order to promote the education for the future of the employees' children who have worked for 1 year or more and have the greatest benefit according to the policy

- Provident fund The company uses the accumulated funds of employees who have passed the trial and become members. Sent to the provident fund Along with the company contributions to the employees Employees can choose to pay 3% or 5% or 10% or 15% of their monthly salary to the fund. And the company will contribute to the employees who are members of the fund Equal to 3 percent. Members will receive a 100% cumulative contribution and contributions in accordance with their age in years.

Membership is 1 year old but less than 2 years 20%

Membership is 2 years old or older but less than 3 years, the company joins 40%

Membership is 3 years old but less than 4 years old, company contribution 60%

Membership is 4 years old but not over 5 years old, company 80%

Member age 5 years and over 100% associate company

- Health insurance, life insurance The company will provide group health insurance in case of serious illness to hospitalization, accident and life insurance. By grouping as follows:

Offsite mobile workers at risk of accidents

Full time staff

- Financial support for visiting staff In order to build morale for the employees in the event of illness, showing concern for the health of all employees.

- Funeral allowance

- Uniform To be orderly in the dress code of the employees

- Shuttle bus, Company are aware of safety. The convenience of traveling to work for employees.

Therefore has organized a bus route to send-receive employees And reduce travel expenses for employees

Route 1 from Phetchaburi Khao Wang - Phetchaburi Factory, Morning-Evening

Route 2 from Mae Klong Market - Petchburi Plant, Morning - Evening

Route 3 from Mae Klong Factory - Petchburi Plant. Evening - morning

## ● Employment and labor management

The company adheres to the philosophy of the organization that "People return the heart of driving the organization". Therefore, employees are valuable assets and is the key to driving the organization towards success and sustainable growth Therefore attaches importance to the view and treatment of employees fairly and on the basis of respect for human rights.

The company has established employment and labor management policies in accordance with international human rights guidelines and standards. Consisting of United Nations Universal Declaration of Human Right (UNDHR).

## ● 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.

#### ● 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.

#### ● 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.

#### ● 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.

#### ● Information system security and corporate networks

The company has established security policies, information systems and corporate networks. In accordance with relevant laws for efficiency and in accordance with the centralized organization management policy to create unity.

#### ● Anti-Corruption

The company has a commitment to create measures to prevent and combat corruption within the organization. By adhering to responsibility to all groups of stakeholders in accordance with good corporate governance and business ethics. Announcement is a policy for employees of the company acknowledged thoroughly until it becomes the values and culture of the organization that everyone must adhere to and practice.

On 12 February 2018, the company was certified by the Private Sector Collective Action Coalition Against Corruption (CAC).

However, the company Have training In the area of anti-corruption, with training and communication content covering the anti-corruption policy Policy on Receiving Complaints and Protection And guidelines for receiving-giving gifts Rearing or other benefits for directors, executives and staff at the Phetchaburi Provincial Factory office and Songkhla province

As well as anti-corruption communication to various groups of stakeholders including directors, executives, employees, representatives from business partners and outsiders.

#### ● **Environmental quality**

The company has developed and created a quality system in the organization in order to be able to produce quality products and able to create satisfaction for customers with the determination to continuously develop the business by focusing on producing quality products and at the same time giving importance to participation in preserving the environment.

#### ● **Whistleblowing**

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.

#### ● **Prevention and suppression of drugs**

The company will make the workplace of employees as a drug-free place. Which will undermine the employee performance and will have a serious impact on safety working efficiency and employee contributions as employees are involved in drugs that are punishable by law, the company will fully cooperate with the government to prevent and suppress all types of drugs.

#### ● **Quality**

The company focuses on quality of products, services and operations at international standards. Ready to focus on creating the future with new businesses. For continuous and sustainable growth And demonstrates the commitment of top management, therefore establishing a quality policy as well as managing the quality system To be put into practice in management And the production of the company's products.

#### ● **Energy conservation**

The company has continuously developed systems for producing quality products. By being aware of social and environmental responsibility as well as giving importance to energy conservation.

#### ● **Tax**

The company has appropriate and sustainable tax management. There is a tax payment that is required by law. As well as proper tax management for the maximum benefit.

### **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.pppprime.co.th](http://www.pppprime.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

## 5. 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 2019, the Board of Directors held 12 regular meetings and 10 special meetings.

- Self-assessment of the Board of Directors in 2019 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 2019, we have Meeting of the Audit Committee at 11 times.

The number of meeting attendances of the Audit Committee:

Name	The Number of Attendees of the Audit committees 2018
1. Pol.Lt.Col. Thienrath Vichiensan	10/11
2. Mr. Boonjing Cholviroj	2/2
3. Mr.Teerawit Tanakijsoontorn	10/11
Resigned Audit committee in 2019	
1. Natee Chuansanit	9/9

*Remark : as of 31 December 2019*

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 2019, there are 3 members in Audit Committee

Name	Position
1. Pol.Lt.Col.Thienrath Vichiensan	Chairman of the Audit Committee / Independent Director
2. Mr.Boonjing Chonviroj	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**

1. Review to ensure that the Company makes financial report accurately and adequately.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
  - 1) Comments on accuracy, completeness and reliability of financial report of the Company.
  - 2) Comments on adequacy of the internal control system of the Company.
  - 3) 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 2019, there are 6 members in Executive Committee

Name	Position
1. Mr.Waroon Atthakorn	Chairman of the Executive Committee
2. Dr.Denchai Akaradajdechachai	Executive Committee
3. Mrs.Kanokwan Wannabuit	Executive Committee
4. Ms.Patcharada Jutaprateep	Executive Committee
5. Mr.Theera Kitijarurat	Executive Committee
6. Mr.Praween Deekajonedej	Executive Committee

### Resigned Executive committees in 2019

1. Mr.Nasu Chansom	Executive Committee
2. Dr.Sutee Tantivanichanon	Executive Committee
3. GEN.Chaowarit Prapajit	Chairman of the Executive Committee

## 3) Nomination and Compensation Committee

As of 31 December 2019, there are 3 members in Nomination and Compensation Committee

Name	Position
1. Pol. Col.Thienrath Vichiensan	Chairman of the Nomination and Compensation Committee
2. Dr.Denchai Akaradajdechachai	Nomination and Compensation Committee
3. Mr.Theerawit Thanakijsumton	Nomination and Compensation Committee

## 4) Sustainable Development Committee

As of 31 December 2019, there are 3 members in Corporate Social Responsibility Committee

Name	Position
1. Gen. Chaowarit Prapajit	Chairman of the Sustainable Development Committee
2. Mrs. Kanokwan Wannabuit	Sustainable Development Committee
3. Ms. Patcharada Jutaprateep	Sustainable Development Committee
4. Mr. Praween Deekajonedej	Sustainable Development Committee
5. Mr. Chanchai Nuchruean	Sustainable Development Committee

## Nomination of Directors and Top management

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

In the selection of persons to be appointed as directors. The Nomination and Compensation Committee is responsible for considering the selection of qualified persons and has no prohibited characteristics as specified by law. In order to get a professional and diverse committee. In which the number proposed would be equal to or greater than the number of directors retiring. Which will propose to the shareholders' meeting to appoint 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 willingness 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 2019 was Karin Audit Company Limited. The auditors name are as follow:

1. Mr.Jadesada Hungsapruek 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

Remunerations for the Auditor in 2017, 2018 and 2019 consisted of the audit fee and other expenses amounted to 2,581,124 Baht, 3,099,178 Baht and 3,800,316 Baht.

Compensation to subsidiaries companies' and associated companies' auditors in 2019 per the below.

Name of company	Baht	Yen	HKD
• Thai luxe Enterprise (Thailand) Co., Ltd.	1,056,000	-	-
• 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	-	19,500
• Geothermal Power A Company Limited (Hong Kong)	65,000	-	20,500
• Geothermal Power B Company Limited (Hong Kong)	65,000	-	20,500
• P Prime Singapore Pte. Ltd. (Singapore)	65,000	-	-
• Origin Power Investment Co., Ltd. (Mauritius)	65,000	-	-
• PPSN Co., Ltd. (Japan)	40,000	900,000	-
• Otomeyama Co., Ltd. (Japan)	40,000	270,000	-
• Sumo Power Co., Ltd. (Japan)	40,000	900,000	-
• S Power Co., Ltd. (Japan)	40,000	270,000	-
• SNS Power Co., Ltd. (Japan)	40,000	900,000	-
• M Luxe Energy Co., Ltd. (Japan)	40,000	900,000	-
• Fino Binary Power Plant Ltd. (Japan)	40,000	900,000	-
• NIS Binary Power Plant Ltd. (Japan)	40,000	900,000	-
• Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison (Japan)	40,000	900,000	-
• Dual Energy Binary - Power Plant No.1 Ltd. (Japan)	40,000	900,000	-
• Lena Power Station No.1 Ltd. (Japan)	40,000	900,000	-
• P Green Energy Ltd. (Japan)	40,000	900,000	-
• Wind Power A Co., Ltd. (Hong Kong)	-	-	12,000
	<b>2,246,000</b>	<b>9,540,000</b>	<b>72,500</b>

# Social Responsibility

## Empowering For Sustainability

Throughout the past 32 years in doing business based on non-stop forward-looking vision, PP Prime PCL and group companies believe that “Human” is an important ‘power’ in the business. The company’s utmost goal is to make the people living in the community which is stable and sustainable. In this connection, the company has been engaging in the business that is sustainable, generates stable return and has the capability to grow higher in future along with being responsible to the society including building trust for all stakeholder groups, for example, shareholders, investors, customers, business partners, the press, the community and employees.

This is reflected in over 13 years of tangible Corporate Social Responsibility projects (CSR) whilst the CSR Committee was formed in 2016 to supervise, shape policy, strategize, establish guidelines to be in line with the goals that include support, control, monitor and assess the outcome of social responsibility projects to ensure they conform to the established objectives.

“PP Prime” has participated in ‘creative future’ for the children and Thai farmers including the surrounding community via the company’s CSR projects which has been organized continuously, tangibly and sustainably in excess of 14 years at national and community levels in line with the sustainable development goals of the United Nations (UN) covering 3 aspects i.e. Environment, Social and Governance.





## P P Prime's Corporate Social Responsibility projects in 2019

### Empowering For Sustainability

#### Economic level 2 projects as follows

##### 1 Fishery school Project

We began continuously for more than 11 years i.e. since 2009 up until the present (2019) by donating aquatic animal feed and giving advice on animal raising techniques to schools in remote places that lack financial resources via embarking on the 'Agriculture Project For Lunch'. We have already organized for more than 100 schools in every region of Thailand by donating aquatic animal feed at the value of 30,000 baht for every school, totaling 4 million baht. The majority are schools affiliated with the Office of the Basic Education Commission which gave us excellent cooperation. In 2018, the company completed 4 schools in all regions by donating 230 kilograms of aquatic animal feed at the value of 120,000 baht.

We found that some more underprivileged schools need support especially Border Patrol Police's schools located along the backcountry borders. This gave rise to the 'Sufficiency Living under Border Patrol Police's fishery schools' projects.



## 2 The Project of Continuing Sufficiency To fishery, Thai Border Patrol Police School

By applying the late King Rama 9's 'Sufficiency Economy' philosophy together with implementing Her Royal Highness Princess Maha Chakri Sirindhorn's royal initiative to establish 'Agriculture projects for Lunch' the concept "Weaving Sufficiency project to Thai Border Patrol Police's fishery schools" project was borne. This consists of organizing fishery activities at schools affiliated with Thai Border Patrol Police all over the country totaling 207 schools. In 2018, the company completed 30 schools by donating 13,700 kilograms of aquatic feed valued at 350,000 baht.



Both projects not only promote aquatic animal raising to provide school children with good food from high- quality fish but also promote learning, teaching and vocational training which represent an example in integrating activities between the private sector and the government's projects. PP Prime played the supporting role by providing aquatic animal feed including advising animal raising techniques by specialist teams to Border Patrol Police schools which participated in the programs all over the country. The schools received the support by way of fishery breeds and technical input from the Fishery Department, Ministry of Agriculture and Cooperatives towards the path in achieving common goals of the three participating parties. This has resulted in the development of good quality of life for the youths, promote good health and hygiene from fish protein, provide income for students while studying, laying the ground for their career, develop sufficiency economy in line with the late King Rama 9's initiatives, benefit surrounding community, enhance recurring income locally, imparting sustainable knowledge.



## Community level 4 projects as follows

### 1 Thailuxe's Student project

For the past 14 years starting from 2006 until the present (2019) under the 'Thailuxe's Student project', we granted educational funds to students with good academic records/behavior but lacking in financial resources including financially supporting educational institutes in all regions, provide educational grants to community students/educational institutes, children of farmers, staffs' children altogether totaling more than 2,000 grants divided into 1,000 -5,000 baht for primary schools students/6,000-10,000 baht for university students and 10,000-15,000 baht for each university altogether worth 7 million baht comprising 100 students who receive ongoing support and more than 500 who already graduated with bachelor degrees.

In 2018, the company implemented 'Thailuxe's Student project' by granting educational funds to students (schools/university) with good academic records/behavior but lacking in financial resources including supporting educational institutes in all regions of Thailand and expanded the education opportunity to support our neighbor i.e. The Lao People's Democratic Republic by way of granting 212 funds worth more than 620,000 baht. In this connection, we are aware of the importance of education for the youths so they can help to develop the nation in the future along with improving their own livelihood. We are determined to implant the value and importance of education to them, provide them with the education opportunity so they can drive the country forward and to strengthen the community resulting in a happy society. All in all, we endeavor to strengthen the foundation of education for people so they can make a good living stably in a sustainable society.





## 2 Happy children and kind-hearted adults.

This is an activity to promote community relationships with an emphasis on children and local youths. This has been organized to coincide with the National Children Day of every year in the community and near-by neighborhoods of the company's factories i.e. Petchaburi, Songkhla and Samut Songkhram in the form of recreational activities, handing out gifts/awards and free food for participants.



In 2019, the company implemented the 'Happy Children and kind-hearted adult' project by organizing recreational activities, giving away gifts/awards and provide free food to participants. The event received good cooperation and interests from the local state officials, teachers, students and parents. About 2,500 people had attended the event.



### 3 Share a smile with senior citizens project.

This is an activity to promote relationship among residents in the same community with emphasis on senior citizens. The activity is organized to coincide with the Senior Citizen Day of every year in the community and nearby neighborhood of the company's factories i.e. Petchaburi, Songkhla and Samut Songkhram in the form of recreational activities, handling out gifts/awards and free food for senior citizens who participated. In 2019, the company implemented the 'Share a smile with senior citizens' project by organizing recreational activities, giving away gifts/awards and provide free food to senior citizens who participated in the event. The event received good cooperation and interests from local state officials, the public and senior citizens. About 500 people had attended the event.





#### 4 Campaign to reduce accidents project



The purpose of this campaign is to reduce the number of road accidents during important holiday seasons i.e. New Year, Songkran via joint cooperative efforts with local government's office, the Highway Police Department operating nearby the company's factories i.e. Petchaburi, Songkhla and Samut Songkhram in the form of giving away souvenirs (sun guard for vehicles) at road intersections or public rest areas to make the motorists conscious of safety driving for own benefit and others.

In 2019, the company implemented the 'Campaign to reduce accidents' project by giving away souvenirs (sun guard for vehicles) and drinking water at road intersections in Petchaburi and public rest areas in Songkhla. The event received good cooperation and interests from the local government officials, the public and motorists including the press. About 1,000 people had participated in the event.



## Environmental level 1 projects as follows

### 1 Protect mangrove forest and releasing fishery breed project

This CSR project emphasizes the sustainable development of the environment. The main objective is to create consciousness in conservation, protection and rehabilitation including sharing knowledge and experience on co-existence with mangrove forest and coastal ecology in order to maintain natural balance and foster mutual interdependence sustainably. In addition, the project promotes and develops the quality of life for local people who can make a living from utilizing mangrove forest resources knowledgeably and generating recurring income for the community.



In the past year, the company implemented the "Protect mangrove forest and releasing fishery breed" project under the joint integrated efforts of government and private sectors i.e. Petchaburi Fishery Office, Department of Marine and Coastal Resources-Petchaburi, Office of Natural Resource and Environment- Petchaburi, Local Administrative Office, Pak Talay Sub-District, Baan Laem District, Petchaburi Province including other local government offices and local residents who together planted mangrove forest in Petchaburi Province. The project received a warm welcome and good cooperation from government officials, teachers, students, volunteers and the general public including the press. About 500 people had attended the event.



## Sustainable Development Goals (SDGs)



### 2. Eliminate hunger, attain food security, promotes farmers sustainably

By focusing on children and the less privileged to have access to food sufficiently and nutritiously whilst at the same time promotes sustainable agriculture. Uplift the quality of life and the capability of small agriculture companies via our tangible projects that are sustainable e.g. **the school fishery project, the extension of sufficiency concept to the Thai Border Patrol Police's fishery school projects.**



### 3. Good health and living standards

Being healthy and enjoying good living conditions promote good welfare for everyone regardless of their age. Examples of this are The **“Happy children and kind-hearted adults” project, “Share your smile with senior citizens” project and “Campaign to reduce accident” project.**



### 4. Equal and accessible education promotes sustainable learning

Support and promote Thai youths with a good education as a force to efficiently drive sustainable development. With determination to penetrate youths and underserved educational institutes lacking financial resources via CSR projects that hand out study grants such as the “Thailuxe’s Student” project covering primary school up to university level for students with good academic records/good behavior but lacking financial resources. Eligibility includes those within and outside the organization and educational institutes across the country.



### 14. Equal and accessible education promotes sustainable learning

Protect coastal ecological system, strengthen conservation and sustainable use of ocean resources via the **“Protect mangrove forest and releasing fishery breed”** project which not only rehabilitate the mangrove forest condition but add ozone to the air that we breathe, enhance the habitat of coastal animals and promotes breeding, enhance water treatment naturally by filtering out sediment. In addition, serves as a food source and plays an important role in protecting land surface erosion in coastal areas.



### 16 Peaceful, fair and non-discriminatory society

Promote peaceful, fair and non-discriminatory society for sustainable development via the **“Happy children and kind-hearted adults” project, “Share a smile with senior citizens” projects and the “Campaign to reduce accident” project.**

# 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 Kanchanaputit 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 2019:

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 2019	
Thai luxe 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 has sales transactions of finished goods and service income.	* Trade and other receivables	44,294,220.27	The finished goods transaction is a normal transaction and service fees are in accordance with the mutual agreement.
			* Trade and other payables	433,121,654.20	
			* Selling products	6,104,970.87	
			* Service income	32,781,308.41	
			* Purchase products	1,592,060,575.38	
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	5,128,553.02	transaction of loans, the company charged interest rate between 6 - 8.25 percent per year
			* Accrued interest	67,708.51	
			* Loans	3,150,384.00	
			* Other receivables	366,960.00	
Tluxe Global Business Co., Ltd.	Tluxe Global Business Co., Ltd. is a subsidiary of the company in which the company holds 100% of the paid capital.	The company has other receivables from each other.	* Other receivables	344,621.89	
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	30,447,539.28	transaction of loans, the company charged interest rate between 2.5-8.00 percent per year
			* Accrued interest	122,332,635.97	
			* Loans	478,599,552.53	
			* Other receivables	1,627,590.00	

Relevant person/ entity	Relationship	Nature of transaction	Type of transaction	Amount (Baht)	Necessity and feasibility
				As of 31 <sup>st</sup> December 2019	
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.	<ul style="list-style-type: none"> <li>* Interest income</li> <li>* Accrued interest</li> <li>* Loans</li> </ul>	6,698,289.60 20,718,819.06 83,728,620.00	transaction of loans, the company charged interest rate between 8 percent per year
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.	<ul style="list-style-type: none"> <li>* Interest income</li> <li>* Accrued interest</li> <li>* Loans</li> </ul>	19,987,967.29 67,039,329.24 427,362.65	transaction of loans, the company charged interest rate between 6.5 percent per year
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.	<ul style="list-style-type: none"> <li>* Interest income</li> <li>* Accrued interest</li> <li>* Loans</li> </ul>	17,105,616.27 48,303,403.42 120,441,255.02	transaction of loans, the company charged interest rate between 6.5 percent per year
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.	<ul style="list-style-type: none"> <li>* Interest income</li> <li>* Interest received</li> <li>* Loans</li> </ul>	318,765.30 681,756.33 4,904,082.00	transaction of loans, the company charged interest rate between 6.5 percent per year
Fluxe holding Company Limited	Fluxe holding Co., Ltd. is a subsidiary of the company in which the company holds 100% of the paid capital.	The company provided loans for Fluxe holding Co., Ltd.	<ul style="list-style-type: none"> <li>* Loans</li> <li>* Accrued interest</li> <li>* Interest income</li> </ul>	349,660.35 10,349.31 10,349.31	transaction of loans, the company charged interest rate between 6.5 percent per year

### The transactions between the company with associated

Relevant person/ entity	Relationship	Nature of transaction	Type of transaction	Amount (Baht)	Necessity and feasibility
				As of 31 <sup>st</sup> December 2019	
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.	<ul style="list-style-type: none"> <li>* Interest income</li> <li>* Accrued interest</li> <li>* Loans</li> <li>* Other receivables</li> </ul>	2,179,203.39 6,568,907.02 70,364,572.50 1,433,616.08	transaction of loans, the company charged interest rate between 3 percent per year



## The Connected Transactions

Relevant person/ entity	Relationship	Nature of transaction	Type of transaction	Amount (Baht)	Necessity and feasibility
				As of 31 <sup>st</sup> December 2019	
Nutrix Public Company Limited	The company jointly shareholder with Nutrix PCL.	The company sale of good and purchase of raw material with Nutrix PCL.	* Product sales revenue	184,716,712.70	The finished goods transaction is a normal transaction. This is to determine the selling price. Use cost method plus contract rate and service fees are in accordance with the mutual agreement.
			* Purchase raw materials	58,453,280.97	
			* Trade accounts receivable	7,348,736.10	
			* Trade and other payables	10,291,820.86	
			* Consultation fee	759,919.18	
Aulux Power Co.,Ltd	The company jointly director with Aulux Power Co.,Ltd	The subsidiary company provides loans for Aulux Power Co., Ltd.	* Service income	256,376.90	transaction of loans, the company charged interest rate between 3 percent per year
			* Interest income	2,575,041.35	
			* Interest expenses	7,817.50	
			* Trade accounts receivable and other payables	117,172.19	
			* Accrued interest	4,030,860.47	
			* Loans	82,643,880.25	
			* Borrowings	275,939.50	
			* Accrued interest	7,572.61	
Dual Energy Co., Ltd.	The company jointly director with Dual Energy Co., Ltd.	The subsidiary company has accrued interest items.	* Accrued interest	4,308.80	

# Ratio Analysis

Table showing comparison of key financial ratios for the period 2017 – 2019

	I			Company only		
	2017	2018	2019	2017	2018	2019
<b>Liquidity ratio</b>						
Current ratio (times)	0.56	0.79	0.33	0.59	0.33	0.21
Quick ratio (times)	0.41	0.15	0.21	0.45	0.20	0.17
Receivable turnover (times)	9.71	7.54	7.02	9.68	7.32	5.66
Average collection period (days)	37.09	47.73	51.29	37.17	49.21	63.59
Account payable turnover (times)	18.31	11.03	8.69	18.17	10.59	4.87
Average payment period (days)	19.66	32.64	41.43	19.82	34.00	73.91
Cash cycle (days)	27.35	25.96	23.25	27.46	26.53	3.60
Inventory turnover period (times)	36.30	33.11	26.88	35.63	31.78	25.85
Holding period (days)	9.92	10.87	13.39	10.10	11.33	13.93
Asset turnover ratio (times)	0.48	0.56	0.75	0.47	0.50	0.58
<b>Profitability ratio</b>						
Gross profit margin (%)	16.23	12.98	17.08	16.33	13.24	9.89
Net profit margin (%)	-13.46	-5.18	-68.46	-5.55	10.76	-85.95
<b>Efficiency ratio</b>						
Return on assets (%)	-6.68	-3.00	-51.11	-2.76	6.52	-50.28
Return on equity (%)	-15.79	-10.05	-245.04	-6.22	17.45	-159.06
<b>Financial ratio</b>						
Debt to Equity ratio (times)	1.90	3.11	5.27	1.61	1.75	3.06
Interest Coverage ratio (times)	1.40	0.84	1.74	1.48	0.41	2.03
Dividend ratio (%)	-	-	-	-	-	-
<b>Other ratio</b>						
Average earning (losses) per share (baht)	-0.45	-0.20	-2.34	-0.19	0.46	-2.56
Basic earning (losses) per share (baht)	-0.45	-0.20	-2.34	-0.19	0.46	-2.56
Net book value per share	2.45	1.44	0.55	2.79	2.43	0.92

# Management Discussion and Analysis

## Analysis and the Management's discussion For the year ending 31 December 2019

In 2019, PP Prime Public Company Limited ("The Company") and its subsidiaries had a total revenue of Baht 2,133.46 million, consisting of the major income from the animal feed business, the electric power business and the other incomes equal to Baht 2,119.42 million and Baht 14.04 million respectively, representing 99.34 percent and 0.66 percent of total revenue respectively. The Company and its subsidiaries had the total revenue increased by 0.47% in which the major business revenue increased by 2.84 %YoY.

However, in 2019 the Company and its subsidiaries had a total net loss of Baht 1,460.59 million, increased by 1,226.84% YoY due to the impairment loss and the loss from disposal of investment in securities.

Financial statements (Unit: Million Baht)	2019	2018	change Increase / (decrease)	Percent- age
Revenues from sales	2,119.42	2,060.98	58.44	2.84%
Other income	14.04	62.59	(48.55)	-77.57%
<b>Total revenues</b>	<b>2,133.46</b>	<b>2,123.57</b>	<b>9.89</b>	<b>0.47%</b>
Cost of sales	1,757.39	1,793.56	(36.17)	-2.02%
Selling and administrative expenses	367.20	307.01	60.19	19.61%
Loss from allowance for impairment	680.79	-	680.79	100%
Loss from sales of securities	771.94	-	771.94	100%
<b>Total expenses</b>	<b>3,577.32</b>	<b>2,100.57</b>	<b>1,476.75</b>	<b>70.30%</b>
Profit (loss) before finance costs and income tax expenses	(1,443.86)	23.00	(1,466.86)	-6,377.65%
Share of loss from investments in associates	-	-	-	-
Finance costs	125.47	125.96	(0.49)	-0.39%
Profit (loss) before income tax expenses	(1,569.33)	(102.96)	(1,466.37)	-1,424.21%
Income tax expenses (income)	(108.74)	7.12	(115.86)	-1,627.25%
Loss for the year	(1,460.59)	(110.08)	(1,350.51)	-1,226.84%

## Explanation and Analysis of Financial Status and Operating Results for the Year 2019

### 1. Performance

#### 1.1 Income

##### Pet Food Distribution Business

In 2019, the Company had income from the animal feeds business equal to Baht 2,047.69 million, or an increase of 3.20 % YoY.

The shrimp farm industry is not much different from the previous quarter. The Company approaches the market proactively, and also focuses on food quality; therefore, our income from shrimp feed sales increased by 8.66 % YoY.

Due to the drought in 2019, the fish farm industry had an impact on lacking of water in some regions, resulting the decrease in the fish feed sales volume. As a consequence, the revenue from sales decreased by 1.73% YoY.

The revenue of the pet food industry comes from the production for the customer; therefore, it is not much different from the previous years. The revenue from sale of pet food increased by 0.95 % YoY.

##### Electric Power Business

The Company operates the business on production and distribution of electricity from the geothermal energy in Japan. The revenue from electricity distribution from its subsidiaries in 2019 equals Baht 71.52 million, dropped by 6.66% from the previous year as some projects are under construction. Presently, the Company has 15 power plants for commercial operation.

#### 1.2 Cost of sales

The cost of sales majorly comes from the raw materials for production. In 2019, the Company has cost of sales Baht 1,757.39 million, decreased by 2.02 % from the previous year caused by the appreciation of the Thai Baht in this year effect to the cost of raw material prices in foreign countries decreased. In addition, the Company is well managed the cost effectively.

#### 1.3 Gross profit

In 2019, our gross profit was Baht 362.03 million, an increase of 35.38% YoY with a gross profit of Baht 267.42 million.

#### 1.4 Other income

In 2019, the other income equals to Baht 14.04 million, a decrease of Baht 48.55 million or 77.57% due to the fact that the Company had recognized an allowance for impairment of accrued interest. Therefore, the Company earned less interest income from 2018 for Baht 6.99 million. In addition, the group of company received compensation from the contract parties and the reversal of a large amount of asset allowances resulting the difference as described.

### **1.5 Selling and administrative expenses**

Selling and administrative expenses in the year 2019 was Baht 367.20 million, an increase of Baht 60.19 million or 19.61% compared to the previous year. The increased cost came from the company normal operations.

### **1.6 Loss from allowance for impairment**

In 2019, the Company has set up an allowance for impairment of geothermal power plant assets, loans, accrued interest and advance payment of Baht 680.79 million. The Company has estimated the recoverable amount of each the cash-generating unit and the opportunity to receive repayment of loan.

### **1.7 Loss from sales of securities**

In the first time, the securities were presented at fair value as trading securities so that was recognized the difference between fair value and book value in unrealized gain on investments in securities through statement of income after that the Company classified to be available-for-sale securities which on classified date the fair value has amount more than book value which was recognized unrealized gain on investments in securities transfer other comprehensive income into shareholders' equity. The loss from the sale of securities in the amount of 771.94 million baht is caused by the decrease in fair value of securities from date of classification which fair value has amount more than book value.

### **1.8 Net profit (loss)**

In 2019, the Company and its subsidiaries had a net loss of Baht 1,460.59 million or loss per share of Baht 2.34.

## **2. Financial status**

### **2.1 Assets**

As at 31 December 2019, the Company and its subsidiaries had total assets of Baht 2,376.02 million, a decrease of Baht 963.86 million from 31 December 2018, representing 28.86%, mainly due to the fact that the Company has considered setting up allowance for impairment of geothermal power plant assets, loans, accrued interest and advance payment of Baht 680.79 million.

### **2.2 Liabilities**

As at 31 December 2019, the Company and its subsidiaries had total liabilities of Baht 1,996.90 million, a decrease of Baht 529.97 million from 31 December 2018, representing 20.97% mainly due to the payment of due debts such as short-term loans, promissory notes, and debentures etc.

### **2.3 Shareholders' Equity**

As at 31 December 2019, the Company and its subsidiaries had shareholders' equity of Baht 379.12 million, a decrease of Baht 433.89 million from 31 December 2018, representing 53.37% mainly due to loss

from sales of securities of Baht 771.94 million, loss from allowance for impairment of Baht 680.79 million, loss from the translation of financial statements of Baht 27.38 million, surplus on changes in value of available-for-sale investments of Baht 540.57 million, the surplus from asset revaluation of Baht 264.95 million and the proceeds from the capital increase of Baht 248.57 million.

### 3. Liquidity

In 2019, the Company and its subsidiaries had net cash flow from operating activities in the amount of Baht 59.25 million, cash flow from investment activities in the amount of Baht 276.19 million, cash flow used in financing activities for Baht 364.65 million and the effect of exchange rate in the amount of Baht 54.24 million allowing the Company have cash and cash equivalents increased by Baht 25.03 million. As a result, as at 31 December 2019, the Company has cash and cash equivalents amounted to Baht 45.54 million.

### Industry trends

#### The situation of the shrimp feed industry in 2020

Shrimp feed industry trend is expected that the amount of white shrimp farming decreased by 50 % of the total area due to the lowest market price in 3 years. There are no solutions for the disease EMS, EHP, white wax and the outbreak of white blotting. Large farmers mainly focus on raising white shrimp while the minor farmers are decreased as they are unable to bear the burden of costs. Large farmers own the farms in many areas while the minor farmers are likely to decrease.

The volumes of black tiger shrimp farm are likely to be increased by 15-20% of the total area, as a consequence of the unsuccessful farmers who raise to white shrimp and then turned to raise black tiger shrimp instead. In addition, the black tiger shrimp species recently grow well and with good feedback. Price of the black tiger shrimp is likely to be positive. Farmers are confident even though there are export problem to China due to the outbreak of the Corona Virus 2019 (COVID-19).

The Company has continuously researched and developed the species of black tiger shrimp and expanded the area of shrimp feed marketing in the Central region using the giant freshwater pawn species as the agency has the potential as well as financial factors. The collection period is shorter compared to other areas even though the proportion of the profit is dropped as most of the products are in the lower groups.

#### Situation of the Fish Feed Industry in 2020

The trend for fish feed industry is expected that to face with drought. The amount of water in the dam has decreased, especially in the northern and northeast regions resulting insufficient water for fish farming, affecting the lack of fish and the higher fish price. The Company however expected to continuously drive the market under highly competitive situations as the existing customers have increased the order, the market opportunity towards the target customer including the marketing of meat-eating seafood fish which generates sales continuously The Company drive the markets both domestic and international in forms of OBM and OEM which is recognized for the reputation and quality of fish food.

### **Pet food industry situation in 2020**

The trend for pet food industry trends is expected to grow with an average of 10% each year. This will be an opportunity to drive sales and also which is the product with debt shorter collection period, allowing better cash flow. The most important factor is less risk compared to fish and shrimp feed as pet feeding does not refer to weather and the environment. In addition, in 2020 the management recognizes on the importance to push for OEM and ODM which is able to distributed to the market desire and respond to customer need.

# 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 2019.

On behalf of the Board of Directors



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



Mr. Parin Chanuntranont  
Chairman of the Board of Directors

*Remark: A.C.M. Phithorn Klinfuang, Chairman of the Board of Directors, resigned on August 14, 2019, and Mr. Parin Chanuntranont became the Chairman of the Board of Directors instead.*



# Report of Independent Auditor

## Independent Auditor's Report

To the Shareholders of PP PRIME Public Company Limited

### Qualified 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, 2019, 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, except for the possible effects on the matter described in the Basis for Qualified Opinion on the Consolidated Financial Statements section of my report, 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, 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Qualified Opinion

Refer to Note 11 on June 21, 2018, the subsidiary entered into a Memorandum of Understanding (MOU) with the first buyer in the sell agreement of 15 geothermal power plants in Japan at a price of Yen 320 million per plant, a total of Yen 4,800 million. with the subsidiary receiving a deposit of Yen 200 million and the remaining Yen 4,600 million. Buyers will pay within February 2019.

On February 21, 2019, the first buyer transferred the rights and obligations under the Memorandum of Understanding (MOU) to the second buyer. (which has common director with a subsidiary who sells the property) and extended for June 30, 2019.

On February 25, 2019, a subsidiary and the second buyer has entered into agreements, with an agreement that the second buyer will pay second deposit of Yen 400 million and transfer of 25 percent of the second buyer company to the subsidiary company by March 15, 2019 and the subsidiary company will transfer the ownership of four power plants (part of the 15 plants) to the second buyer within 15 days from receipt of payment.

On April 5, 2019, a subsidiary enters into sell agreement of four geothermal power plants (part of the 15 plants) that consisted of P-Power (2 locations) and Lena – 1 (2 locations) with second buyer value Yen 800 million. Buyer will pay Yen 400 million within 2 weeks after contract signing and Yen 400 million within 1 within 1 year after contract signing. With the addition memorandum that second buyer could terminate the sell

agreement of four geothermal power plants if the contract is not approved by the Company board of directors. However, until present there is no approval resolution of the board of directors.

On April 11, 2019, the subsidiary received Yen 400 million from the second buyer. The subsidiary received toalling of Yen 600 million and recorded as other current liability.

On July 23, 2019, the subsidiary received an order from the second buyer to transfer Yen 16.96 million (approximately THB 4.75 million) to two companies which are creditors of second buyer. A subsidiary paid according to the order and recorded as other current asset.

According to the minute of board of director meeting No. 22/2019 on December 23, 2019, the company requested the second buyer pay the remaining amount of Yen 4,200 million to the subsidiary within January 31, 2020, informed second buyer that if they do not pay, the company will terminate the sell agreement and forfeit the deposit of Yen 600 million, and to seek new investor, to improve production effectiveness, and acknowledged the unpermitted contract approval of a subsidiary in Japan. A Japanese legal advisor suggested the company that by Japanese law it has to prove the true intention of the contract approval. If it did not present a true intention, this contract becomes invalid. If the company could prove that the first director approved the contract instead of second director, this contract is not binding the subsidiary.

On December 25, 2019 the company issued notice to the second buyer to pay the remaining balance, and confirmed the sell value of Yen 320 million per each geothermal power plant, and rejected proposal from second buyer to purchase four geothermal power plant at Yen 200 million per plant. The notice requested the second buyer to pay the remaining balance of the Memorandum of Understanding (MOU) dated June 21, 2018 of Yen 4,200 million within January 31, 2020 otherwise the company will terminate to sell agreement and forfeit the deposit.

According to the minute of board of director meeting No. 1/2020 on February 5, 2020, the company acknowledged the progress of sell agreement of 15 geothermal power plants, at present the second buyer did not pay the remaining balance to the company, therefore the management will consult with legal council to forfeit the deposit of Yen 600 million.

On February 24, 2020 we acknowledged report of auditor of the subsidiary, the auditor report presented disclaimer of opinion to the subsidiary financial statements as at December 31, 2019 due to could not obtain sufficient appropriate audit evidence to the asset transfer agreement dated April 5, 2019. The consequence of the asset transfer agreement of geothermal power plants in Japan is uncertainty and not finalized, and due to the auditor of the subsidiary in Japan could not obtain sufficient appropriate audit evidence of the asset transfer agreement as presented above. Therefore we could not propose any audit adjustment that needs to adjust due to the consequence of the agreement that has impact to the financial statements, referred to as a limitation by circumstance.

## **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 December 31, 2019, the group has current liabilities exceeds current assets amounting to Baht 1,257.20 million (the company Baht 1,557.37 million), and the group of the company had continuous operating loss. In addition, as at December 31, 2019 the group of company had debt to equity ratio of 5.27 which is higher than stated in the loan covenant of the loan agreement. Thus the group of company has to request the waiver from creditors, if the creditors did not approve the group of company has to seeking for fund to repay loan as said. Situation and circumstance and note number

1.2 indicated the material uncertainty exists that may cast significant doubt on the Group of company ability to continue as a going concern. Hereby, my opinion is not modified in respect of this matter.

## 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 2019, the Group had loans from financial institutions and debentures totaling Baht 1,248 million (63 percent of total liabilities) (Separate financial statements: Baht 1,248 million (64 percent 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 26 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><b>Key audit procedures included:</b></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>Impairment of power plant in Japan, goodwill and loan to related companies</b></p> <p>As of 31 December 2019, the Group has investments in geothermal power plants projects in Japan, with carrying amounts totaling Baht 564.84 million, after deducting impairment provision of Baht 385.97 million (Note 11).</p> <p>The group of company has goodwill from business combination of THB 6.42 million, net of impairment provision of THB 274.15 million (Note 22)</p>	<p><b>Key audit procedures included:</b></p> <ul style="list-style-type: none"> <li>- I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised.</li> </ul>

### Key Audit Matters

In addition, the Company has loans to related companies amounting to Baht 63.23 million after deducting impairment provision of Baht 89.78 million (The separate financial statement of THB 347.03 million, net of impairment provision of THB 317.57 million) presented in the separate financial statements. The loans to subsidiaries are for investment in the power plants project in Japan. (Note 6.2)

These transactions are significant to the consolidated and separate financial statements. I have focused my audit on the consideration of the impairment of goodwill, the geothermal power plants project in Japan and loans to related companies (subsidiaries) because the assessment of impairment based on the estimated recoverable amount is a significant accounting estimate requiring management to exercise a high degree of judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate. There is thus a risk with respect to the amount of impairment loss on goodwill from business combination, the geothermal power plants project and loans to related companies.

### Audit procedures respond risk

- I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from all power plant projects, by checking those assumptions to information from various sources.
- Comparing cash flow projections to actual operating results in order to evaluate the exercise of management judgment in preparing the cash flow projections.
- I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the industry. I tested the calculation of the realisable value of the projects.
- reviewed the disclosures made with respect to the impairment assessment for goodwill and unallocated costs of business acquisition and loans to related companies.

### Allowance for doubtful accounts

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.

### Key audit procedures included:

- 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;
- Perform substantive testing as follows:
  - Send the confirmation requests to trade accounts receivable at the end of year;
  - 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;

Key Audit Matters	Audit procedures respond risk
<p>Also, as at 31 December 2019, the Company had trade accounts receivable amounted to Baht 285 million and allowance for doubtful accounts amounted to Baht 97 million (net amount was 12 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>	<ul style="list-style-type: none"> <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>

### Emphasis of Matter

I draw attention to Note 11 on February 21, 2019, the first buyer. Transferred the rights and obligations under the Memorandum of Understanding (MOU) in the sale of 15 geothermal power plants in Japan to the second buyer (which has common director with a subsidiary who sells the property) And extended to 30 June 2019.

I draw attention to Note 4.21 describing the effect of the change in accounting policies of Land revaluation which are measured at revalued amount. My opinion is not modified in respect of these matters.

### 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**  
**March 30, 2020**

## A decorative graphic consisting of several overlapping rounded rectangular and circular shapes in shades of blue and teal, arranged diagonally across the page.

110 Annual Report 2019



PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES									
STATEMENTS OF FINANCIAL POSITION (CONTINUED)									
DECEMBER 31, 2019									
									(Unit : Baht)
				Consolidated financial statements			Separate financial statements		
				December 31,	December 31,	January 1,	December 31	December 31,	January 1,
				2019	2018	2018	2019	2018	2018
				Note	"Reclassification"	"Reclassification"		"Reclassification"	"Reclassification"
<b>Liabilities and shareholders' equity</b>									
<b>Current liabilities</b>									
Short-term borrowings from financial institutions		24		187,294,869	549,947,985	408,761,483	163,555,184	549,947,985	408,761,483
Trade and other current payables		6, 25		250,466,942	297,764,379	163,937,528	485,495,320	293,950,443	156,786,127
Short - term loans		6		275,940	-	-	-	-	-
Current portion of long - term liabilities		26		1,249,800,264	1,320,486,826	1,025,881,321	1,249,800,264	1,320,486,826	1,025,881,321
Current income tax payable				19,322,902	82,065	2,856,172	-	-	1,846,749
Other current liabilities		27		178,867,302	62,889,735	6,274,934	9,727,185	2,979,328	4,186,916
Liabilities included in disposal groups									
classified as held for sale		11		-	70,212,382	-	-	-	-
<b>Total current liabilities</b>				1,886,028,219	2,301,383,372	1,607,711,438	1,908,577,953	2,167,364,582	1,597,462,596
<b>Non - current liabilities</b>									
Long - term loans		26		437,202	201,352,444	868,531,856	437,202	201,352,444	868,531,856
Deferred tax liabilities		31		82,609,360	4,247,810	120,965,692	18,872,558	4,247,810	59,288,137
Non - current provisions for employee benefits		28		27,093,404	19,433,737	13,545,242	12,582,821	19,433,737	13,545,242
Other non - current liabilities				731,200	450,000	-	731,200	450,000	-
<b>Total non - current liabilities</b>				110,871,166	225,483,991	1,003,042,790	32,623,781	225,483,991	941,365,235
<b>Total liabilities</b>				1,996,899,385	2,526,867,363	2,610,754,228	1,941,201,734	2,392,848,573	2,538,827,831

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PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES							
STATEMENT OF COMPREHENSIVE INCOME							
FOR THE YEAR ENDED DECEMBER 31, 2019							
							(Unit : Baht)
				Consolidated financial statements		Separate financial statements	
			Note	2019	2018	2019	2018
Revenues							
Revenues from sales				2,119,416,493	2,060,977,303	1,775,449,312	1,984,351,945
Other income							
	Gain on investments in securities			-	1,597,175	-	1,597,175
	Interest income			1,749,523	8,736,858	6,592,413	21,393,256
	Reversed allowance of impairment on assets			208,600	4,533,289	208,600	1,635,229
	Reversed allowance of impairment on loans			-	-	-	270,800,000
	Reversed allowance of impairment on investment						
	in subsidiary Company			-	-	-	77,774,553
	Gain on foreign exchange			-	2,119,803	30,980,711	-
	Other			12,083,852	45,604,889	40,244,069	27,842,658
Total revenues				2,133,458,468	2,123,569,317	1,853,475,105	2,385,394,816
Expenses							
	Cost of sales			1,757,394,070	1,793,561,551	1,599,818,758	1,721,579,201
	Cost of distributions			90,538,284	95,425,161	90,538,284	95,425,161
	Administrative expenses			257,921,234	211,578,583	159,515,027	175,727,299
	Other expenses			1,471,471,729	-	1,573,913,686	6,321,370
	Finance costs			125,466,193	125,961,963	119,820,676	125,961,963
Total expenses				3,702,791,510	2,226,527,258	3,543,606,431	2,125,014,994
Share of loss from investments in associates				14	-	-	-
Profit (loss) before income tax expenses				(1,569,333,042)	(102,957,941)	(1,690,131,326)	260,379,822
	Tax expenses (tax income)			31	(108,737,696)	(97,052,441)	3,696,696
Profit (loss) for the year				(1,460,595,346)	(110,084,444)	(1,593,078,885)	256,683,126

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES							
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)							
FOR THE YEAR ENDED DECEMBER 31, 2019							
							(Unit : Baht)
					</		

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES													
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY													
FOR THE YEAR ENDED DECEMBER 31, 2019													
													(Unit : Baht)
Consolidated financial statements													
Equity attributable to owners of the Company													
Other components of shareholders' equity													
Other comprehensive income - net of income tax													
								Exchange differences on translation of financial statements in foreign currency					

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES													
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)													
FOR THE YEAR ENDED DECEMBER 31, 2019													
													(Unit : Baht)
Separate financial statements													
										Other components of shareholders' equity			
										Other comprehensive income - net of income tax			
										Surplus (deficit) on changes in value of	Gains(losses) on re-measurements of defined benefit plans	Revaluation surplus	Total other components of shareholders' equity
										available - for - sale investments	investments	of defined benefit plans	shareholders' equity
Note	Issued and fully paid - up share capital	Share premium - ordinary shares	Capital reserve for share - based payment transactions	Retained earnings	Unappropriated	Appropriated	Retained earnings	Unappropriated	Investments	Revaluation surplus	Shareholders' equity	Shareholders' equity	Total
Balance as at January 1, 2018	563,050,687	489,124,511	41,479,200	56,845,152	573,266,420	56,845,152	573,266,420	(3,177,381)	(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)	(457,712,798)	-	-	(460,890,179)	(204,207,053)
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	826,772,165	56,845,152	826,772,165	(608,818,119)	(608,818,119)	-	-	(608,818,119)	1,368,453,596
Changes in shareholders' equity for the year 2019 :													
Share capital increase	33	125,015,789	123,555,443	-	-	-	-	-	-	-	-	-	248,571,232
Total comprehensive income (expense) for the year	-	-	-	-	(1,593,078,885)	540,566,132	540,566,132	-	-	70,168,969	70,168,969	610,735,101	(982,343,784)
Balance as at December 31, 2019	688,066,476	612,679,954	41,479,200	56,845,152	(766,306,720)	56,845,152	(766,306,720)	(68,251,987)	(68,251,987)	-	-	1,916,982	634,681,044

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES					
CASH FLOWS STATEMENTS					
FOR THE YEAR ENDED DECEMBER 31, 2019					
					(Unit : Baht)
			Consolidated financial statements	Separate financial statements	
	Note	2019	2018	2019	2018
Cash flows from operating activities					
Profit (loss) before income tax expenses		(1,569,333,042)	(102,957,941)	(1,690,131,326)	260,379,822
Adjustments to reconcile profit (loss) to cash received (paid)					
Adjusted financial costs		125,466,193	125,961,963	119,820,676	125,961,963
Adjusted trade accounts and other current receivables (increase) decrease		31,891,689	(154,669,467)	23,060,851	(124,826,261)
Adjusted inventories (increase) decrease		41,574,957	(42,169,966)	23,974,107	(42,169,966)
Adjusted other assets (increase) decrease		(1,854,060)	15,830,027	1,027,307	(1,406,048)
Adjusted trade accounts and other current payable increase (decrease)		(98,969,416)	134,933,883	180,990,916	136,536,680
Adjusted other liabilities increase (decrease)		(1,856,025)	(1,080,706)	7,029,058	(757,589)
Depreciation and amortization		147,555,690	142,323,192	6,803,161	74,025,236
Adjusted provisions for employee benefits (reversal)		8,134,667	3,171,114	3,907,124	3,171,114
Adjusted unrealised on exchange loss (gain)		18,739,105	3,875,707	(30,980,711)	6,321,370
Adjusted loss (gain) from real exchange rate		3,716,996	-	3,716,996	-
Adjusted bad debts and doubtful accounts (reversal)		24,361,506	18,536,355	24,361,506	18,536,355
Adjusted loss from reduce cost of inventories (reversal)		159,454	(1,840,516)	(15,328,970)	(1,840,516)
Adjusted loss (gain) from disposal of non-current assets					
- Loss (gain) on sales of available for sale securities		771,938,672	(1,597,257)	771,938,672	(1,597,257)
- Loss (gain) on sales of equipment		(77,214)	(461,111)	(245,256)	(461,111)
- Loss (gain) on sales of other non-current assets		74	-	74	-
Adjusted other reconcile profit (loss)					
- Dividend income from investments held as available for sale		(67,597)	(10,827,466)	(67,597)	(10,827,466)
- Impairment on loans and interest receivable		102,855,051	-	392,684,834	-
- Impairment on investment in subsidiary Company		-	-	394,546,714	-
- Impairment on advance payment for construction of geothermal power plants		28,421,769	-	-	-
- Impairment on advance payment for Riverside project		14,743,465	-	14,743,465	-
- Impairment on advance payment for Hot spring rights		33,112,740	-	-	-
- Impairment on advance payment for Wind power		64,089,082	-	-	-
- Loss on impairment of land		7,311,339	-	-	-
- Loss on impairment of plant and equipment		158,956,282	-	-	-
- Loss on impairment of intangible assets		223,363,192	-	-	-
- Loss on impairment of goodwill		47,941,032	-	-	-
- Reversed allowance of impairment on loans		-	-	-	(270,800,000)
- Reversed allowance of impairment on investment in subsidiary Company		-	-	-	(77,774,553)
- Allowance for doubtful accounts (reversal)		-	(20,483,810)	-	(20,483,810)
- Reversed allowance of impairment on assets		(208,600)	(4,533,289)	(208,600)	(1,635,229)
- Interest income		(1,749,523)	(8,736,858)	(6,592,414)	(21,393,256)
Total adjustment to reconcile profit (loss)		1,749,550,520	198,231,795	1,915,181,913	(211,420,344)
Net cash provided by (used in) operating activities		180,217,478	95,273,854	225,050,587	48,959,478
Interest expenses		(103,333,661)	(112,291,547)	(110,489,251)	(117,557,507)
Tax received (paid)		(17,156,149)	(3,538,633)	-	(1,846,749)
Cash paid for employee benefits		(475,000)	(460,000)	(220,000)	(460,000)
Net cash provided by (used in) operating activities		59,252,668	(21,016,326)	114,341,336	(70,904,778)



PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES					
CASH FLOWS STATEMENTS (CONTINUED)					
FOR THE YEAR ENDED DECEMBER 31, 2019					
					(Unit : Baht)
		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
<b>Cash flows from investing activities</b>					
(Increase) decrease in restricted bank deposits		(9,955,586)	(69,614)	7,664,414	(69,614)
Acquisition of investments in subsidiaries		-	-	(1,014,620,000)	(1,032,820)
Cash received from sales other equity instrument		145,720,374	926,048,716	145,720,374	926,048,716
Cash paid for purchases other equity instrument		(6,126,375)	(652,343,229)	(6,126,375)	(652,343,229)
Decrease in other current investments		-	200,500,000	-	200,500,000
Increase in other current investments		-	(90,000,000)	-	(90,000,000)
Cash received from property, plant and equipment		365,639	526,259	245,259	526,259
Cash paid for investment properties		(3,600,512)	-	(3,600,512)	-
Cash paid for property, plant and equipment		(16,448,844)	(26,129,189)	(1,724,318)	(26,129,189)
Cash paid for intangible assets		(602,303)	(2,517,355)	-	(2,517,355)
Cash received from loan to related parties		2,491,257	-	1,081,783,838	88,010,816
Cash paid for loans to related person or parties		-	(92,557,607)	-	(70,029,700)
Cash paid for loans to related person other or parties other		-	(4,103,246)	(4,824,079)	-
Deposit from the sale of geothermal power plants		116,280,000	59,980,300	-	-
Cash paid for advance payment for assets		(7,200,000)	-	(7,200,000)	-
Deposit from advance payment for Riverside project		47,104,099	-	47,104,099	-
Cash paid for advance payment for Riverside project		-	(65,564,560)	-	(65,564,560)
Dividend received		67,597	10,827,466	67,597	10,827,466
Interest income		8,091,785	4,853,310	30,537,801	4,779,049
<b>Net cash provided by (used in) investing activities</b>		<b>276,187,131</b>	<b>269,451,251</b>	<b>275,028,098</b>	<b>323,005,839</b>

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES					
CASH FLOWS STATEMENTS (CONTINUED)					
FOR THE YEAR ENDED DECEMBER 31, 2019					
					(Unit : Baht)
		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
<b>Cash flows from financing activities</b>					
Cash received from borrowing					
From bill of exchange and promissory notes		547,000,000	260,200,000	547,000,000	260,200,000
From debenture		207,600,000	653,500,000	207,600,000	653,500,000
From short-term loans		275,940	-	-	-
Cash paid for repayment of borrowing					
Bill of exchange due		(680,000,000)	(187,200,000)	(680,000,000)	(187,200,000)
Maturity debenture		(394,500,000)	(986,200,000)	(394,500,000)	(986,200,000)
Borrowing from financial institutions		(281,064,650)	(42,553,875)	(281,064,650)	(42,553,875)
Cash paid for repayment of liabilities under long - term lease agreements		(2,122,608)	(2,126,165)	(2,122,608)	(2,126,165)
Cash receive from issued share capital		248,571,232	-	248,571,232	-
Accounts payable - trust receipts increases (decrease)		(25,540,094)	69,497,234	(25,540,094)	69,497,234
Bank overdrafts increase (decrease)		23,463,442	276,244	(276,244)	276,244
Payment of front end fee and debenture issuing costs		(8,329,950)	(15,805,234)	(8,329,950)	(15,805,234)
<b>Net cash provided by (used in) financing activities</b>		<b>(364,646,688)</b>	<b>(250,411,796)</b>	<b>(388,662,314)</b>	<b>(250,411,796)</b>
Net cash and cash equivalents increase (decrease)					
before effect of exchange rate		(29,206,889)	(1,976,871)	707,120	1,689,265
Effect of exchange rate to cash and cash equivalents		54,237,898	(8,036,180)	-	-
<b>Net in cash and cash equivalents increase (decrease)</b>		<b>25,031,009</b>	<b>(10,013,051)</b>	<b>707,120</b>	<b>1,689,265</b>
<b>Cash and cash equivalents at beginning of the year</b>	7	<b>20,505,636</b>	<b>48,293,144</b>	<b>16,396,102</b>	<b>14,706,837</b>
Cash and cash equivalents from discontinued operations at the end of the year		-	(17,774,457)	-	-
<b>Cash and cash equivalents at ending of the year</b>	7	<b>45,536,645</b>	<b>20,505,636</b>	<b>17,103,222</b>	<b>16,396,102</b>
<b>Supplemental Disclosure of Cash flows information</b>					
Non - cash items					
Acquisition of assets that have not yet been paid		4,067,391	3,688,089	904,150	3,688,089
Assets acquired under long-term lease agreements		-	1,238,112	-	1,238,112
Transferred Property Plant and Equipment to Investment Property		652,000	27,175,701	652,000	27,175,701
Disposal groups classified as held for sale	11	(663,549,101)	1,197,773,322	-	-
Past of liabilities in disposal groups classified as held for sale	11	(21,374,928)	70,212,382	-	-
Partial business transfer to Thai Luxe Enterprises (Thailand) Co., Ltd					
By book values of assets and liabilities transferred as follows					
Inventories		-	-	198,696,303	-
Other current assets		-	-	612,894	-
Property Plant and Equipment		-	-	563,096,831	-
Intangible assets		-	-	11,281,814	-
Other non - current assets		-	-	414,868	-
Employee benefits		-	-	10,538,040	-
Transferred Advance Payment to Investment Property		48,000,000	-	48,000,000	-
Transferred Advance Payment to Property Plant and Equipment		24,000,000	-	24,000,000	-
Transferred Investment Property to Property, plant and equipment					
not used in operations		3,364,900	3,364,900	3,364,900	3,364,900

## 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 Going concern

As at December 31, 2019, the Group has current liabilities exceeds current assets amount of to Baht 1,257.20 million (the Company of Baht 1,555.37 million), and the group of the company had continuous operating loss. Most of current liabilities consisted of promissory notes from financial institutions amount of Baht 120 million that mature in first quarters of 2020, debenture amount of Baht 200 million and 319.50 million respectively those mature in second and third quarters of 2020 (In the third quarters of 2019, the Company being unable to repay the debentures redemption No. 2/2018 in the amount of Baht 319.50 million, with the redemption date on August 2, 2019) and long-term loan from financial institutions of Yen 1,886 million (approximately Baht 527 million). In addition, as at December 31, 2019, the Group of company has a debt to equity ratio of 5.27, which is higher than stated in the loan covenant of the loan agreement and debenture agreements. Thus the group of company has to request the waiver from creditors, if the creditors did not approve the group of company has to seeking for fund to repay loan as said.

In addition, during the year 2019, the management of the Group performed the operations as follow:

1. The Debenture No.2/2018, amounting to Baht 319.50 million, with the redemption date on August 2, 2019. The Company has not paid. In accordance with the resolution of the Board of Directors in the meeting No. 16/2019 on August 6, 2019 therefore resolved to notify the event of default on the payment of the Debentures by resolved to call the meeting Hold the debentures on September 2, 2019 to extend the repayment period of 330 days from the date of redemption. This will be due on July 2, 2020. The Company will pay the normal interest of the period on August 2, 2019, amounting to approximately Baht 5.71 million on September 2, 2019 and the Company will request to change the normal interest rate from the interest rate of 7.25 percent per annum. Increased by 0.50 percent per annum to 7.75 percent per annum. The Company will pay the interest that will be approved by the debenture holders' meeting in the next period on November 2, 2019 amounting to Baht 6.11 million, February 2, 2020, amounting to Baht 6.11 million and July 2, 2020, amounting to Baht 10.18 million, including the total interest paid from the due date (August 2, 2019) to July 2, 2020, amounting to Baht 22.39 million.

So as to the bondholders' meeting No. 1/2019 on September 2, 2019 to consider the debenture extension plan, worth of Baht 319.50 million and requesting a waiver of the

default interest rate. The meeting has approved the plan to extend the principal redemption of the debenture No. 2/2018, worth of Baht 319.50 million, which was redeemed on August 2, 2019 with an extension of the principal redemption period of this debenture until July 2, 2020 or extended to 330 days at the interest rate of 7.75 percent per annum but the meeting does not approve the waiver, except for the default interest rate from August 2, 2019 to September 2, 2019. On September 5, 2019, the Company has processed a 2 percent per annum default interest payment (in addition to the 7.25 percent per annum paid from the Company) of the debenture which calculated from the date of August 2, 2019 to September 5, 2019 in the amount of Baht 0.61 million.

For the debenture No. 3/2018, value Baht 134 million, maturing date on September 3, 2019. On September 6, 2019, the company paid the principal with outstanding interest of the debentures at a normal rate of 7.25 %, total amount of Baht 136.45 million, including the 3 day interest expense at the defaulted interest rate (at the rate of 9.25 %) total amount of Baht 0.10 million calculated from September 3, 2019 to 5 September 2019 of debentures.

On December 31, 2019, the Company is unable to maintain the debt to equity ratio as stated in the terms and conditions of the debenture, which is considered as a violation of the conditions that causing the bondholders to have the right to call back the debentures immediately.

In the year 2020, the Company called a shareholders' meeting.

1.) The resolutions of the debenture holders' meeting No. 1/2020, (the debentures No.1/2018) on February 27, 2020 are as follows:

1. Resolved to approve the amendment of the terms and conditions of the bond issuers and bondholders and to extend the maturity date of the bond No. 1 (the debentures No.1/2018) from the original date of 8 May 2020 to 8 May 2021.
2. Resolve to approve the amendment of terms and conditions of the bond issuers and bondholders by redeeming investments in available-for-sale securities that the Company owns and as the guarantee for bond (the debentures No.1/2018). The Company will sell those via the Stock Exchange of Thailand and pay for debt to bondholders of Baht 60 million.
3. Resolve to approve the amendment of terms and conditions of bond issuers and bondholders with the exception to maintain the debt to equity ratio (D/E Ratio) from the originally specified at the D/E Ratio of 3:1 to no longer fixed the condition of D/E Ratio.

In this regard, the Company explained to the bondholders' meeting further as follows:

The Company is an exercise the right to redeem some debentures before maturity date amount of Baht 30 million, (15 percent of the debentures of each unit the proportion of debentures held by the holder). On April 23, 2020, which is the exercise of the rights and obligations of the debenture issuer and the debenture holder, No.10 redemption and repurchase of debentures.

2.) The resolutions of the debenture holders' meeting No. 1/2020, (the debentures No.2/2018) on February 27, 2020 are as follows:

1. Resolved to approve the amendment of the terms and conditions of the bond issuers and bondholders and to extend the maturity date No.2 (the debentures No.2/2018), amount of Baht 319.50 million, from the original date on July 2, 2020 to July 2, 2021.

2. Resolved not to approve the amendment of the terms and conditions of the bond issuers and bondholders by requesting an exemption of conditions for maintaining the debt to equity ratio (D/E Ratio) of 3:1. Therefore, the Company shall maintain the debt to equity ratio (D/E Ratio) as previously specified.

In this regard, the Company explained to the bondholders' meeting further as follows: The Company to exercise the right to redeem some debentures before maturity date amount of Baht 63.90 million, (20 percent of the debentures of each unit the proportion of debentures held by the holder). On June 17, 2020, which is the exercise of the rights and obligations of the debenture issuer and the debenture holder, No.9. redemption and repurchase of debentures.

- 3.) The resolutions of the debenture holders' meeting No. 1/2020, (the debentures No.1/2019) on February 28, 2020 are as follows:

Resolved to approve the amendment of the terms, conditions and the duties of the bond issuer and bondholders by revising the maintenance of debt to equity ratio (D/E Ratio) from originally 3:1 to 7:1 as proposed by the bond issuer that proposed to the bondholders' meeting, and also to fix the additional terms & conditions that if the maintenance of the debt to equity ratio (D/E Ratio) is more than that specified above, the bondholder representative shall consider and comment under the scope in case of the effect on impairment of assets and investment of the company only.

- 4.) The resolutions of the debenture holders' meeting No. 2/2020, (the debentures No.2/2018) on March 24, 2020 are as follows:

Resolved to approve the amendment of the terms, conditions and the duties of the bond issuer and bondholders by revising the maintenance of debt to equity ratio (D/E Ratio) from originally 3:1 to 7:1 as proposed by the bond issuer that proposed to the bondholders' meeting,

In this regard, the Company has a plan to pay the debentures that will be redeemed in the future as disclosed to the interim financial statements in Note 26.2.

2. Promissory note from a financial institution No.1 in the amount of Baht 100 million at interest rate of 4.05 percent per annum with due date on October 9, 2019. On the same day, the Company had redeemed the redemption promissory note amount of Baht 100 million. After that the Company renewed the promissory note amount of Baht 80 million at interest rate of 5.25 percent per annum with due date on January 31, 2020.

Promissory note from a financial institution No. 2 in the amount of Baht 50 million at interest rate of 4.05 percent per annum with due date on July 31, 2019. At the present, the Company had repaid in the amount of Baht 10 million, the remaining unpaid amount of Baht 40 million and the Company had negotiated to waive with the lender bank to request a waiver of payment and on August 14, 2019, the lender bank approved the renewal of promissory note of Baht 40 million, starting from August 16, 2019 to October 31, 2019 and requesting to collect default interest between August 1, 2019 and August 16, 2019. As at October 31, 2019, the Company redeemed promissory note that due amount of Baht 40 million and issued new promissory note with interest rate 5.25 percent per annum, maturity date on January 31, 2020.

Later, on January 31, 2020 the Company was negotiating with the bank lenders to extend the maturity of the both promissory notes amount of Baht 120 million, which bank lenders have

agreed to extend the payment and promissory notes. By increasing the interest rate is 6 percent per annum, as detailed below:

1. Payment of Baht 12 million. On January 31, 2020 (the Company paid successfully)
2. Payment of Baht 12 million. On March 31, 2020.
3. Payment of Baht 12 million. On April 30, 2020.
4. Payment of Baht 12 million. On May 29, 2020.
5. Payment of Baht 12 million. On June 30, 2020.

For the remaining amount of Baht 60 million to be paid on July 31, 2020.

However, the financial institution will gradually reduce the promissory note due to the payment of a promissory note of Baht 40 million and to reduce the promissory note to Baht 80 million.

3. For liabilities with long-term financial institutions amounting of Yen 1,886 million (approximately Baht 527 million) (Note 26.1) such long-term liabilities are in accordance with the loan agreement of a financial institution, which has a contract in the case of default determined that when the Company has any other liabilities, no payment is due is the case of default.

- 3.1) In the event of default, if the Company has liabilities that have not been repaid when due is a default event.

On August 16, 2019, the Company has received notice of delay of exercising Call Default from the lender bank as follows. As the event that the Company defaulted on paying Debentures No. 1/2019 in amount of Baht 319.50 million, which is considered as the default event / breach of the loan contract that the Company has signed with the bank. Currently, the bank will not exercise the right to Call Default due to the event that the Company defaulted on paying the debentures as described above. Provided that if there are any events considered by the bank that may affect the ability to pay the debt that the Company has signed with the bank, such as (but not limited to) other creditors of the Company exercising the right to recall debt or exercise the right to enforce debt repayment, etc. The bank will immediately use the right to Call Default with the Company.

- 3.2) Debt to equity ratio as stated in the loan agreement.

On December 31, 2019, the Company cannot allocate debt to equity ratio as stipulated in the loan agreement, which is considered as a breach of the loan agreement, the bank have the right to call the loan immediately returned.

On February 18, 2020, the lender bank agreed to permit the breach in case of debt to equity ratio, which is not considered as a default event.

However, the management of the Group in progress as follows:

- 1.) Board of Directors Meeting No. 8/2018 on May 18, 2018 (Note 11) approved the Company to sell the 15 geothermal power plant projects located nearby Oasa-Tsurumi, Beppu city, Oita prefecture, Japan approximately Yen 320 million per project or equivalent to approximately Baht 91.71 million per project. Total project value is not less than Yen 4,800 million.

Then on June 21, 2018, the Company has the Memorandum of Understanding, MOU with the buyer (Relocation Group) for the sale of 15 geothermal power plant projects in Japan in amount of Yen 320 million, the Company has received the deposit amounting of Yen 200 millions, according to sale contract identify that the buyer

(Relocation Group) will pay remaining amounting of Yen 4,600 millions within February 2019.

On February 21, 2019, Relocation Group transferred the right and obligation under the Memorandum of Understanding (MOU) to Beppu Forest Power Co., Ltd. (which has common director with a subsidiary who sells property) and extent to June 30, 2019.

On February 25, 2019, PPSN Co., Ltd. and Beppu Forest Power Co., Ltd. entered into agreements, with an agreement that Beppu Forest Power Co., Ltd. will pay second deposit of Yen 400 million and transfer 25 percent of Beppu Forest Power Co., Ltd. to PPSN Co., Ltd. by March 15, 2019 and PPSN Co., Ltd. will transfer the ownership of the four power plants (part of the 15 plants above) to Beppu Forest Power Co., Ltd. within 15 days from receipt of payment.

On April 5, 2019, a subsidiary enters into sell agreement of four geothermal power plants (part of the 15 plants) that consisted of P-Power (2 locations) and Lena – 1 power plant (2 locations) with Beppu Forest Power Co., Ltd. value Yen 800 million. Beppu Forest Power Co., Ltd. will pay Yen 400 million within 2 weeks after contract signing and Yen 400 million within 1 year after contract signing. With the addition memorandum that Beppu Forest Power Co., Ltd. could terminate the sell agreement of four geothermal power plants if the contract is not approved by the Company board of directors. However, until present there is no approval resolution of the board of directors.

On April 11, 2019, the subsidiary received the deposit amount of Yen 400 million from Beppu Forest Power Co., Ltd.

The subsidiary received totalling of Yen 600 million (approximately Baht 165.56 million) and recorded as other current liability.

On July 23, 2019, PPSN Co., Ltd. received an order from Beppu Forest Power Co., Ltd. to PPSN Co., Ltd. to transfer Yen 16.96 million (approximately Baht 4.75 million) to two companies which is a creditor of Beppu Forest Power Co., Ltd., which the company paid according to the order and recorded as other current assets.

On December 23, 2019, the Board of Directors' meeting No.22/2019 considered progress on the sale of 15 geothermal power plant projects in Japan and conclude event are as follows:

According to the Company's resolution on May 15, 2018, disposes of the 15 geothermal power plant in Japan at the price of the Yen 320 million per location, and according to the Memorandum of Understanding, MOU on June 21, 2018, later, Japanese subsidiary companies entered into 3 contracts are as follows:

On February 25, 2019, the first contract has the essence of Beppu Forest Power Co., Ltd. will also pay second deposit along amount of Yen 400 million (approximately Baht 116.28 million) with a transfer of 25 percent shares to the PPSN Co., Ltd. And the PPSN Co., Ltd. will transfer the right and obligation in four power plants under the agreement to Beppu Forest Power Co., Ltd. within 15 days since receiving payment.

On April 5, 2019, the second contract is memorandum of agreement between Beppu Forest Power Co., Ltd. and PPSN Co., Ltd., agreed that Beppu Forest Power Co., Ltd. has the right to terminate the contract if the contract for transfer of property (Contract 3) is not approved by the board of directors.



On April 5, 2019, the third contract has 4 parties as follows Beppu Forest Power Co., Ltd., PPSN Co., Ltd., Lena Power Station No.1 LLC. and the Company which the contract was signed only by Beppu Forest Power Co., Ltd. and PPSN Co., Ltd. which mentions the purchase and sale of power plants at a price of Yen 200 million per location, ownership of PPSN Co., Ltd. 2 locations and Lena Power Station No.1 LLC. 2 locations totaling 4 locations in amount of Yen 800 million and did not mention the transfer of 25 percent shares in the amount of 25 percent, which was contrary to the first contract.

The Company has consulted with the Japanese legal counsel in the case of three contracts that are binding on the Company, which the Japanese legal counsel has Legal Opinion, these are conclusion as follows:

1. In the case of Lena, if it proves that Lena has not authorize PPSN Co., Ltd. to act on its behalf, there will not be binding on Lena Power Station No.1 LLC.
2. If the Company can prove that the Company has not authorize PPSN Co., Ltd. to act on its behalf, there will be no binding on the Company.

PPSN Co., Ltd. by the former director No.2 at that time notice privately that he did not sign it. But the former director No.1 signed instead which the Japanese legal counsel informed that according to Japanese law, this case is considered True Intention, which is the true intent of the contract. If contrary to the intention of the signatory this contract will be invalid, which, if proven, that the former director No.2 didn't sign this contract but was signed by the former director No.1 instead this contract will not bind PPSN Co., Ltd. either.

According to the resolution of the Board of Directors Meeting No. 22/2019 on December 23, 2019 has resolved to send a notice to Beppu Forest Power Co., Ltd. to pay the remaining amount of Yen 4,200 million to the Company within January 31, 2020. If Beppu Forest Power Co., Ltd. ignores the remaining payment, the Board of Directors requires the Company to exercise the right to cancel contract and confiscate the entire deposit of Yen 600 million. And urgently find other investors interested as well as speeding up production efficiency and acknowledge the arbitrary contract of the contracted company in Japan.

On December 25, 2019, the Company sent the letter in accordance with the resolution of the meeting to Beppu Forest Power Co., Ltd as follows.

The company insists on selling the power plant at a price of Yen 320 million per plant, not accepting the contract that the Beppu Forest Power Co., Ltd. later created to buy 4 power plants at the price of Yen 200 million per plant and requesting the Beppu Forest Power Co., Ltd. to pay the remaining balance according to the MOU, suitable for Yen 4,200 million by January 31, 2020, otherwise the company will cancel the contract and confiscate the deposit.

Later on January 24, 2020 and February 20, 2020, the Company was informed by a subsidiary of the electricity generating group that the electricity buyer has notified the subsidiary that the electricity buyer has brought the electricity payment to the subsidiary in 2020, in total of Yen 5,935,776 and Yen 8,835,176 respectively. A total of four plants that consisted of P-Power (2 locations) and Lena – 1 power plant (2 locations) put it at the Oita Legal Affairs Bureau because Beppu Forest Power Co., Ltd., which has entered into an agreement to purchase 15 power plants from the electricity generating group of companies asked the electricity buyer pay electricity bills to Beppu Forest Power Co., Ltd. Electricity buyers therefore have questions about the right to receive payment for electricity bills for the period of January

and February 2020 which is due in February and March 2020 put it at the Oita Legal Affairs Bureau.

In accordance with the Board of Directors' Meeting No. 1/2020 on February 5, 2020 has resolved to acknowledge the progress of the sale the power plant amount of 15 projects. Currently, Beppu Forest Power Co., Ltd. has not paid the remaining amount to the Company. Therefore, the management will seize a deposit amount of Yen 600 million approximately Baht 168 million by consult with the law.

- 2.) The Company has plans to dispose of assets and collateral of the debentures, including available-for-sale investments, and assets that are not used to operate in order to redeem the debentures and promissory notes from financial institutions and settle its loans from financial institutions and future obligations as they come due.

These events or circumstances indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However the management believes 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 the financial statements are therefore prepared by using the going concern basis of accounting.

The consolidated and separate financial statements do not include any adjustments to the reclassification or carrying value of assets and liabilities that may be necessary if the Group and the Company are unable to continue their operations as going concerns, the realizable value of assets may be significantly less than their current carrying value and additional liabilities may be incurred if the Group has no ability to continue as a going concern.

## 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 October 11, 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.

- 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"):

			Percentage of shareholding	
Company’s name	Nature of business	Country of incorporation	2019	2018
			Percent	Percent
Subsidiaries directly held by the Company				
Tluxe Global Business Co., Ltd.	Distribution of raw material for animal feed	Thailand	100	100
Tluxe 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	100
Subsidiary held through Tluxe Power Limited				
Tluxe Investments Limited	Invest in energy business	Republic of Mauritius	100	100
Origin Power Investment Co., Ltd.	Invest in energy business	Republic of Mauritius	100	100
Subsidiary held through Tluxe Investments Limited				
Tluxe 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
Subsidiary held through Origin Power Investment Co., Ltd.				
Wind Power A Co., Ltd.	Invest in wind energy business	Hong Kong Special Administrative Region	100	100

			Percentage of shareholding	
Company’s name	Nature of business	Country of incorporation	2019	2018
			Percent	Percent
Administrative Region				
Subsidiary held through Tluxe Holdings 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

- 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 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 has adopted the revised (revised 2018) and new Financial Reporting Standards and Interpretations which are effective for fiscal years beginning on or after January 1, 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 adoption of these Financial Reporting Standards does not have any significant impact on the Company's Financial statements. However, the new standard involves changes to important principles, which are summarized below:

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 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
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 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 the relevant facts and circumstances when applying each step of the model. This standard has no significant impact on the financial statements of the Group.

### 3.2 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2020.

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 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.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 leases together with related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting for the lessor has not changed significantly from TAS 17, the lessor must still classify leases as operating leases or lease financing on the basis of the same TAS 17.

Current management of the Company is evaluating the impact that could have on the financial statements in the year when the group adopted such practices.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

#### *Sale of goods*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

#### *Sale of electricity*

Income from the sale of electricity is recognised in profit or loss in accordance with delivery units supplied and price as stipulated in the contract. Incomes from the sale of electricity to buyers according to the actual power supply quantity and the rate specified in the purchase contract. Revenue from the sale of electricity is shown at the tax invoice price excluding VAT.

#### *Investment income*

Investment income comprises rental income and interest income from investments and bank deposits.

#### *Rental income*

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

### **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	Percentage of allowance for doubtful accounts
Overdue 91 days but not over 180 days	50
Overdue 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).
- 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**

##### *Recognition and measurement*

##### *Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land which is measured at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When there is disposal of revalued assets, the amount recognised in revaluation surplus is reclassified to retained earnings.

##### *Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

##### *Revalued assets*

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation surplus in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

#### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

#### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

	<b>The Company</b>	<b>Subsidiaries</b>
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

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Property, plant and equipment not used in operations

Property, plant and equipment not used in operations are stated at cost net of accumulated depreciation and allowance for loss from impairment of asset.

#### **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:

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

No amortisation is provided on software under installation.

#### **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**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

#### **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.

*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*

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:

- 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.

#### **4.21 Changing in accounting policy of Land revaluation**

The Group has changed the land measurement from cost method to revaluation method since January 1, 2019, for effect the fair value of land. The Group revalued land with fair value and recognised surplus from revaluation which of Baht 331.18 million and recorded deferred tax liabilities which of Baht 66.24 million in the statement of financial position and the statement of comprehensive income, under the account of "Land revaluation surplus".



## 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:

### Revenue from contracts with customers

#### *Identification of the to-do burden*

To specify the obligation to practice in the delivery of goods or services to customers. Management is required to assess the conditions and details of contracts with customers to determine which products or services, each carrying a burden separately or entity is to save or each service separately. When a product or service that can be identified as a separate product or service agreement. And customers benefit from the product or service.

#### *Determining the timing of revenue recognition*

In determining the timing of revenue recognition. Management must exercise judgment in determining the terms and details of the contract with the customer to determine whether the obligation to observe the finish over time or completed at any time, the Company will recognize revenue throughout the period. one time When the conditions of any of the following:

- Clients receive and utilize the results of the operations of the business while the business operations.
- The performance of the Company's assets, causing the customer control while creating assets or.
- The performance of the business entity can not cause the asset to be utilized elsewhere. And the Company's right to receive payment for the work completed to date.

If the conditions listed above the Company will recognize revenue at a time. Management judgment is required to assess whether it has an obligation to act when completed.

To calculate the revenue recognized over a period. Management uses judgment to measure the progress of work to reflect the performance of the business under an obligation to perform to complete. This is calculated by reference to the control of the Group. And a certificate of completion by the customer.

### *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*

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 years, 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.

Name	Type of Business	Type of Relationship
Thailuxe Enterprises (Thailand) Co., Ltd.	Manufacturing of aquatic animals feed and pet feed	Direct shareholder and common management team
Thuxe Global Business Co., Ltd.	Distribution of material animals feed	Direct shareholder and common management team
Thuxe Power Co., Ltd.	Investment in energy business	Direct shareholder and common management team
P PRIME SINGAPORE PTE. LTD.	Investment in real estate	Direct shareholder and common management team
Thuxe Investments Limited	Investment in energy business	Direct shareholder via subsidiary
Origin Power Investment Co., Ltd.	Investment in energy business	Direct shareholder via subsidiary
Thuxe Holdings Limited	Investment in energy business	Indirect shareholder via subsidiary
Geothermal Power A Company Limited	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
Geothermal Power B Company Limited	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
Wind Power A Co., Ltd.	Wind power plant business	Indirect shareholder via subsidiary
PPSN Co., Ltd.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary

Name	Type of Business	Type of Relationship
Sumo Power Co., Ltd.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
Beppu Tsurumi Onsen Geothermal Power Station	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
No.1 Liaison Company		
P Green Energy Company Limited	Consulting, management and Business planing	Indirect shareholder via subsidiary
Fino Binary Power Plant LLC.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
NIS Binary Power Plant LLC.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
Lena Power Station No.1 LLC.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
SNS Power Co., Ltd.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
Dual Energy Binary - Power Plant No.1 LLC.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
Otomeyama Energy Co., Ltd.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
S - Power Co., Ltd.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
M-Luxe Energy Co., Ltd.	Hot spring development	Associated company via the Company
Aulux Power Co., Ltd.	Wind power	Common director
Nutrix Pub Co., Ltd.	Manufacture of prepared feeds for pets	Common shareholders
Asia Capital Group PCL.	Financial management consultancy	Common shareholders
Beppu Forest Power Co., Ltd.	Energy	Common director with a subsidiary

6.1 The significant transactions with related parties for the years ended December 31, 2019 and 2018 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2019	2018	2019	2018	
Sales of goods					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	6.10	-	Cost prices
Nutrix Pub Co., Ltd.	184.72	187.36	-	187.36	Cost plus contract rate
Service income					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	32.78	-	Contract prices
Income from sale of property assets					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	789.39	-	Book value (Note 6.4)
Interest income					
Tluxe Power Co., Ltd.	-	-	5.13	9.60	6 – 8.25 percent per annum
Sumo Power Co., Ltd.	-	-	-	6.72	8 percent per annum
P Green Energy Company Limited	-	-	-	0.34	6.50 percent per annum
M-Luxe Energy Co., Ltd.	-	2.20	-	-	3 percent per annum
Asia Capital Group PCL.	-	2.43	-	2.43	5 – 7 percent per annum
Aulux Power Co., Ltd.	-	1.63	-	-	3 percent per annum
Purchase of goods					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	1,592.06	-	Cost plus contract rate
Purchase of raw materials					
Nutrix Pub Co., Ltd.	58.45	53.43	-	53.43	Market prices
Consulting fee					
Nutrix Pub Co., Ltd.	0.76	2.19	-	2.19	Contract prices

6.2 The balances of the accounts as at December 31, 2019 and 2018 between the Company and its related parties are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b>Trade receivables – related parties (Note 9)</b>				
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	43,957	-
Nutrix Pub Co., Ltd.	7,349	30,565	-	30,565
Total trade receivables – related parties	7,349	30,565	43,957	30,565
<b>Other current receivables – related parties (Note 9)</b>				
PPSN Co., Ltd.	-	-	1,628	55,698
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	337	11
Sumo Power Co., Ltd.	-	-	-	14,020
Geothermal Power A Company Limited	-	-	10,806	10,806
Geothermal Power B Company Limited	-	-	-	6,762
P Green Energy Company Limited	-	-	-	363
Tluxe Global Business Co., Ltd.	-	-	344	-
Tluxe Power Co., Ltd.	-	-	435	24,212
M-Luxe Energy Co., Ltd.	1,434	5,559	-	-
Aulux Power Co., Ltd.	117	1,662	-	-
Related party (director of subsidiaries)	30	-	-	-
Total other current receivables – related parties	1,581	7,221	13,550	111,872
<b>Total trade and other current receivables – related parties</b>	<b>8,930</b>	<b>37,786</b>	<b>57,507</b>	<b>142,437</b>
<b>Trade payables – related parties (Note 25)</b>				
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	422,584	-
Nutrix Pub Co., Ltd.	6,446	22,304	-	22,304
Total trade payables – related parties	6,446	22,304	422,584	22,304
<b>Other current payables – related parties (Note 25)</b>				
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	10,538	-
Nutrix Pub Co., Ltd.	3,846	469	-	469
Aulux Power Co., Ltd.	8	-	-	-
Dual Energy Co., Ltd.	4	5	-	-
Related party (former director and director of subsidiaries)	1,090	1,459	-	-
Total other current payables – related parties	4,948	1,933	10,538	469
<b>Total trade and other current payables – related parties</b>	<b>11,394</b>	<b>24,237</b>	<b>433,122</b>	<b>22,773</b>

### Loans to related party

As at December 31, 2019, the balance of loans between the Company and those related parties and the movement are as follows:

(Unit : Thousand Baht)

Loans to related parties	Type of Relationship	Consolidated financial statements			
		Balance as at January 1, 2019	Increase (decrease) during the year	Translation adjustment	Balance as at December 31, 2019
M - Luxe Energy Co., Ltd.*	Associated company	74,738	-	(4,373)	70,365
Aulux Power Co., Ltd.**	Common director	90,271	(2,491)	(5,136)	82,644
Total		165,009	(2,491)	(9,509)	153,009
<u>Less : Allowance for impairment</u>					
M - Luxe Energy Co., Ltd.*		-	(7,362)	230	(7,132)
Aulux Power Co., Ltd.**		-	(85,317)	2,673	(82,644)
Total		-	(92,679)	2,903	(89,776)
Net		165,009	(95,170)	(6,606)	63,233

\* As at August 15, 2016, the board of directors No.6/2016 approved the investment transaction approved a plan to invest in the Beppu Binary Power Plant Joint Venture Project in Japan, or M-LUXE Energy Co., Ltd. and approved investment in the form of loans amount of Yen 200 million (approximately Baht 69.56 million) interest rate at 3 percent per annum and has maturity date on August 2018, and mature on demand.

On March 7, 2017, the Executive Committee Meeting No. 3/2017 resolved to give a loan to PPSN Co, Ltd. (A subsidiary company) in the amount of Yen 50 million to allow M-LUXE ENERGY Co, Ltd. to loan for purchase of land in the amount of 1,794 square meters Interest rate at 3 percent per annum and repayment is due in March 2020.

In the year 2019, the company considered the ability to pay the debt from the financial statements of associated companies and recorded an allowance for doubtful accounts of Yen 26 million (approximately Baht 7 million) according to the amount that is expected to not be received.

\*\*As at January 25, 2018, the board of directors No.2/2018 approved to invest on Wind Power 20 units. Later, on March 14, 2018 the board of directors No.4/2018 has approved investment in the form of loans amount of Yen 100 million. However, the loan that has interest rate at 3 percent per annum and has maturity date on March 2020, and March 2021.

According to the resolution of the Board of Directors Meeting No. 3/2020, dated March 20, 2020, the meeting approved to set up an allowance for doubtful accounts for the total amount, since the management estimated the difficulty of collection therefore decided to record the full provision for doubtful accounts of Bath 83 million.

(Unit : Thousand Baht)

Loans to related parties	Type of Relationship	Separate financial statements			
		Balance as at January 1, 2019	Increase during the year	Decrease during the year	Balance as at December 31, 2019
Tluxe Power Co., Ltd.	Subsidiary	157,000	3,700	(157,550)	3,150
PPSN Co., Ltd.	Subsidiary	589,370	-	(110,770)	478,600
Sumo Power Co., Ltd.	Subsidiary	83,729	-	-	83,729
Geothermal Power A Company Limited	Subsidiary	557,619	427	(557,619)	427
Geothermal Power B Company Limited	Subsidiary	375,939	347	(255,845)	120,441
P Green Energy Company Limited	Subsidiary	4,904	-	-	4,904
Tluxe Holdings Limited	Subsidiary	-	350	-	350
Total		1,768,561	4,824	(1,081,784)	691,601
Less : Allowance for impairment		-	(317,571)	-	(317,571)
Net		1,768,561	(312,747)	(1,081,784)	374,030

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% 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.

#### Year 2018

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 Yen 320 million per one power plant project or approximately of Baht 91.71 million per one power plant project, making a total purchase price for the power plant projects of not less than Yen 4,800 million or approximately of Baht 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 amount of Yen 200 millions (approximately of Baht 59.98 millions), according to the sale contract indentify that the buyer (Relocation Group) will pay remaining amount of Yen 4,600 millions within February 2019, so that the Company therefore recognised allowance for impairment on loans amount to Baht 270.80 million in statement of income in separate financial statement for year ended December 31, 2018 and the Company reversed allowance of impairment on investment amount of Baht 77.78 million in statement of income in the separate financial statement for year ended December 31, 2018. (Note 11)



### Year 2019

As discussed in Note 11 to the consolidated financial statements. During the current year, the Company estimates that the recoverable value of geothermal power projects that are expected to be recoverable value is lower than the book value of loans. The Company therefore considered an allowance for impairment of these loans in the amount of Baht 317.57 million in profit or loss in the separate financial statements for the year ended December 31, 2019.

### Short – term loan

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at January 1, 2019	Increase (decrease) during the year	Translation adjustment	Balance as at December 31, 2019
Aulux Power Co., Ltd.*	-	276	-	276

\* The loans to relate parties carried interest rate at 3 percent per annum and are has maturity date on January 2020. Currently, the Company is in the process of preparing a new loan contract and extend the repayment term of the loan. In which the management expects to be able to finalize the said loan agreement.

### 6.3 Directors and management's benefits

For the years ended December 31, 2019 and 2018, the Company and its subsidiaries had employee benefit expenses payable to their directors and managements as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short – term employee benefits	16	25	13	19
Post – employment benefits	1	1	1	1
Total	17	26	14	20

### 6.4 According to the Shareholders' Meeting of the subsidiary and Business Transfer of animal feed production business to subsidiary.

According to the Extraordinary General Meeting of Shareholders No. 1/2018 on July 16, 2018, approve the business reorganization plan by ways of Partial Business Transfer transaction (PBT). Under the PBT, the Company will transfer partial business of the Company i.e. manufacturing of aquatic animal feed (shrimp feed and fish feed) and pet feed, including all assets and liabilities, contracts, licenses, promotional certificates in connection with and used for such business operation including all personnel related thereto, to the newly incorporated subsidiary.

Present, the Company and its subsidiaries have implemented the following activities:

According to the Shareholders' Meeting of the subsidiary

## **Year 2018**

According to the Shareholders' Meeting No. 1/2018 of Thai Luxe Enterprises (Thailand) Co., Ltd. on December 28, 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 January 1, 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 Baht 809,904,400, 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 September 27, 2011, including other announcements related to the matter (Referred as "Partial Business Transfer Rules").

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 Baht 809,904,400 by issuing 80,990,440 ordinary shares with a par value of Baht 10 per share to PP Prime Public Company Limited. The allocation of the shares are as follows:

- 2.1 To increase the capital by Baht 795,039,400 by issuing 79,503,940 new ordinary shares with a par value of Baht 10 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 Baht 795,039,400 in lieu of payment of 79,503,940 shares at a par value of Baht 10.

- 2.2 To increase the capital by Baht 14,865,000 by issuing 1,486,500 new ordinary shares with a par value of Baht 10 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 Annual General Meeting of Shareholders No. 1/2019 of Thai Luxe Enterprises (Thailand) Co., Ltd. on February 8, 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 January 1, 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 Baht 809,904,400.

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 Baht 809,904,400 to Baht 773,765,631.64. 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 Baht 418,078,470.00 and will make cash payment for the remaining amount of Baht 355,687,161.64. 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 Baht 196,000,000 will be paid within 60 days from the date of the business transfer.
- 2) The remaining amount of the compensation of business transfer Baht 159,687,161.64 will be periodically paid by the date of land and buildings ownership transfer to its relevant.

On April 22, 2019, the Company has received the remaining amount of the business transfer remuneration.

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 Baht 10, accounted for Baht 432,698,470 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 Baht 196,000,000 by the issuance of 19,600,000 new ordinary shares at a par value of Baht 10, 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.

The movement of capital shares in 2019 of Thai Luxe Enterprises (Thailand) Company Limited is as follows;

(Unit : Baht)

	Stock value Per share (Baht)	As at December 31, 2019	
		Number of Shares	Amount
<b>Authorized share capital</b>			
The amount as of January 1, 2019	10	100,000	1,000,000
Increase the capital during the period	10	78,838,563	788,385,630
The balance as of December 31, 2019		78,938,563	789,385,630
<b>Issued and paid-up share capital</b>			
The amount as of January 1, 2019	10	100,000	1,000,000
<u>The 1<sup>st</sup> Increase in capital</u>			
Receive payment by remaining inventories balance	10	19,869,630	198,696,303
Receive payment by machine and tools	10	21,938,217	219,382,167
Receive payment by cash	10	1,462,000	14,620,000
The amount as of February 8, 2019		43,369,847	433,698,470
<u>The 2<sup>nd</sup> Increase in capital</u>			
Receive payment by cash	10	19,600,000	196,000,000
The amount as of February 15, 2019		62,969,847	629,698,470
<u>The 3<sup>rd</sup> Increase in capital</u>			
Receive payment by cash	10	15,968,716	159,687,160
The amount as of December 31, 2019		78,938,563	789,385,630

The 1<sup>st</sup> Increase in capital

On February 8, 2019, Thai Luxe Enterprises (Thailand) Co., Ltd. registered the capital increase as followings;

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 Baht 418,078,470 was considered as the payment for shares by the following assets;

1. Remaining inventories balance                      Total value Baht 198,696,303.00

2. Machine and tools                                      Total value Baht 219,382,167.00

**Total assets value                                      Amount      Baht 418,078,470.00**

Thai Luxe Enterprises (Thailand) Co., Ltd. issued 41,807,847 new ordinary shares at a par value of Baht 10 per share, accounted for Baht 418,078,470.00 to PP Prime Public Company Limited, in the implication that PP Prime Public Company Limited had fully paid for the capital shares.

2. Thai Luxe Enterprises (Thailand) Co., Ltd. received the payment of the additional capital shares accounted for Baht 14,620,000.00 for the quantity of 1,462,000 shares under a par value of Baht 10 from PP Prime Public Company Limited.

Thai Luxe Enterprises (Thailand) Co., Ltd. issued 1,462,000 new ordinary shares at a par value of Baht 10, accounted for Baht 14,620,000.00 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 February 8, 2019.

The 2<sup>nd</sup> Increase in capital

On February 15, 2019, Thai Luxe Enterprises (Thailand) Co., Ltd. received the payment for the capital increase as the amount of Baht 196,000,000 under 19,600,000 shares at a par value of Baht 10 from PP Prime Public Company Limited.

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 on February 15, 2019.

The 3<sup>rd</sup> Increase in capital

On May 2, 2019, Thai Luxe Enterprises (Thailand) Co., Ltd. received the payment for the capital increase as the amount of Baht 159,687,160 under 15,968,716 shares at a par value of Baht 10 from PP Prime Public Company Limited.

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 on May 2, 2019.

6.4.1 Business Transfer of animal feed manufacturing business to Thai Luxe Enterprises (Thailand) Co., Ltd.

Assets and Liabilities transferred in 2019 are as followings;

(Unit : Baht)

	Assets and Liabilities transferred between companies
<b>Current Assets</b>	
Inventories	198,696,303
Other current assets	612,894
<b>Non-current Assets</b>	
Property, building and equipment	64,666,270
Plant	216,201,311
Building	45,436,435
Machine	154,894,458
Land improvement	17,346,164
Shrimp pond	1
Fish pond	5,041
Artesian well	59,426
Factory equipment	32,194,883
Tools	20,703,423

(Unit : Baht)

	Assets and Liabilities transferred between companies
Research tools	2,873
Office supplies	7,264,610
Office equipment	2,923,316
Decoration	1,136,902
Vehicle	13
Software	8,523,710
Office tools	261,707
Software waiting to be installed	2,758,103
Other non-current assets	77,790
	<u>773,765,633</u>

According to the Board of Directors Meeting 22/2019 dated December 23, 2019, the meeting acknowledged the progress of the partial business transfer. In December 2019, the company received a notification from the revenue department regarding request of tax exemption from the transfer of part of the Company's business that the company did not comply to a specific criteria for tax exemption on the transfer of some businesses.

However, the Revenue department concluded noticed that the company is not approved the request to waive the specific business tax (for real estate) and VAT (for real estate) due to total assets of Thailuxe Enterprises (Thailand) Co., Ltd. has less assets transferred from the Company. The Revenue department has proposed alternatives to resolve this request in two alternatives as follow:

- 1) To cancel or reverse the entire business transfer (that no transactions occurred). However this way will impact that the company guarantee the debenture 1/2019 by common share of Thailuxe Enterprises (Thailand) Co., Ltd.
- 2) No tax exemption and consider as a sale of property as real estate (not transfer land) including plant, machinery, raw materials, and finished goods in Petchaburi and Songkhla. The ownership transfer tax is waived, but has to pay VAT 7% and 2 times of penalty and surcharge of 1.5% per month, total VAT payment is approximately Baht 25 million.

In the year 2019, the company recorded an penalty and surcharge of Baht 25 million in the financial statements of the year 2019.

According to the Board of Directors Meeting 1/2020 dated February 5, 2020, there are important resolutions are as follows:

1. Resolved that the Company does not comply with the tax exemption conditions for the business transfer of the IRS. Therefore, the company is not authorized to waive specific business tax (for real estate) and VAT (for real estate). The Company has to pay tax, there are 2 alternatives to consider:
  - 1) To request Revenue department to notify the Company that there is no tax exemption. Therefore, in this case the Revenue department will consider reducing VAT penalty to the Company approximately 50% of the tax that is required.

- 2) If the Company makes a letter of consent to withdraw the business transfer request the Company will be exempted the VAT penalty approximately 100% of the tax that is required.
2. Do not withdraw business transfer requests, for tax exemption on business transfers.
- The assets which the Company has transferred to the subsidiaries are not yet able to transfer the legal ownership to the subsidiaries. However, the subsidiary company has the ability to give usage instructions and the benefit from the assets from the normal production of the subsidiary company.

## 7. CASH AND CASH EQUIVALENTS

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	770	269	624	258
Bank deposits*	44,767	20,236	16,479	16,138
Total	45,537	20,505	17,103	16,396

As at December 31, 2019, bank deposits in saving accounts carried interests between 0.25% to 0.63% per annum (2018 : between 0.25% to 0.63% per annum).

\* One bank account of the business has obligations as a business guarantee (under the Business Security B.E.2558) for short-term loans from financial institutions with obligations (Note 24).

## 8. CURRENT INVESTMENTS

(Unit : Baht)

	Consolidated / Separate financial statements	
	2019	2018
Investments in trading securities (Mutual Fund)		
Investments in available – for – sale securities, cost	33,635	33,287
Add: Gain on changes in value of investments	639	348
Investments in available – for – sale securities, fair value	34,274	33,635



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

During the year ended December 31, 2019, the movement of available-for-sale investments is as follows:

(Unit: Baht)

	Consolidated / Separate financial statements
Book value as at January 1, 2019	33,635
Acquisition during the year	-
Disposal during the year – at cost	-
Gain (loss) on changes in value of available – for – sale investments during the year	639
Book value as at December 31, 2019	34,274

## 9. TRADE AND OTHER CURRENT RECEIVABLES

### 9.1 Trade and other current receivables

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Trade receivables – related party (Note 6.2)</b>				
Aged on the basis of due dates				
Not yet due	7,349	14,379	-	14,379
Past due				
Up to 3 months	-	16,186	14,846	16,186
3 – 6 months	-	-	29,111	-
6 – 12 months	-	-	-	-
Over 12 months	-	-	-	-
	7,349	30,565	43,957	30,565
<b>Trade receivables – unrelated parties</b>				
Aged on the basis of due dates				
Not yet due	191,217	220,268	178,695	220,268
Past due				
Up to 3 months	36,646	55,856	35,804	55,856
3 – 6 months	8,450	8,057	8,450	8,057
6 – 12 months	11,293	7,229	11,293	7,229
Over 12 months	9,857	17,184	9,857	17,184
Total	257,463	308,594	244,099	308,594
Less: Allowance for doubtful debts	(25,375)	(28,441)	(25,375)	(28,441)
Total trade receivables – unrelated parties – net	232,088	280,153	218,724	280,153
	239,437	310,718	262,681	310,718

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Other current receivables</b>				
Amounts due from related parties (Note 6.2)	1,581	854	2,676	2,026
Amounts due from unrelated parties	44,188	3,109	2,605	168
Interest receivable – related parties (Note 6.2)	5,994	6,367	85,988	109,846
Interest receivable – unrelated parties	177	153	-	88
Advance corporate income tax	-	2,134	-	2,134
Total	51,940	12,617	91,269	114,262
Less: Allowance for doubtful debts				
Allowance for Interest receivable – related parties	(5,994)	-	(75,114)	-
Total	(5,994)	-	(75,114)	114,262
Total other receivables	45,946	12,617	16,155	114,262
	285,383	323,335	278,836	424,980

## 9.2 Trade and other non-current receivables

These represent the balance of long outstanding debts amounting to Baht 72 million (2018: Baht 44 million) due from various trade debtors against whom the Company has taken legal actions. As at December 31, 2019, the Company has set up an allowance for doubtful accounts amount of Baht 72 million (2018: Baht 44 million).

## 10. INVENTORIES

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net		Inventories - net	
			realisable value			
	2019	2018	2019	2018	2019	2018
Finished goods	61,913	69,650	(411)	(411)	61,502	69,239
Raw materials	121,769	160,603	(34)	(44)	121,735	160,559
Packing materials and supplies	18,509	14,146	(3,839)	(3,670)	14,670	10,476
Spare parts	33,841	33,208	(11,615)	(11,615)	22,226	21,593
Total	236,032	277,607	(15,899)	(15,740)	220,133	261,867

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net		Inventories - net	
			realisable value			
	2019	2018	2019	2018	2019	2018
Finished goods	54,937	69,650	(411)	(411)	54,526	69,239
Raw materials	-	160,603	-	(44)	-	160,559
Packing materials and supplies	-	14,146	-	(3,670)	-	10,476
Spare parts	-	33,208	-	(11,615)	-	21,593
Total	<u>54,937</u>	<u>277,607</u>	<u>(411)</u>	<u>(15,740)</u>	<u>54,526</u>	<u>261,867</u>

Movements in the reduction of inventory to net realisable value account during the year ended December 31, 2019 and 2018, is as follows

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Beginning balance as at January 1	15,740	13,900	15,740	13,900
Increase	159	1,840	-	1,840
Reversal/ Disposal during the year	-	-	(15,329)	-
Ending balance as at December 31	<u>15,899</u>	<u>15,740</u>	<u>411</u>	<u>15,740</u>

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

The 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 Oa-sa-Tsurumi, Beppu city, Oita prefecture, Japan which have already commenced their commercial operations (the "Power Plant Projects") at the purchase price of approximately Yen 320 million per one power plant project or equivalent to approximately Baht 91.71 million per one power plant project, making a total purchase price for the Power Plant Projects of not less than Yen 4,800 million or equivalent to approximately Baht 1,375.69 million ( based on the exchange rate of Baht 28.6602 per Yen 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 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 the Memorandum of under Understanding, MOU with the buyer (Relocation Group) for the sale of 15 geothermal power plant projects in Japan in

amount of Yen 320 million, the Company has received the deposit amounting of Yen 200 millions (approximately of Baht 59.98 millions), according to sale contract indentify that the buyer (Relocation Group) will pay remaining amounting of Yen 4,600 millions within February 2019.

On February 21, 2019, Relocation Group transferred the right and obligation under the Memorandum of Understanding (MOU) to Beppu Forest Power Co., Ltd. (which has common director with a subsidiary who sells property) and extent to June 30, 2019.

On February 25, 2019, PPSN Co., Ltd. and Beppu Forest Power Co., Ltd. entered into agreements, with an agreement that Beppu Forest Power Co., Ltd. will pay second deposit of Yen 400 million and transfer 25 percent of Beppu Forest Power Co., Ltd. to PPSN Co., Ltd. by March 15, 2019 and PPSN Co., Ltd. will transfer the ownership of the four power plants (part of the 15 plants above) to Beppu Forest Power Co., Ltd. within 15 days from receipt of payment.

On April 5, 2019, the subsidiary enters into sell agreement of four geothermal power plants (part of the 15 plants) that consisted of P-Power (2 locations) and Lena – 1 power plant (2 locations) with Beppu Forest Power Co., Ltd. value Yen 800 million. Beppu Forest Power Co., Ltd. will pay Yen 400 million within 2 weeks after contract signing and Yen 400 million within 1 year after contract signing. With the addition memorandum that Beppu Forest Power Co., Ltd. could terminate the sell agreement of four geothermal power plants if the contract is not approved by the Company board of directors. However, until present there is no approval resolution of the board of directors.

On April 11, 2019, the subsidiary received the deposit amount of Yen 400 million from Beppu Forest Power Co., Ltd.

The Company received deposit of Yen 600 million (approximately Baht 165.56 million) classified as deposit received in other current liability.

On July 23, 2019, PPSN Co., Ltd. received documents from Beppu Forest Power Co., Ltd. to PPSN Co., Ltd. to pay Yen 16.96 million (approximately Baht 4.75 million) to two companies which is a creditor of Beppu Forest Power Co., Ltd., which the company has made full payment which shown under other current assets

On December 23, 2019, the Board of Directors' meeting No.22/2019 considered progress on the sale of 15 geothermal power plant projects in Japan and conclude event are as follows:

According to the Company's resolution on May 15, 2018, disposes of the 15 geothermal power plant in Japan at the price of the Yen 320 million per location, and according to the Memorandum of Understanding, MOU on June 21, 2018, later, Japanese companies entered into 3 contracts are as follows:

On February 25, 2019, the first contract has the essence of Beppu Forest Power Co., Ltd. will also pay 2nd deposit along amount of Yen 400 million with a transfer of 25% shares to the PPSN Co., Ltd. And the PPSN Co., Ltd. will transfer the right and obligation in four power plants under the agreement to Beppu Forest Power Co., Ltd. within 15 days since receiving payment.

On April 5, 2019, the second contract is memorandum of agreement between Beppu Forest Power Co., Ltd. and PPSN Co., Ltd., agreed that Beppu Forest Power Co., Ltd. has the right to terminate the contract if the contract for transfer of property (Contract 3) is not approved by the board of directors.

On April 5, 2019, the third contract has 4 parties as follows Beppu Forest Power Co., Ltd., PPSN Co., Ltd., Lena Power Station No.1 LLC. and the Company which the contract was signed only by

Beppu Forest Power Co., Ltd. and PPSN Co., Ltd. which mentions the purchase and sale of power plants at a price of Yen 200 million per location, ownership of PPSN Co., Ltd. 2 locations and Lena Power Station No.1 LLC. 2 locations totaling 4 locations in amount of Yen 800 million and did not mention the transfer of 25% shares in the amount of 25%, which was contrary to the first contract.

The Company has consulted with the Japanese legal counsel in the case of three contracts that are binding on the Company, which the Japanese legal counsel has Legal Opinion, these are conclusion as follows:

1. In the case of Lena, if it proves that Lena has not authorize PPSN Co., Ltd. to act on its behalf, there will not be binding on Lena Power Station No.1 LLC.
2. If the Company can prove that the Company has not authorize PPSN Co., Ltd. to act on its behalf, there will be no binding on the Company.

PPSN Co., Ltd. by the former director No.2 at that time notice privately that he did not sign it. But the former director No.1 signed instead which the Japanese legal counsel informed that according to Japanese law, this case is considered True Intention, which is the true intent of the contract. If contrary to the intention of the signatory this contract will be invalid, which, if proven, that the former director No.2 didn't sign this contract but was signed by the former director No.1 instead this contract will not bind PPSN Co., Ltd. either.

On December 23, 2019, the Board of Directors' meeting No.22/2019 has resolved to send a notice to Beppu Forest Power Co., Ltd. to pay the remaining amount of Yen 4,200 million to the Company within January 31, 2020. If Beppu Forest Power Co., Ltd. ignores the remaining payment, the Board of Directors requires the Company to exercise the right to cancel contract and confiscate the entire deposit of Yen 600 million. And urgently find other investors interested as well as speeding up production efficiency and acknowledge the arbitrary contract of the contracted company in Japan.

On December 25, 2019, the Company sent the letter in accordance with the resolution of the meeting to Beppu Forest Power Co., Ltd.

By stating that the company insists on selling the power plant at a price of Yen 320 million per plant, not accepting the contract that the Beppu Forest Power Co., Ltd. later created to buy four power plants at the price of Yen 200 million per plant and requesting the Beppu Forest Power Co., Ltd. to pay the remaining balance according to the MOU, suitable for Yen 4,200 million by January 31, 2020, otherwise the company will cancel the contract and confiscate the deposit.

Later on January 24, 2020 and February 20, 2020, the Company was informed by a subsidiary of the electricity generating group that the electricity buyer has notified the subsidiary that the electricity buyer has brought the electricity payment to the subsidiary in 2020, in total of Yen 5,935,776 and Yen 8,835,176 respectively. A total of four plants that consisted of P-Power (2 locations) and Lena – 1 power plant (2 locations) put it at the Oita Legal Affairs Bureau because Beppu Forest Power Co., Ltd., which has entered into an agreement to purchase 15 power plants from the electricity generating group of companies asked the electricity buyer pay electricity bills to Beppu Forest Power Co., Ltd. Electricity buyers therefore have questions about the right to receive payment for electricity bills for the period of January and February 2020 which is due in February and March 2020 put it at the Oita Legal Affairs Bureau.

The Company has informed about the incident to the Stock Exchange of Thailand as follows:

1. Ownership of the power plant

The Company also has agreed to transfer ownership of the power plant to a subsidiary to Beppu Forest Power Co., Ltd. Because Beppu Forest Power Co., Ltd. has not paid the remaining Yen 4,200 million (or approximately Baht 1,143 million) to the Company within the time limit previously agreed with the Company (June 30, 2019). The Board of Directors meeting passed a resolution on December 23, 2019, the management rush to send a letter notifying Beppu Forest Power Co., Ltd. to pay the remaining Yen 4,200 million to the Company and the power plant transfer is in accordance with the conditions previously agreed to be completed within January 31, 2020, till the present, Beppu Forest Power Co., Ltd. still ignored the remaining payment. However, the Company proceeded according to the legal procedure to seize a deposit of Yen 600 million.

2. Effect to the Company and subsidiaries

From the electricity buyer brought money for electricity for the period of January 2020, put it at the Oita Legal Affairs Bureau it does not affect the electricity production process of a subsidiary.

The subsidiary is still able to operate electricity production as usual, only get the electricity after the electricity buyer has received enough information for the decision to pay for the electricity bill is completed.

Present, the Company has not been contacted by Beppu Forest Power Co., Ltd. However, the Company has assigned a Japanese legal counsel, already proceeded with the matter.

3. The Company's Liquidity

The Company would like to inform that the Company is not directly affected by electricity buyers on the electricity cost for January 2020, to be placed at the Law Office of Oita City. The Company major income comes from production and distribution of animal feed or 96.64 percent of the Company's total revenue. However, the Company may have to provide financial support to the subsidiaries in Japan. If the subsidiaries have experienced on liquidity problems due to the delay payment on electricity of electricity buyers.

4. Legal proceedings

The Company has assigned a Japanese legal counsel is a representative of a subsidiary company in contacting electricity buyers to find ways to solve this problem. In addition, the Company is studying ways to use claims to protect the interests of the Company.

In accordance with the Board of Directors' Meeting No. 1/2020 on February 5, 2020 has resolved to acknowledge the progress of the sale the power plant amount of 15 projects. Currently, Beppu Forest Power Co., Ltd. has not paid the remaining amount to the Company. Therefore, the management will seize a deposit amount of Yen 600 million by consult with the law.

During the year 2018, 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	30,638
Other current assets	7,616
Property, plant and equipment	720,231
Intangible assets	349,893
Deferred tax assets	4,692
Other non – current assets	22,843
Goodwill	44,086
Total	1,197,773

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

(Unit: Thousand Baht)

	Consolidated financial statements
	December 31, 2018
Trade account payable	4,640
Current income tax payable	5,533
Other current liabilities	1,839
Deferred tax liabilities	58,200
Total	70,212

According to the minute of board of director meeting No. 22/2019 on December 23, 2019, the company requested Beppu Forest Power Co.,Ltd. to pay the remaining amount of Yen 4,200 million to the subsidiary and transfer geothermal power plants per the sell agreement within January 31, 2020. At present Beppu Forest Power Co.,Ltd. does not pay, therefore the company will do legal action to forfeit the deposit of Yen 600 million. The management of the group has assessed and considered that the sell agreement of 15 geothermal power plants would not occur since the board of director has said resolution. Therefore, the group reversed the classification of assets and liabilities relating to assets and liabilities held for sale in the consolidated statement of financial position as at December 31, 2019, and reversed of related assets and liabilities in the consolidated statement of financial position as at December 31, 2019, which can be summarized as follows:



(Unit : Thousand Baht)

	Consolidated financial statements		
	Book value	eliminated	Recoverable value
<b>Assets</b>			
Cash and cash equivalents	27,583	-	27,583
Trade and other receivables	45,524	-	45,524
Other current assets	9,946	-	9,946
Property, plant and equipment	630,207	(162,605)	467,602
Other intangible assets	320,603	(223,363)	97,240
Deferred tax assets	4,084	-	4,084
Other non - current assets	5,152	-	5,152
Goodwill	41,506	(47,941)	6,418
Total	1,084,605	(421,056)	663,549
<b>Liabilities</b>			
Trade payables	3,962	-	3,962
Current income tax payable	339	-	339
Other current liabilities	2,031	-	2,031
Deferred tax liabilities	50,880	(35,838)	15,042
Total	57,212	(35,838)	21,374

The Company and subsidiaries have assessed the impairment of all geothermal power plant projects in Japan by comparing between book value and recoverable value from cash generating unit. The consideration of the recoverable amount of cash-generating units can be summarized as follows:

- For power plants that can operate electricity production normally.

The recoverable amount of a cash-generating asset unit is determined based on the value from the asset utilization. It is estimated from the future cash flows expected to be received from Based on the financial projections approved by the management of the Company under the main assumption that the power sale agreement has a period of 15 years as the power sale agreement and there are other important assumptions in value calculation from using the assets can be summarized as follows:

(Unit : Kilowatt per hour)

Production capacity 93-106

(Unit : Percent per annum)

Pre - tax discount rate 4.0

The management considers the growth rate from long-term inflation rate and the pre-tax discount rate that reflects the risk. Which is a specific feature that is related to that work section.

- For the power plant stopped production.

The recoverable amount of a cash-generating asset unit is determined based on fair value less cost of sales or replacement cost of assets, whichever is higher.

From the evaluation of impairment of the above assets, the Company and its subsidiaries recognized loss on impairment of geothermal power plant projects in the amount of Baht 421.06 million in the consolidated financial statements. For profit or loss for the year ended December 31, 2019.

In this regard, the Group has considered the reclassification of geothermal power plants that have stopped production in the 2019 financial statements, which has a recoverable value of geothermal power plants as on December 31, 2019, according to Note 20 to the financial statements

## 12. RESTRICTED BANK DEPOSITS

Fixed deposits which the Company and subsidiary 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, 2019 and 2018 are as follows:

(Unit : Thousand Baht)

Company's name	Paid-up capital		Shareholding Percentage		Cost		Provision for impairment of investments		Carrying amounts based on cost method - net	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Subsidiaries directly held by the Company</b>										
- Tluxe Global Business Co., Ltd.	3,000	3,000	100	100	3,000	3,000	-	-	3,000	3,000
- Tluxe Power Co., Ltd.	1,100,000	100,000	100	100	1,100,000	100,000	(416,772)	(22,225)	683,228	77,775
- Thailuxe Enterprises (Thailand) Co., Ltd.	789,386	1,000	100	100	789,386	1,000	-	-	789,386	1,000
- P PRIME SINGAPORE PTE. LTD.	32	32	100	100	32	32	-	-	32	32
- Investments in subsidiaries directly held by the Company - net					1,892,418	104,032	(416,772)	(22,225)	1,475,646	81,807
<b>Subsidiaries held through Tluxe Power Limited</b>										
- Tluxe Investments Limited	10*	10*	100	100	-	-	-	-	-	-
- Origin Power Investment Co., Ltd.	0.1*	0.1*	100	100	-	-	-	-	-	-
<b>Subsidiaries held through Tluxe Investments Limited</b>										
- Tluxe 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>Subsidiaries held through Origin Power Investment Co., Ltd.</b>										
- Wind Power A Co., Ltd.	0.1*	0.1*	100	100	-	-	-	-	-	-
<b>Subsidiaries held through Tluxe Holdings Limited</b>										
- Sumo Power Co., Ltd.	1,000**	1,000**	100	100	-	-	-	-	-	-
- Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company	10**	10**	100	100	-	-	-	-	-	-
- P Green Energy Co., Ltd.	1,000**	1,000**	100	100	-	-	-	-	-	-
<b>Subsidiaries held through Geothermal Power A Co., Ltd.</b>										
- 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	-	-	-	-	-	-
<b>Subsidiaries held through Geothermal Power B Co., Ltd.</b>										
- 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	-	-	-	-	-	-

(Unit : Thousand Baht)

Company's name	Shareholding						Provision for		Carrying amounts	
	Paid-up capital		Percentage		Cost		impairment		based on cost	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Subsidiaries held through Sumo Power Co., Ltd</b>										
- Otomeyama Energy Co., Ltd.	500**	500**	100	100	-	-	-	-	-	-
- S - Power Co., Ltd.	500**	500**	100	100	-	-	-	-	-	-
Total investments in subsidiaries - net					1,892,418	104,032	(416,772)	(22,225)	1,475,646	81,807

\* Unit: Thousand US dollar

\*\* Unit: Thousand Yen

### Investments in Tluxe Power Co., Ltd.

The board of Directors meeting No.12/2019 of PP PRIME Public Company Limited held on June 10, 2019, has resolved to approve the Company increase its stake in Tluxe Power Co., Ltd. (a subsidiary of the Company hold 100%), increase capital of Baht 1,000,000,000 by issuing 100,000,000 ordinary shares with a par value of Baht 10 per share.

The Company has paid the increasing in share capital of Tluxe Power Co., Ltd. at the full amount.

Tluxe Power Co., Ltd. registered the change in its registered capital with the Ministry of Commerce on July 22, 2019.

In year 2019, the Company estimated the realizable value of its investment in Tluxe Power Co., Ltd. based on a value-in-use calculation using cash flow projections discounted to their present values. It was concluded that the recoverable amount is lower than the carrying amount, and the Company therefore recognised allowance for impairment loss on such investment amount of Baht 394.55 million in statement of income in the separate financial statements for the year 2019.

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

In the Extraordinary General Meeting of Shareholders No. 1/2018 held on July 16, 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 September 18, 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.

In 2019, the company transferred the business to Thai Luxe Enterprise (Thailand) Company Limited as in Note 6.4 to the financial statements.

### 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 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.

According to the resolution of the Board of Directors Meeting No. 22/2019, held on December 23, 2019, it was resolved to close the subsidiary as the Company canceled investment in real estate projects in Danang, Vietnam.

#### Investments in 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).

#### 13.1 Dividend income

During the years ended December 31, 2019 and 2018, 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 financial statements		Separate financial statements	
			Carrying amounts based on equity method				Cost	
			2019	2018	2019	2018	2019	2018
			(%)	(%)				
M-Luxe Energy Co., Ltd.	The land development to construct geothermal power plant	Japan	25	25	-	-	-	-
Total					-	-	-	-

- (a) September 12, 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 Yen 10 million (1,000 ordinary shares with a par value of Yen 10,000 each). The subsidiary holds a 25 percent interest in this company.

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

14.2 Dividend received. During the year, the associated company did not pay dividends during the years 2019 and 2018.

#### 14.3 Summarised financial information about material associate

##### Summarised information about financial position

(Unit : Thousand Baht)

	2019	2018
Cash and cash equivalents	334	516
Other current assets	487	1,284
Property	84,121	80,942
Other payables	(15,283)	(6,027)
Short-term loans from related party	(68,433)	(72,220)
Income tax payable	(20)	(20)
Long-term loans from related party	(13,797)	(14,273)
Net assets	(12,591)	(9,798)
Shareholding percentage (%)	25	25
Proportion based on equity method in assets - net	(3,148)	(2,449)
Unrecognised share of losses	3,148	2,449
Carrying amounts of associate based on equity method	-	-

##### Summarised information about comprehensive income

(Unit : Thousand Baht)

	For the year ended December 31	
	2019	2018
Loss for the year	(3,220)	(2,810)
Other comprehensive income	-	-
Total comprehensive income	(3,220)	(2,810)

#### 14.4 Investment in associate with capital deficit

The Company recognised share of losses from investment in 1 associate, 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:

(Unit : Million Baht)

Associate company	Unrecognised share of losses during the period/the years	
	For the year ended December 31, 2019	For the year ended December 31, 2018
M – Luxe Energy Co., Ltd.	(0.81)	(0.70)

## 15. OTHER LONG - TERM INVESTMENTS

(Unit : Thousand Baht)

	Consolidated / Separate financial statements	
	December 31, 2019	December 31, 2018
Investments in available – for – sale securities – cost	168,851	1,080,384
Less: Loss on changes in value of investments	(84,544)	(760,229)
Investments in available – for – sale securities – fair value	84,307	320,155
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	87,757	323,605

During the year ended December 31, 2019, the movement of available – for – sale is as follows:

	Consolidated / Separate financial statements	
	Number of shares (Thousand Shares)	Amount (Thousand Baht)
Book value as at January 1, 2019	142,371	1,080,384
Acquisition during the period	3,604	6,126
Increase number of shares form Stock dividend and Warrants	9,272	-
Exercise of rights to purchase shares according to the warrants	(93,105)	-
Disposal during the period - at cost	-	(145,720)
Gain (loss) recognised in statement of income	-	(771,939)
Gain (loss) on changes in value of Available – for – sale investments during the period	-	(84,544)
Book value as at December 31, 2019	62,142	84,307

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.

Anyhow to during the period of year 2019, the Company has sold this investment full amount.

- 15.2 As at December 31, 2019, the Company has led Available – for – sale securities amount 62.14 million shares (Book value of Baht 84.31 million) as a guarantee for the issuance of debentures as discussed in Note 26.2 to the consolidated financial statements.
- 15.3 During the year ended December 31, 2019, the Company sold available-for-sale securities with book value totaling Baht 145.72 million (2018 : Baht 43 million) and recognised loss on the sale amounting to Baht 771.94 million (2018 : Baht 0.08 million).
- 15.4 The Company received dividend income for the year ended December 31, 2019 amount Baht 0.07 million (2018 : Baht 10.83 million).

## 16. LONG – TERM LOANS

As at December 31, 2019 and 2018, are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b>Long –term loans</b>				
Long – term loans to subsidiaries (Note 6.2)	-	-	374,030	1,768,561
Long – term loans to related parties (Note 6.2)	63,233	165,009	-	-
Long – term loans to other parties	-	4,103	-	-
Total long – term loans	<u>63,233</u>	<u>169,112</u>	<u>374,030</u>	<u>1,768,561</u>
<b>Less : Current portion of long – term loans</b>				
Long – term loans to subsidiaries (Note 6.2)	-	-	-	-
Long – term loans to related parties (Note 6.2)	(63,233)	-	-	-
Long – term loans to other parties	-	-	-	-
Total current portion of long – term loans	<u>(63,233)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>169,112</u>	<u>374,030</u>	<u>1,768,561</u>

### Loans to other parties

Loan to other parties there are significant movements during the year as follows:

	(Unit : Thousand Baht)
	<b>Consolidated financial statements</b>
Net book value as at January 1, 2019	4,103
<u>Add Increase</u>	-
<u>Less Decrease</u>	-
Translation adjustment	(240)
Net	3,863
<u>Less Allowance for doubtful</u>	(3,863)
Net book value as at December 31, 2019	-

Loan to other parties carried interest rate at 5 percent per annum and repayable at call. According to the resolution of the Board of Directors Meeting No. 3 / 2020, on March, 20 2020, it was resolved to set up an allowance for doubtful accounts for the whole amount. Since the management of the company has assessed the opportunity to receive reimbursement from the transaction tend to be difficult, therefore decided to record the allowance for doubtful accounts for the whole amount of such amount of Baht 3.86 million.

## 17. INVESTMENT PROPERTIES

The net book value of investment properties as at December 31, 2019 and 2018 are presented below.

	(Unit : Thousand Baht)			
	<b>Consolidated / Separate financial statements</b>			
	<b>Leasehold and building improvement</b>	<b>Land for rent</b>	<b>Office building for rent</b>	<b>Total</b>
As at December 31, 2018 :				
Cost	-	24,361	58,552	82,913
Less Accumulated depreciation	-	-	(47,424)	(47,424)
Less Allowance for impairment loss	-	-	(169)	(169)
Net book value	-	24,361	10,959	35,320
As at December 31, 2019:				
Cost	51,601	25,013	58,552	135,166
Less Accumulated depreciation	(1,162)	-	(48,417)	(49,579)
Less Allowance for impairment loss	-	-	(169)	(169)
Net book value	50,439	25,013	9,966	85,418

The reconciliations of the net book value of investment properties for the years 2019 and 2018 are presented below.

(Unit : Thousand Baht)

	Consolidated / Separate financial statements	
	2019	2018
Net book value at beginning of year	35,320	10,376
Additions	3,601	-
Transfer in*	48,000	-
Transfer in (out)	652	(3,365)
Depreciation charged	(2,155)	(502)
Transfer from land and building for rent to investment properties	-	28,811
Net book value at ending of year	85,418	35,320

\*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. During the year in 2019 the Company received the rental area of Baht 72 million, therefore the Company transferred the advance payment into property, plant and equipment costs of Baht 24 million, and to investment property cost of Baht 48 million respectively.

Currently, the company is in the process of registering leasehold rights. The management expects to be able to complete the leasehold registration in 2020. Therefore, the estimated useful life of leasehold rights is 18 years.

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

The fair value of the investment properties stated as at December 31, 2019 and 2018 are presented below:

(Unit : Thousand Baht)

	Consolidated / Separate financial statements	
	2019	2018
Land not being used in operation/land for rent	60,756	76,555
Office building for rent	74,661	57,762

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 44.50 million as collateral against credit line received from financial institutions and issuing debentures as disclosed in the Note 24, 26.1 and 26.2 to the consolidated financial statements.

As at December 31, 2019, the Company has certain investment property which has been fully depreciated but is still in use. Book value before deducting accumulated depreciation and allowance for impairment of such assets amounted to approximately Baht 38 million.

## 18. Land revaluation

Consisted of :

(Unit : Thousand Baht)

	Consolidated	Seperate
	Land and land improvements	Land and land improvements
<b>Cost:</b>		
As at January 1, 2018	157,961	112,738
Additions	7	7
Exchange difference on translation adjustment	512	-
Assets classified as held for sale (Note 11)	(34,012)	-
Assets classified as investment property (Note 17)	(17,350)	(17,350)
As at December 31, 2018	107,118	95,395
Additions	-	-
Transfer in (out)	2,206	(725)
Transfer in (out) to the subsidiary (Note 6.4)	-	(82,012)
Exchange difference on translation adjustment	(857)	-
Surplus from revaluation	331,182	87,711
As at December 31, 2019	439,649	100,369
<b>Allowance for impairment:</b>		
As at January 1, 2018	1,844	1,844
Assets classified as investment property (Note 17)	(1,635)	(1,635)
As at December 31, 2018	209	209
Increase / (Decrease)	3,439	(209)
As at December 31, 2019	3,648	-
<b>Net book value:</b>		
As at December 31, 2018	106,909	95,186
As at December 31, 2019	436,001	100,369
<b>Other comprehensive income statements:</b>		
Profit from revaluation of assets - net of income tax in 2019	264,946	70,169

As at December 31, 2019, the land of the Company and its subsidiaries are stated at the revalued amounts according to the appraisal reports of independent appraisers of 2020 and 2019. The valuation of land is based on the market value method. There is a surplus from revaluation of fixed assets under "shareholders' equity" in the statement of financial position the surplus from the revaluation of fixed assets cannot be distributed as dividends.

The Company and subsidiaries recorded land at revalued amount. Capital surplus from the revaluation of fixed assets in the amount of Baht 331 million according to the appraisal report of independent appraisers between August 30, 2019 to February 24, 2020.

#### Separate financial statements

Assets that the Company transfer to subsidiaries as described in Note 6.4 to financial statements. 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 Baht 809,904,400 to Baht 773,765,631.64. 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 Baht 418,078,470.00 and will make cash payment for the remaining amount of Baht 355,687,161.64. 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 Baht 196,000,000 will be paid within 60 days from the date of the business transfer.
- 2) The remaining amount of the compensation of business transfer Baht 159,687,161.64 will be periodically paid by the date of Land and Buildings ownership transfer to its relevant.

On April 22, 2019, the Company has paid the remaining amount of the business transfer remuneration.

Present, the Company not yet able to transfer ownership according to the law to the subsidiary. However, the subsidiary could order usage. And the benefit from such assets from the use of the normal production of the subsidiary.

## 19. PLANT AND EQUIPMENT

(Unit : Thousand Baht)

	Consolidated financial statement					
	Leasehold and building improvement	Buildings and building improvement	Power plant, machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress
<b>Cost:</b>						<b>Total</b>
As at January 1, 2018	-	595,666	1,505,117	57,566	29,392	2,454,934
Additions	-	1,048	10,742	2,853	1,649	31,048
Disposals	-	-	(2,738)	(1,551)	(1,562)	(5,851)
Transfers in (out)	-	2,315	279,876	2,504	-	(284,695)
Exchange difference on translation adjustment	-	7	5,650	10	-	8,661
Assets classified as held for sale (Note 11)	-	-	(750,479)	(824)	-	(751,303)
Assets classified as investment property (Note 17)	-	(20,135)	-	-	-	(20,135)
As at December 31, 2018	-	578,901	1,048,168	60,558	29,479	1,717,354
Additions	-	512	13,173	5,313	-	20,516
Disposals	-	-	(38,688)	(1)	(1,069)	(39,758)
Transfers in (out)	25,656	103	80	-	-	24,073
Assets classified as held for sale (Note 11)	-	-	249,483	824	-	250,307
Exchange difference on translation adjustment	-	(34)	(15,908)	(54)	-	(15,996)
As at December 31, 2019	25,656	579,482	1,256,308	66,640	28,410	1,956,496
<b>Accumulated depreciation:</b>						
As at January 1, 2018	-	290,199	747,571	45,578	20,764	1,104,112
Depreciation for the year	-	23,030	84,639	4,817	2,560	115,046
Depreciation on disposals	-	-	(2,673)	(1,550)	(1,562)	(5,785)
Exchange difference on translation adjustment	-	31	652	4	-	687
Assets classified as held for sale (Note 11)	-	-	(73,420)	(525)	-	(73,945)
Assets classified as investment property (Note 17)	-	(8,506)	-	-	-	(8,506)
As at December 31, 2018	-	304,754	756,769	48,324	21,762	1,131,609

(Unit : Thousand Baht)

	Consolidated financial statement						
	Leasehold and building improvement	Buildings and building improvement	Power plant, machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total
Depreciation for the year	578	20,696	56,026	4,630	2,620	-	84,550
Depreciation on disposals	-	-	(38,401)	-	(1,069)	-	(39,470)
Exchange difference on translation adjustment	-	(12)	(3,145)	(37)	-	-	(3,194)
Assets classified as held for sale (Note 11)	-	-	22,609	525	-	-	23,134
As at December 31, 2019	578	325,438	793,858	53,442	23,313	-	1,196,629
<b>Allowance for impairment loss:</b>							
As at January 1, 2018	-	2,469	86,024	-	-	-	88,493
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 17)	-	(169)	-	-	-	-	(169)
As at December 31, 2018	-	2,300	83,126	-	-	-	85,426
Increase during year	-	-	-	-	-	-	-
As at December 31, 2019	-	2,300	83,126	-	-	-	85,426
<b>Net book value:</b>							
As at December 31, 2018	-	271,847	208,273	12,234	7,717	248	500,319
As at December 31, 2019	25,078	251,744	379,324	13,198	5,097	-	674,441
Depreciation for the year							
2018 (Baht 108 million included in manufacturing cost, and the balance in administrative expenses)							115,046
2019 (Baht 33 million included in manufacturing cost, and the balance in administrative expenses)							84,550



(Unit : Thousand Baht)

	Separate financial statements						
	Leasehold and building improvement	Buildings and building improvement	machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total
<b>Cost:</b>							
As at January 1, 2018	-	595,087	1,027,586	56,559	29,392	2,890	1,711,514
Additions	-	1,048	11,515	2,853	1,649	11,999	29,064
Disposals/write-off	-	-	(2,738)	(1,551)	(1,562)	-	(5,851)
Transfers in (out)	-	2,315	11,806	2,504	-	(14,641)	1,984
Assets classified as investment property (Note 17)	-	(20,135)	-	-	-	-	(20,135)
As at December 31, 2018	-	578,315	1,048,169	60,365	29,479	248	1,716,576
Additions	-	51	-	1,170	-	1,407	2,628
Disposals/write-off	-	-	(38,393)	-	(1,069)	-	(39,462)
Transfers in (out)	25,655	73	-	-	-	(1,655)	24,073
Transfer in (out) to the subsidiary (Note 6.4)	-	(468,911)	(1,003,831)	(57,003)	(5,287)	-	(1,535,032)
As at December 31, 2019	25,655	109,528	5,945	4,532	23,123	-	168,783
<b>Accumulated depreciation:</b>							
As at January 1, 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 (Note 17)	-	(8,506)	-	-	-	-	(8,506)
As at December 31, 2018	-	304,616	756,769	48,211	21,762	-	1,131,358
Depreciation for the year	577	897	121	368	2,620	-	4,583
Depreciation on disposals/write-off	-	-	(38,393)	-	(1,069)	-	(39,462)
Transfer in (out) to the subsidiary (Note 6.4)	-	(207,209)	(712,909)	(45,417)	(5,287)	-	(970,822)
As at December 31, 2019	577	98,304	5,588	3,162	18,026	-	125,657

(Unit : Thousand Baht)

	Separate financial statements					
	Leasehold and building improvement	Buildings and building improvement	machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress
<b>Allowance for impairment loss:</b>						
As at January 1, 2018	-	2,469	83,126	-	-	85,595
Depreciation for the year	-	-	-	-	-	-
Assets classified as investment property (Note 17)	-	(169)	-	-	-	(169)
As at December 31, 2018	-	2,300	83,126	-	-	85,426
Increase during year	-	-	-	-	-	-
Transfer in (out) to the subsidiary (Note 6.4)	-	-	(83,126)	-	-	(83,126)
As at December 31, 2019	-	2,300	-	-	-	2,300
<b>Net book value:</b>						
As at December 31, 2018	-	271,399	208,274	12,154	7,717	499,792
As at December 31, 2019	25,078	8,924	357	1,370	5,097	40,826
<b>Depreciation for the year</b>						
2018 (Baht 57 million included in manufacturing cost, and the balance in administrative expenses)						72,060
2019 (Baht 5 million included in manufacturing cost, and the balance in administrative expenses)						4,583

#### Leasehold and building improvement

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. During the year in 2019 the Company received the rental area of Baht 72 million, therefore the Company transferred the advance payment into property, plant and equipment costs of Baht 24 million, and to investment property cost of Baht 48 million respectively.

Currently, the company is in the process of registering leasehold rights. The management expects to be able to complete the leasehold registration in 2020. Therefore, the estimated useful life of leasehold rights is 18 years.

As at December 31, 2019, the Company had equipment and motor vehicles with net book values of Baht 4 million (2018: Baht 7 million).

As at December 31, 2019, 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 112 million (2018 : Baht 754 million).

The Company has pledge of property, plant and equipment at cost approximately Baht 763 million as collateral against credit line received from financial institutions as disclosed in the Note 26.1 and 26.2 to the consolidated financial statements.

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 Yen 320 million per one power plant project or equivalent to approximately Baht 91.71 million per one power plant project, making a total purchase price for the Power Plant Projects of not less than Yen 4,800 million or equivalent to approximately Baht 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 Yen 200 millions (approximately of Baht 59.98 millions), according to sale contract identify that the buyer (Relocation Group) will pay remaining amounting of Yen 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 December 31, 2018.

#### Separate financial statements – Buildings and building improvement

Assets that the Company transfer to subsidiaries as described in Note 6.4 to financial statements. 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 Baht 809,904,400 to Baht 773,765,631.64. 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 Baht 418,078,470.00 and will make cash

payment for the remaining amount of Baht 355,687,161.64. 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 Baht 196,000,000 will be paid within 60 days from the date of the business transfer.
- 2) The remaining amount of the compensation of business transfer Baht 159,687,161.64 will be periodically paid by the date of Land and Buildings ownership transfer to its relevant.

On April 22, 2019, the Company has paid the remaining amount of the business transfer remuneration.

The assets which the Company has transferred to the subsidiaries are not yet able to transfer the legal ownership to the subsidiaries. However, the subsidiary company has the ability to give usage instructions and the benefit from the assets from the normal production of the subsidiary company.

## 20. PROPERTY, PLANT AND EQUIPMENT NOT USED IN OPERATIONS

(Unit : Thousand Baht)

	Consolidated financial statements		
	Property	Machine and tools	Total
<b>Cost:</b>			
As at January 1, 2018	-	-	-
Transfer in (out)	3,917	-	3,917
As at December 31, 2018	3,917	-	3,917
Additions	-	-	-
Transfer in assets classified as held for sale (Note 11)	37,541	470,587	508,128
Exchange difference on translation adjustment	-	-	-
As at December 31, 2019	41,458	470,587	512,045
<b>Accumulated depreciation:</b>			
As at January 1, 2018	-	-	-
Depreciation for the year	-	-	-
As at December 31, 2018	-	-	-
Depreciation for the year	-	-	-
Transfer in assets classified as held for sale (Note 11)	-	81,557	81,557
As at December 31, 2019	-	81,557	81,557
<b>Allowance for impairment loss:</b>			
As at January 1, 2018	-	-	-
Transfer in (out)	552	-	552
As at December 31, 2018	552	-	552

(Unit : Thousand Baht)

	Consolidated financial statements		
(Increase) / decrease during year	3,663	158,956	162,619
As at December 31, 2019	4,215	158,956	163,171
<b>Net book value:</b>			
As at December 31, 2018	3,365	-	3,365
As at December 31, 2019	37,243	230,074	267,317
<b>Depreciation for the year</b>			
2562			33,089

(Unit : Thousand Baht)

	Seperate financial statements
	<b>Property</b>
<b>Cost:</b>	
As at January 1, 2018	-
Transfer in (out)	3,917
As at December 31, 2018	3,917
Transfer in (out)	-
As at December 31, 2019	3,917
<b>Allowance for impairment loss:</b>	
As at January 1, 2018	-
Transfer in (out)	552
As at December 31, 2018	552
Transfer in (out)	-
As at December 31, 2019	552
<b>Net book value:</b>	
As at December 31, 2018	3,365
As at December 31, 2019	3,365

The company has taken the property, plant and equipment not used in operations, the cost price of approximately Baht 2.72 million was pledged as collateral for loans from financial institutions and the issuance of debentures as in Note 26.2 to the financial statements.

## 21. INTANGIBLE ASSETS

The net book value of intangible assets as at December 31, 2019 and 2018 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Computer software	Patent	Hot spring rights	Power purchase agreement right	Software under installation	Total
<b>Cost:-</b>						
As at January 1, 2018	18,302	470	105,820	273,494	1,609	399,695
Additions	1,368	-	-	-	1,149	2,517
Transfer in (out)	-	-	17,371	-	-	17,371
Exchange difference translation adjustment	-	-	1,199	3,094	-	4,293
Assets classified as held for sale (Note 11)	-	-	(124,390)	(276,588)	-	(400,978)
As at December 31, 2018	19,670	470	-	-	2,758	22,898
Additions	89	-	-	-	514	603
Transfer in (out)	3,272	-	-	-	(3,272)	-
Exchange difference translation adjustment	-	-	-	-	-	-
Assets classified as held for sale (Note 11)	-	-	121,717	260,404	-	382,121
As at December 31, 2019	23,031	470	121,717	260,404	-	405,622
<b>Accumulated amortization :</b>						
As at January 1, 2018	9,178	246	3,461	8,691	-	21,576
Amortization for the year	1,413	59	6,956	18,040	-	26,468
Exchange difference translation adjustment	-	-	-	28	-	28
Assets classified as held for sale (Note 11)	-	-	(10,417)	(26,758)	-	(37,175)
As at December 31, 2018	10,591	305	-	-	-	10,896
Amortization for the year	1,718	59	-	-	-	1,777
Exchange difference translation adjustment	-	-	-	-	-	-
Assets classified as held for sale (Note 11)	-	-	19,407	42,111	-	61,518
As at December 31, 2019	12,309	364	19,407	42,111	-	74,191
<b>Allowance for impairment :</b>						
As at January 1, 2018	494	-	-	-	-	494

(Unit: Thousand Baht)

	Consolidated financial statements					
	Computer software	Patent	Hot spring rights	Power purchase agreement right	Software under installation	Total
(Increase) / Decrease	-	-	-	-	-	-
As at December 31, 2018	494	-	-	-	-	494
(Increase) / Decrease	-	-	63,142	160,221	-	223,363
As at December 31, 2019	494	-	63,142	160,221	-	223,857
<b>Net Book Values:</b>						
As at December 31, 2018	8,585	165	-	-	2,758	11,508
As at December 31, 2019	10,228	106	39,168	58,072	-	107,574

**Amortization in the statement of comprehensive income :**

For the year ended December 31, 2018	26,468
For the year ended December 31, 2019	27,762

(Unit: Thousand Baht)

	Seperate financial statements			
	Computer software	Patent	Software under installation	Total
<b>Cost :-</b>				
As at January 1, 2018	18,260	470	1,609	20,339
Additions	1,368	-	3,653	5,021
Transfer in (out)	-	-	(2,504)	(2,504)
As at December 31, 2018	19,628	470	2,758	22,856
Transfer in (out) to the subsidiary (Note 6.4)	(19,547)	-	(2,758)	(22,305)
Transfer in (out)	-	-	-	-
As at December 31, 2019	81	470	-	551
<b>Accumulated amortization :</b>				
As at January 1, 2018	9,161	246	-	9,407
Amortization for the year	1,405	59	-	1,464
As at December 31, 2018	10,566	305	-	10,871
Amortization for the year	8	59	-	67
Transfer in (out) to the subsidiary (Note 6.4)	(10,529)	-	-	(10,529)
As at December 31, 2019	45	364	-	409
<b>Allowance for impairment :</b>				
As at January 1, 2018	494	-	-	494
(Increase) / Decrease	-	-	-	-
As at December 31, 2018	494	-	-	494



(Unit: Thousand Baht)

	Separate financial statements			
	Computer software	Patent	Software under installation	Total
Transfer in (out) to the subsidiary (Note 6.4)	(494)	-	-	(494)
(Increase) / Decrease	-	-	-	-
As at December 31, 2019	-	-	-	-
<b>Net Book Values :</b>				
As at December 31, 2018	8,568	165	2,758	11,491
As at December 31, 2019	36	106	-	142
<b>Amortization in the statement of comprehensive income :</b>				
For the year ended December 31, 2018				1,464
For the year ended December 31, 2019				67

## 22. 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 December 31, 2018								
Goodwill		98,647	118,795	29,143	12,467	12,459	12,439	283,950
Less: Allowance for impairment loss		(97,500)	(103,500)	(17,678)	(2,318)	(2,029)	(3,187)	(226,212)
Goodwill - net		1,147	15,295	11,465	10,149	10,430	9,252	57,738
As at December 31, 2019								
Goodwill		98,521	117,959	28,472	11,873	11,849	11,898	280,572
Less: Allowance for impairment loss		(97,500)	(117,959)	(23,075)	(11,873)	(11,849)	(11,898)	(274,154)
Goodwill - net		1,021	-	5,397	-	-	-	6,418

The reconciliation of the net book value of goodwill for the years 2019 and 2018 are presented below.

	Consolidated financial statements	
	2019	2018
Net book value at beginning of year	57,738	57,091
Impairment loss	(47,941)	-
Exchange difference translation adjustment	(3,379)	646
Assets classified as held for sale (Note 11)	-	(44,086)
Net book value at end of year	6,418	13,651

(Unit: Thousand Baht)

## 23. ADVANCES PAYMENT

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Advance payment for construction of geothermal power plants	28,422	30,188	-	-
Advance payment for Hot spring rights	33,113	35,171	-	-
Advance payment for assets	-	64,800	-	64,800
Advance payment for Riverside Project	14,743	65,565	14,743	65,565
Advance payment for investment in wind power plant	64,089	68,072	-	-
<b>Total</b>	<b>140,367</b>	<b>263,796</b>	<b>14,743</b>	<b>130,365</b>
<b>Less : Allowance for doubtful</b>				
Impairment on advance payment for construction of geothermal power plants	(28,422)	-	-	-
Impairment on advance payment for Hot spring rights	(33,113)	-	-	-
Impairment on advance payment for Riverside project	(14,743)	-	(14,743)	-
Impairment on Advance payment for investment in wind power plant	(64,089)	-	-	-
<b>Total</b>	<b>(140,367)</b>	<b>-</b>	<b>(14,743)</b>	<b>-</b>
	<b>-</b>	<b>263,796</b>	<b>-</b>	<b>130,365</b>

(Unit : Thousand Baht)

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 Yen 2,700 million (Baht 786 million). As at December 31, 2018, Sumo Power Company Limited, a subsidiary, has paid a deposit of Yen 103 million for 2 units of power plant.

According to the resolution of the Board of Directors Meeting No. 3/2020, dated March 20, 2020, the meeting approved to set up an allowance for doubtful accounts for the total amount, since the management estimated the difficulty of collection therefore decided to record the full provision for doubtful accounts of Baht 28 million.

Advance payment for Hot spring rights

In accordance with the resolution of the Board of Directors Meeting No. 5/2016 held on June 24, 2016, it was resolved that approved the Company invested in geothermal power plant 8 projects by acquiring from Sumo Power Company Limited in the amount of Yen 495 million and the purchase of 8 geothermal power plants at Yen 220 million per plants (excluding tax). Advance payment is including hot springs rights of 4 units, valued at Yen 120 million. (Baht 33 million)

According to the resolution of the Board of Directors Meeting No. 3/2020, dated March 20, 2020, the meeting approved to set up an allowance for doubtful accounts for the total amount, since the management estimated the difficulty of collection therefore decided to record the full provision for doubtful accounts of Baht 33 million.

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. During the year in 2019 the Company received the rental area of Baht 72 million, therefore the Company transferred the advance payment into property, plant and equipment costs of Baht 24 million, and to investment property cost of Baht 48 million respectively.

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 Yen 3,100 million or equivalent to Baht 911.83 million (based on the exchange rate of Baht 29.4140 per Yen 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 Yen 210 million (approximately of Baht 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 (Yen 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 Yen 10 million (approximately of Baht 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 May 31, 2019.
- 3) Extend the duration of "Joint Investment Agreement" to be dated June 30, 2019.

According to the meeting of the Board of Directors No. 14/2019 on June 28, 2019, has approved the Due Diligent Project until the end of July 2019.

According to the Board of Directors meeting No. 15/2019, on July 30, 2019, resolved to issue the Company letter of cancellation of such investment and requesting a deposit in the amount of Baht 65.57 million because the development of the said project agreed has delayed, together with the cost of developing the project higher.

The Company recorded full provision for loss on the deposit due to an uncertainty in the collection from joint investor.

On November 1, 2019, the Company received deposit of Yen 171 million (equivalent to Baht 47.10 million) from Rich Partners Company Limited.

Present, the Company is currently tracking the debt closely and will take legal action for reimbursement.

#### Advance payment for investment in wind power plant

The Board of Directors' meeting No.2/2017 on February 6, 2017 had approved to invest on Wind Power at Aomori prefecture, Japan to establish the new Company in Japan with registered

capital of 10 million yen approximately 3,147,830 Baht. (Applicable exchange rate of 0.314783 Baht/yen announced by the Bank of Thailand on February 3, 2017) Company hold 60% of the total shares (Subsidiary); and AURA Green Energy Co., Ltd. ("AURA") (Japanese corporation); holds 40% of the total shares and invest on Wind Power 5 Units amount 175 million yen approximately 55,087,025 Baht. (Applicable exchange rate of 0.314783 Baht/yen announced by the Bank of Thailand on February 3, 2017).

The Board of Directors' meeting No.3/2017 on March 7, 2017 had approved invest on Wind Power at Aomori prefecture, Japan 1 Units amount of Yen 36 million or approximately amount of Baht 10.99 million.

And the Board of Directors' meeting No.10/2017 on August 2, 2017 had approved invest on Wind Power at Aomori prefecture, Japan 1 Units amount of Yen 36 million or approximately amount of Baht 10.99 million. Total of the Wind Power invested by the Company is 7 units amount of Yen 247 million.

In year 2017, the Company has paid advance payments for Wind Power construction 7 units amount of Yen 232 million (approximately of Bath 65 million). Present, Wind Power 7 units able to recognize revenue from sales since the year 2017 to the present. Therefore, revenue from power generation not recognized in the consolidated financial statements. And the Group Company is unable to check the amount of the said electricity bill sold. Present, the Group Company has not yet received the transfer of ownership in the Wind Power.

In the year 2017 and 2018, the company recorded this amount under the work in progress account. (Building and machinery) Later, in the year 2019, the company considered classifying this items as advance payments for investment in wind power plants.

According to the resolution of the Board of Directors Meeting No. 3/2020, dated March 20, 2020, the meeting approved to set up an allowance for doubtful accounts for the total amount, since the management estimated the difficulty of collection therefore decided to record the full provision for doubtful accounts of Bath 64 million.

## 24. SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

(Unit : Thousand Baht)

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Bank overdrafts		23,740	277	-	277
Promissory note from financial institutions	5.25	120,000	180,000	120,000	180,000
Bills of exchange from the Company and other persons	9.00	-	71,937	-	71,937
Short – term loan from financial institutions		-	230,000	-	230,000
Trust Receipt Payable		43,957	69,497	43,957	69,497
		187,697	551,711	163,957	551,711
Deferred front end fee		(402)	(1,763)	(402)	(1,763)
		187,295	549,948	163,555	549,948

### Bank overdrafts

On July 17, 2019 the Company's subsidiary was granted credit facility from a commercial bank, consisted of revolving credit of bank overdraft of Baht 25 million, that's guaranteed by land and building (on such land) of the Company and raw material and/or inventory and fixed deposit bank account of the Company's subsidiary.

### Promissory note from financial institution

On July 9, 2019, the Company redeemed promissory notes that due totaling of Baht 150 million and issued 2 new promissory notes as follow:

- 1) Promissory note from a financial institution No. 1 in the amount of Baht 100 million at interest rate of 4.05% per annum with due date on October 9, 2019.

As at October 9, 2019, the Company had redeemed the redemption promissory note amount of Baht 100 million. After that the Company renewed the promissory note amount of Baht 80 million at interest rate of 5.25% per annum with due date on January 31, 2020.

- 2) Promissory note from a financial institution No. 2 in the amount of Baht 50 million at interest rate of 4.05% per annum with due date on July 31, 2019.

At the present, the Company had repaid in the amount of Baht 10 million, the remaining unpaid amount of Baht 40 million and the Company had negotiated to waiver with the lender bank to request a waiver of payment and on August 14, 2019, the lender bank approved the renewal of promissory note of Baht 40 million, starting from August 16, 2019 to October 31, 2019 and requesting to collect default interest between August 1, 2019 and August 16, 2019.

As at October 31, 2019, the Company redeemed promissory note that due totaling of Baht 40 million and issued new promissory note with interest rate 5.25% per annum, maturity date on January 31, 2020.



Later, on January 31, 2020 the Company was negotiating with the bank lenders to extend the 2 promissory notes total Baht 120 million, which is grant an extension to pay promissory notes, by increase the interest rate is 6% per annum, as detailed below:

1. Payment of Baht 12 million. On January 31, 2020 (the Company paid successfully)
2. Payment of Baht 12 million. On March 31, 2020.
3. Payment of Baht 12 million. On April 30, 2020.
4. Payment of Baht 12 million. On May 29, 2020.
5. Payment of Baht 12 million. On June 30, 2020.

For the promissory note, the remaining amount of Baht 60 million to be paid on July 31, 2020. However, the financial institution will gradually reduce the promissory note due to the payment of a promissory note of Baht 40 million and to reduce the promissory note to Baht 80 million.

The promissory note guarantees a total credit line of Baht 120 million and a credit limit of Baht 44 million, the credit limit has been guarantees as follows:

1. Mortgage of land and buildings of the Company's cost of Baht 12 million.
2. Business security agreement – trade receivables are the Company's ownership of Baht 230 million.
3. Business security agreement – inventories are the subsidiary company's ownership of Baht 100 million.
4. Business security agreement – fixed deposit is the subsidiary company's ownership of Baht 10 million.
5. The subsidiary company guaranteed.

## 25. TRADE AND OTHER CURRENT PAYABLES

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Trade payables – related party (Note 6.2)	6,446	22,304	422,584	22,304
Trade payables – unrelated parties	163,876	211,914	126	211,914
Other payables – related parties (Note 6.2)	4,936	1,459	10,538	-
Other payables – unrelated parties	19,753	14,854	2,086	14,612
Other payables for purchases of assets	4,067	5,427	904	3,688
Accrued interest – related party (Note 6.2)	12	5	-	-
Accrued interest –unrelated parties	7,364	10,619	7,364	10,619
Accrued expenses – related party (Note 6.2)	-	469	-	469
Accrued expenses – unrelated parties	44,013	30,718	41,893	30,344
Total trade and other current payables	<u>250,467</u>	<u>297,769</u>	<u>485,495</u>	<u>293,950</u>

## 26. LONG-TERM LOAN

As at December 31, 2019 and 2018 are as follows:

(Unit : Thousand Baht)

	Consolidated / Separate financial statements	
	December 31, 2019	December 31, 2018
<b>Long-term loan</b>		
Long-term loan from financial institutions	527,066	611,230
Debentures	721,264	906,666
Liabilities under hire purchase and financial lease agreements	1,907	3,943
Total long-term loan	1,250,237	1,521,839
<b>Less: Current portion of long – term</b>		
Long-term loan from financial institutions	(527,066)	(611,230)
Debentures	(721,264)	(707,221)
Liabilities under hire purchase and financial lease agreements	(1,470)	(2,036)
Total current portion of long – term	(1,249,800)	(1,320,487)
	437	201,352

### 26.1 Long – term loan from financial institutions

Movements of the long - term loan account during the year period ended December 31, 2019 are as follows:

(Unit : Thousand Baht)

	Consolidated / Separate financial statements
Balance as at January 1, 2019	611,744
<u>Add</u> Increase	-
<u>Less</u> Payment	(51,065)
Exchange differences on translation adjustment	(33,348)
Total	527,331
Deferred financial fee	(265)
Balance as at December 31, 2019	527,066

(Unit : Thousand Baht)

Interest rate (% per annum)	Maturity date	Consolidated / Separate financial statements	
		December 31, 2019	December 31, 2018
Yen 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 Yen 14.5 million each and the balance payable in the thirty- six installment	527,066	611,230
Less: Portion due within one year		(527,066)	(611,230)
Long - term loan - net of current portion		-	-

In accordance with the conditions specified in the agreement, this loan amounting to Yen 1,886 million (Baht 527 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 December 31, 2019, 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.

Therefore, showing loans from financial institutions in the amount of Yen 1,886 million (equivalent to Baht 527 million), as liabilities due within one year in full amount.

On February 18, 2020, the lender bank to consent the breach of conditions under the loan agreement, in case debt to equity ratio, which is not considered as a default event under the loan agreement, financial statement year 2019 only.

After that, at August 16, 2019, the Company had received notice of delay of exercising call default from the lender bank as follows. As the event that the Company defaulted on paying Debentures No. 1/2019 in the amount of Baht 319.50 million, which is considered as the default event / breach of the loan contract that the Company has signed with the bank. Currently, the bank will not exercise the right to call default due to the event that the Company defaulted on paying the debentures as described above. Provided that if there are any events considered by the bank that May affect the ability to pay the debt that the Company has to the bank, such as (but not limited to) other creditors of the Company exercising the right to recall debt or exercise the right to enforce debt repayment, etc. The bank is required to immediately use the right to call default with the Company.

And in addition, the Company expects to pay all debts within the fourth quarter of 2019 in order to free the guarantee of all assets, including all remaining thermal power plants. To deliver to the buyer (Note 11).

## 26.2 Debentures

(Unit : Thousand Baht)

	Consolidated / Separate financial statements	
	December 31, 2019	December 31, 2018
Debentures	727,100	914,000
Less: Deferred arrangement fee for debentures	(5,836)	(7,334)
Debentures – net of arrangement fee	721,264	906,666
Less: Portion due within one year	(721,264)	(707,221)
Debentures – net of current portion	-	199,445

Movements of the debentures accounts during the year period ended December 31, 2019 are summarised below.

(Unit : Thousand Baht)

	Consolidated / Separate financial statements
Balance as at January 1, 2019	914,000
Issuance of debentures	207,600
Redemption of debentures	(394,500)
Deferred arrangement fee for debentures	(5,836)
Balance as at December 31, 2019	721,264

As at December 31, 2019, the balance of the debentures issued by the Company is Baht 727 million. Such debentures were offered to investors by private placement. The debentures pay interest every 3 months. Significant details are as follows:

Time	Issue date	Units	Par value per unit (Baht)	Total value (Million Baht)	Interest rate (% per annum)	Maturity date
<u>Registered holders of Debentures unsubordinated and unsecured debentures, which do not have a debenture holders' representative.*</u>						
1/2017	July 27, 2017	260,500	1,000	261	6.30	July 27, 2019
<u>Registered holders of Debentures unsubordinated and unsecured debentures, which do have a debenture holders' representative.*</u>						
2/2018	August 2, 2018	319,500	1,000	320	7.25	August 2, 2019
3/2018	September 3, 2018	134,000	1,000	134	7.25	September 3, 2019
<u>Registered holders of Debentures unsubordinated and secured debentures, which do have a debenture holders' representative.*</u>						
1/2018	May 8, 2018	200,000	1,000	200	7.00	May 8, 2020
1/2019	March 21, 2019	207,600	1,000	208	8.50	March 18, 2021

\* 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.

On December 31, 2019, the Company is unable to maintain the debt to equity ratio as according to the terms and conditions of the debenture issuers and debenture holders. Which is considered as a violation of the conditions causing the bondholders to have the right to call back the said debentures immediately, therefore showing the debenture No. 1/2019 in the amount of Baht 207.60 million as a debt due within one year in the whole amount

#### Debentures No. 1/2017

The Siam Commercial Bank Public Company Limited as a registrar has transferred money and issued checks to bondholders who have partially redeemed on July 30, 2019 amount of Baht 260.50 million. On July 30, 2019, the debenture registrar transferred money to the debenture holder's bank account to cut the bank's money from the system in error for the debenture holders. In the amount of Baht 216.80 million because the Company has not yet brought the deposit into the account to pay off the redemption of the bonds.

On August 5, 2019, the management of the Company and the executives of Siam Commercial Bank Public Company Limited, as the debenture registrar, met together making the Company know clearly that transferring money to the debenture holder's account is in accordance with the above facts, so on August 6, 2019, the Board of Directors has approved the reimbursement Registrar. The Company has processed a refund by way of money transfer system baht net successfully follows:

1. The Company paid the amount of Baht 216.80 million, returned to the registrar, the registration of the debenture and the debenture holder who received the money to pay off the debenture in No.1/2017.
2. Debt repayment of debentures in the amount of Baht 43.70 million. On August 2, 2019, the Company transferred money to the debenture holders' accounts total 40 debenture holders and made a cashier check in 9 debenture holders. The debenture holders will receive on August 5, 2019 at Phoenix Advisory Services Company Limited. As of August 5, 2019, all 9 debenture holders have received the cashier's check completely. The proceeds from the payment are from the capital increase and working capital of the Company and from coordination with the debenture registrar. There are 3 debenture holders who have not yet received debt repayment. The Company has therefore transferred the money to all 3 debenture holders directly on August 7, 2019.

Therefore, the debenture No. 1/2017, the Company has fully paid the debentures.

#### Debentures No. 2/2018

As at August 2, 2019, the Company is unable to pay the due debenture.

According to Board of Directors in the meeting No. 16/2019 on August 6, 2019 therefore resolved to notify the event of default on the payment of the Debentures No.2/2018, amounting to Baht 319.50 million and resolved to call the meeting hold the debentures on September 2, 2019 to extend the repayment period of 330 days from the date of redemption. This will be due on July

2, 2020. The Company will pay the normal interest of the period on August 2, 2019, amounting to approximately Baht 5.71 million on September 2, 2019 and the Company will request to change the normal interest rate from the interest rate of 7.25% per annum, increased by 0.50% to 7.75% per annum. The Company will pay the interest that will be approved by the debenture holders' meeting in the next period on November 2, 2019, amount of Baht 6.11 million, February 2, 2020, amount of Baht 6.11 million and July 2, 2020, amount of Baht 10.18 million, including the total interest paid from the due date (August 2, 2019) to July 2, 2020, amount of Baht 22.39 million.

Anyhow to the bondholders' meeting no. 1/2019 on September 2, 2019 to consider the debenture extension plan, worth of Baht 319.50 million and requesting a waiver of the default interest rate. The meeting has approved the plan to extend the principal redemption of the debenture No. 2/2018, worth of Baht 319.50 million, which was redeemed on August 2, 2019 with an extension of the principal redemption period of this debenture until July 2, 2020 or extended to 330 days at the interest rate of 7.75% per annum but the meeting does not approve the waiver, except for the default interest rate from August 2, 2019 to September 2, 2019.

On September 5, 2019, the Company has processed a 2% per annum default interest payment (in addition to the 7.25% per annum paid from the Company) of the debenture which calculated from the date of August 2, 2019 to September 5, 2019 in the amount of Baht 0.61 million.

The above – mentioned default payment event does not cause the event of default in payment of debentures in accordance with the rights and obligations of the debenture issuer and the debenture holders of the debentures No.1/2018 and Debentures No. 1/2019 specified in the terms and conditions on the rights and obligations of the issuers and the debenture holders funding, the default payment or any debt payment as mentioned above is called to be due before the original deadline. Must have a combined amount of more than Baht 400 million or other currency equivalent amount.

The resolutions of the debenture holders' meeting No. 1/2020, (the debentures No.2/2018) on February 27, 2020 are as follows:

1. Resolved to approve the amendment of the terms and conditions of the bond issuers and bondholders and to extend the maturity date no.2 (the debentures No.2/2018), valued Baht 319.50 million, from the original date July 2, 2020 to July 2, 2021.
2. Resolved not to approve the amendment of the terms and conditions of the bond issuers and bondholders by requesting an exemption of conditions for maintaining the debt to equity ratio (D/E Ratio) of 3:1. Therefore, the Company shall maintain the debt to equity ratio (D/E Ratio) as previously specified.

In this regard, the Company explained to the bondholders' meeting further as follows:

The Company to exercise the right to redeem some debentures before maturity date amount of Baht 63.90 million, (20% of the debentures of each unit the proportion of debentures held by the holder). On June 17, 2020, which is the exercise of the rights and obligations of the debenture issuer and the debenture holder, No.9. redemption and repurchase of debentures.

The resolutions of the debenture holders' meeting No. 2/2020, (the debentures No.1/2019) on March 24, 2020 are as follows:

Resolved to approve the amendment of the terms, conditions and the duties of the bond issuer and bondholders by revising the maintenance of debt to equity ratio (D/E Ratio) from originally

3:1 to 7:1 as proposed by the bond issuer that proposed to the bondholders' meeting.

The lawsuit is being processed

#### **Case 1**

On August 27, 2019, a first debenture holder has filed a lawsuit with the Civil Court ordered the Company to pay the principle with interest expense, totaling of Baht 4,098,438.39.

On December 20, 2019 the Civil Courts sentenced the Company to pay Baht 4,000,000 with interest at the rate of 9.25% per annum from the sentenced date until the payment is completed.

On January 16, 2020 the Company submitted a petition to suspend execution. And appealed the case to the Appeal Court. The Appeal Court made appointment to hear a verdict on May 19, 2020.

#### **Case 2**

On November 14, 2019, the second debenture holder filed a lawsuit with the Civil Court ordered the Company to pay the principle with interest expense, totaling of Baht 2,012,835.61. At the present, the case is under consideration by the Civil Court. The court scheduled the hearing of evidence from plaintiff and defendant on March 23, 2020.

On March 23, 2020, the second debenture holder has appointed a lawyer. And the lawyer submitted a request to postpone the case claiming that a plaintiff has to go to the examination process of a case that was scheduled at the Criminal Court, and requested to postpone the case. The company does not oppose the request to postpone the case. And the Court has scheduled the hearing of plaintiff's witnesses on June 8, 2020. The facts of the above two cases that the plaintiff claimed PP Prime Public Company Limited "the Company" to pay the debt which originated from the Debentures Series "Debentures of Thai Luxe Enterprises Public Company Limited No. 2/2018, due for redemption in 2019, which the issuer has the right to redeem the debentures before the redemption date " (TLUXE198A). which the Company has the opinion that the Debenture TLUXE198A on August 20, 2019, the Company as the issuers of the debentures has exercised the rights as mentioned in No. 11.1 of the debenture holders' meeting by PP Prime Public Company Limited has the right to call the debenture holders' meeting within 30 days after the default occurrence in No.10.1. that if the issuer did not pay whether principal or interest, the issuer has right in accordance with the rights terms to call the debenture holders' meeting on September 2, 2019 at 2 pm. The debenture holders' meeting agenda (TLUXE 198A) and the meeting are complied to the rights terms together with the Annex 2. The meeting had a complete quorum in accordance with No.3.3 of Annex 2 of the terms of such debentures as well.

In the agenda 2 of the meeting is plans to extend the redemption turns out that the meeting approved a plan to extend the redemption by the Issuer. Which is in accordance with the terms and conditions that must be approved by not less than 75% of the total amount of the debenture holders to attend and vote. By the fact that PP Prime Public Company Limited as the issuer has called the debenture holders' meeting legally and accordingly to the terms and conditions. When the debenture holders' meeting approved a plan to extend the redemption follow the terms and conditions with No.11.2 which is defined as the "Resolution of the debenture holders' meeting, the meeting request and the meeting shall apply, enforce, and bind to the bondholders, no matter whether the meeting is attended or not."So the Resolution of the debenture holders' meeting which approved a plan to extend the redemption of these debentures , then binding on bondholders



No.1 and bondholders No.2, the plaintiffs in both cases above. Therefore, the Legal consultants has the opinion that the PP Prime Public Company Limited has a defense in the case that bondholders No.1 and bondholders No.2 have sued for breach of contract and called to pay the debt in both cases that has the reason to win the case by which the Company has no obligation to be liable under the prosecute in both cases.

#### Debentures No. 3/2018

On September 6, 2019, the Company carried out the transfer of the principal and the final interest of the debentures at a normal rate of 7.25% per annum in the amount of Baht 136.45 million, including the default interest of 3 days (at the rate of 9.25% per annum) amount of Baht 0.10 million, which calculated from September 3, 2019 to September 5, 2019 of debenture.

Therefore, the debenture No. 3/2018, the Company has fully paid the debentures.

#### Debentures No. 1/2018

Guarantee by pledge investment available for sale amount 62.14 million shares (book value of Baht 84.31 million) and pledge investment property, book value Baht 7.01 million and Property, plant and equipment, book value Baht 123.26 million, under the regulation of right and duty of issuer, the Company has to follow some financial condition such as the value of the collateral not less than 1.10 times of loan.

According to the debenture holders meeting No. 2/2019 dated November 12, 2019, the meeting has resolution to accept common share of Tluxe Power Company Limited as additional collateral of 7.50 million shares (book value of Baht 75 million).

The resolutions of the debenture holders' meeting No. 1/2020, (the debentures No.1/2018) on February 27, 2020 are as follows:

1. Resolved to approve the amendment of the terms and conditions of the bond issuers and bondholders and to extend the maturity date of the bond No. 1 (the debentures No.1/2018) from the original date of May 8, 2020 to May 8, 2021.
2. Resolve to approve the amendment of terms and conditions of the bond issuers and bondholders by redeeming investments in available-for-sale securities that the Company owns and as the guarantee for bond (the debentures No.1/2018). The Company will sell those via the Stock Exchange of Thailand and pay for debt to bondholders of Baht 60 million.
3. Resolve to approve the amendment of terms and conditions of bond issuers and bondholders with the exception to maintain the debt to equity ratio (D/E Ratio) from the originally specified at the D/E Ratio of 3:1 to no longer fixed the condition of D/E Ratio.

In this regard, the Company explained to the bondholders' meeting further as follows:

The Company is an exercise the right to redeem some debentures before maturity date amount of Baht 30 million, (15% of the debentures of each unit the proportion of debentures held by the holder). On April 23, 2020, which is the exercise of the rights and obligations of the debenture issuer and the debenture holder, No.10 redemption and repurchase of debentures.

#### Debentures No. 1/2019

Guarantee by pledge ordinary share of Thai Luxe Enterprises (Thailand) Co., Ltd. (subsidiary) amount 62.97 million shares (book value of Baht 638.50 million).

The resolutions of the debenture holders' meeting No. 1/2020, (the debentures No.1/2019) on February 28, 2020 are as follows:

Resolved to approve the amendment of the terms & conditions and the duties of the bond issuer and bondholders by revising the maintenance of debt to equity ratio (D/E Ratio) from originally 3:1 to 7:1 as proposed by the bond issuer that proposed to the bondholders' meeting, and also to fix the additional terms & conditions that if the maintenance of the debt to equity ratio (D/E Ratio) is more than that specified above, the bondholder representative shall consider and comment under the scope in case of the effect on impairment of assets and investment of the company only.

#### Debentures payment plan to be redeemed in the future.

The Company will pay the normal interest and repay the debt within the specified period, with the source of payment as follows:

Unsubordinated debentures (Unit : Million Baht)			Source of payment
No.	Amount	Due date	The Company determines to sell available - for - sale securities and selling non-operating assets, includes bringing money from working capital and the liquidity of the business to pay the redemption of the debentures.
1/2018	200.00	May 8, 2021	
2/2018	319.50	July 2, 2021	
1/2019	207.60	March 18, 2021	

### 26.3 Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	December 31, 2019	December 31, 2018
Liabilities under finance lease agreements	1,937	4,924
Less : Deferred interest expenses	(30)	(981)
Total	1,907	3,943
Less : Portion due within one year	(1,470)	(2,036)
Liabilities under finance lease agreements - net of current portion	437	1,907

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 to 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	
	2019	2018	2019	2018	2019	2018
Future minimum lease payments	1	2	1	2	2	4
Deferred interest expenses	-	-	-	-	-	-
Present value of future minimum lease payments	1	2	1	2	2	4

## 27. OTHER CURRENT LIABILITIES

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Deposits received from sales of Geothermal Energy	165,564	58,618	-	-
Other	13,303	4,272	9,727	2,979
Total other current liabilities	178,867	62,890	9,727	2,979

### Deposits received from sales of Geothermal Energy

According to Note 11 to the financial statements in 2018, the company sold 15 geothermal power plants in Japan to Relocation House Corporation. Later, on February 21, 2019, Relocation House Corporation transferred the rights and obligations under the Memorandum of Understanding (MOU) to Beppu Forest Power Co., Ltd., (which has common director with a subsidiary company who sells property) with the Company receiving deposits from sales of geothermal power plants in total amount of Yen 600 million (approximately Baht 165.56 million)

## 28. 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 financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Provision for long-term employee benefits at beginning of year</b>	19,434	13,545	19,434	13,545
Transfer provision for benefit employees to subsidiaries	-	-	(10,538)	-
<u>Included in profit or loss:</u>				
Current service cost	3,437	2,672	1,792	2,672
Interest cost	626	375	289	375
Actuarial loss	-	1,387	-	1,387
Past service costs due to changing benefit plans	4,071	(1,263)	1,826	(1,263)
<u>Included in other comprehensive income:</u>				
Actuarial gain arising from				
Financial assumptions changes	-	3,294	-	3,294
Experience adjustments	-	(116)	-	(116)
Benefits paid during the year	(475)	(460)	(220)	(460)
<b>Provision for long-term employee benefits at ending of year</b>	<u>27,093</u>	<u>19,434</u>	<u>12,583</u>	<u>19,434</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost of sales	1,733	1,414	-	1,414
Selling and administrative expenses	6,401	1,757	3,907	1,757
Total expenses recognised in profit or loss	<u>8,134</u>	<u>3,171</u>	<u>3,907</u>	<u>3,171</u>

On April 5, 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019 that the change is considered a project amendment for the post-employment benefits plan. The Company recorded the effect of change by recognizing the past service cost immediately in the statement comprehensive income in the period. The consolidated financial statements amount of Bath 4,070,272 and the separate financial statements amount of Bath 1,825,545.

Significant actuarial assumptions are summarised below:

	Consolidated / Separate financial statements	
	2019	2018
	(% per annum)	(% per annum)
Discount rate	1.76 – 4.38	1.76 – 4.38
Salary increase rate	5 - 6.50	5 – 6.50
Turnover rate	0.0 – 30.00	0.0 – 30.00
Mortality rate	100 of The Thai Mortality Act B.E. 2560	100 of The Thai Mortality Act B.E. 2560

The result of sensitivity analysis for significant assumptions that affect the present value of the long term employee

benefit obligations as at December 31, 2019 are summarized below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2019		2018	
	Increase	Decrease	Increase	Decrease
Discount rate (Increase/decrease 1%)	(2,615)	3,015	(1,917)	2,217
Salary increase rate (Increase/decrease 1%)	2,926	(2,565)	1,916	(1,684)
Turnover rate (Increase/decrease 20%)	(2,287)	2,903	(1,561)	1,953
Mortality rate (Increase/decrease 1%)	93	(103)	61	(67)

(Unit: Thousand Baht)

	Separate financial statements			
	2019		2018	
	Increase	Decrease	Increase	Decrease
Discount rate (Increase/decrease 1%)	(1,304)	1,499	(1,917)	2,217
Salary increase rate (Increase/decrease 1%)	1,489	(1,311)	1,916	(1,684)
Turnover rate (Increase/decrease 20%)	(1,041)	1,277	(1,561)	1,953
Mortality rate (Increase/decrease 1%)	28	(43)	61	(67)

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, 2019, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Within 1 year	626	285
Over 1 and up to 5 years	8,903	5,142
Over 5 years	70,996	42,596

## 29. 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.

## 30. EXPENSES BY NATURE

Significant expenses classified by nature are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Salaries and wages and other employee benefits	166,158	172,750	72,110	166,871
Depreciation	119,794	115,251	6,736	72,561
Amortisation	27,762	26,468	67	1,464
Raw materials and consumables used	1,426,396	1,472,966	-	1,472,966
Changes in inventories of finished goods and work in process	20,772	24,846	12,361	24,846
Impairment on loans and interest receivable	102,855	-	392,685	-
Impairment on investment in subsidiary company	-	-	394,547	-
Impairment on advance payment in Riverside Project	14,743	-	14,743	-
Impairment on advance payment for Hot spring rights	33,113	-	-	-
Impairment on advance payment for investment in Wind power Project	64,089	-	-	-
Impairment on advance payment for investment in geothermal power plant	28,422	-	-	-
Loss on impairment of land	7,311	-	-	-
Loss on impairment of plant and equipment	158,956	-	-	-
Loss on impairment of intangible assets	223,363	-	-	-
Loss on impairment of goodwill	47,941	-	-	-

### 31. INCOME TAX

Income tax expenses for the years ended December 31, 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current income tax:				
Current income tax charge	27,849	7,246	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(136,587)	(119)	(97,052)	3,697
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>(108,738)</b>	<b>7,127</b>	<b>(97,052)</b>	<b>3,697</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended December 31, 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax on (gain) loss from the change in value of available-for-sale investments	135,119	114,428	135,119	114,428
Deferred tax on (gain) from actuarial estimates	-	635	-	635
Deferred tax on (gain) from revaluation of fixed assets	66,236	-	17,542	-
	201,355	115,063	152,661	115,063



The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	19,438	14,565	19,438	14,565
Allowance for diminution in value of inventories	82	3,148	82	3,148
Allowance for impairment on plant and equipment	-	11,854	-	11,854
Fair value of equipment through business combination	4,084	-	-	-
Provision for long-term employee benefits	2,516	3,887	2,516	3,887
Unrealised loss from revaluation of available-for-sale securities	16,196	56,255	16,196	56,255
Accumulated deficit	10,492	-	10,492	-
Total	52,808	89,709	48,724	89,709
<b>Deferred tax liabilities</b>				
Unrealised gain from revaluation of available-for-sale securities	30	2,326	30	2,326
Intangible assets acquired through business combination	15,042	-	-	-
Deferred arrangement fees for loans and debentures	1,300	1,922	1,300	1,922
Gain from revaluation of fixed assets	66,237	-	17,542	-
Total	82,609	4,248	18,872	4,248

As at December 31, 2019, the subsidiaries have tax deductible temporary differences unused tax losses totaling Yen 359 million (2018 :Yen 214 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 Yen 141 million will expire by 2026.

## 32. 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)/2011 issued on August 31, 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 (June 1, 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)/2013 issued on June 19, 2013 and the investment promotion certificate No. 1131 (2)/2015 issued on February 4, 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)/2013 has not yet generated revenues and the investment promotion certificate No. 1311(2)/2015 has revenues generate on April 30, 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% of the amount in invested in the installation of facilities in addition to normal depreciation.

On July 16, 2018 the Extraordinary General Meeting of Shareholders No.1/2018 of PP PRIME PUBLIC COMPANY LIMITED, approved the transfer rights in the investment promotion certificate No.1131(2)/2558, No.1856(2)/2556 and No. 2091(2)/2554 category 1.6: Manufacture of animal feeds or animal feed ingredients of the company to Thai Luxe Enterprises (Thailand) Co., Ltd. as in Note 6.4 to the financial statements.

The Company's operating revenues for the years ended December 31, 2019 and 2018, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Sales						
Domestic sales	487,665	414,831	1,560,228	1,569,361	2,047,893	1,984,192
Export sales	-	-	71,523	76,785	71,523	76,785
Total sales	<u>487,665</u>	<u>414,831</u>	<u>1,631,751</u>	<u>1,646,146</u>	<u>2,119,416</u>	<u>2,060,977</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Sales						
Domestic sales	-	414,831	1,775,449	1,569,361	1,775,449	1,984,192
Export sales	-	-	-	160	-	160
Total sales	-	414,831	1,775,449	1,569,521	1,775,449	1,984,352

### 33. SHARE CAPITAL

#### 33.1 Year 2018

According to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2018 held on July 16, 2018, has the resolutions of each agenda were as follows:

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.
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.

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.

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:
  - 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.
  - 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.
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.

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.

### 33.2 Year 2019

1. According to the resolution of the Annual General Meeting of Shareholders No. 1/2019 on April 24, 2019, has passed significant resolutions as follows:
  - 1.1 Approved the reduction of the Company's registered capital of Baht 280,762,672, from the current registered capital of Baht 843,813,359 to be Baht 563,050,687 by cancelling 280,762,672 ordinary shares with par value of Baht 1 per share.
  - 1.2 Approve the amendment of clause 4 of the Company's Memorandum of Association to be in line with the reduction of the Company's registered capital.

Subsequently, on April 30, 2019, 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.

  - 1.3 Approved the increase of the Company's registered capital by allocating the newly issued ordinary shares of not exceeding 281,525,344 shares to the existing shareholders in proportion to their shareholding ratio (RO) as follows: "The Meeting approved the increase of the Company's registered capital of Baht 281,525,344 from the current registered capital of Baht 563,050,687 to be Baht 844,576,031 by issuing 281,525,344 ordinary shares with par value of Baht 1 per share".
  - 1.4 Approved the amendment of clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital.

Subsequently, on May 2, 2019, 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.

  - 1.5 Approved the allocation of the Company's newly issued ordinary shares to rights offering (RO) of not exceeding 281,525,344 newly issued ordinary shares with par value of Baht 1 per share.

The existing shareholders by way of right offering (RO) are as follows:

Allocation to	Amount of Shares (shares)	Ratio (Old : New)	Offering Price (Baht per share)	Share Subscription and Payment Date and Time
The existing shareholders	Not exceeding 281,525,344 shares	2 existing ordinary shares: 1 new ordinary shares	Baht 2.00 per share, total Baht 563,050,688	July 1 – 5, 2019 (5 business days)

During July 1 – 5, 2019, the existing shareholders has right to purchase newly issued ordinary share in proportion of their existing shareholding (RO) of 125,001,347 shares, totaling of Baht 250,002,694. As a result, the Company registered the increase of its issued and paid-up capital of Baht 563 million (divided into 563 million ordinary shares at Baht 1 par value) to Baht 688 million (divided into 688 million ordinary shares at Baht 1 par value) with the Ministry of Commerce on July 9, 2019.

2. According to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2019 on June 10, 2019, has passed significant resolutions as follows:

2.1 Approved the reduction of the Company's registered capital of Baht 281,525,344 from the existing registered capital of Baht 844,576,031 to Baht 563,050,687 by cancelling 281,525,344 authorized but unissued ordinary shares, with a par value of Baht 1 per share.

2.2 Approved the amendment of clause 4 of the Company's Memorandum of Association to be in line with the reduction of the Company's registered capital.

Subsequently, on June 13, 2019, 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.

2.3 Approved the increase of the Company's registered capital of Baht 563,050,688 from the existing registered capital of Baht 563,050,687 to Baht 1,126,101,375 by issuing 563,050,688 newly issued ordinary shares, with a par value of Baht 1 per share.

2.4 Approve the amendment of clause 4 of the Company's Memorandum of Association to be in line with the reduction of the Company's registered capital. Subsequently, on June 14, 2019, 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.

During 2019, the holders of 14,442 warrants exercised options to purchase 14,442 ordinary shares at an exercise price of Baht 1 each, resulting in an increase in the issued and paid-up share capital from Baht 688,052,034 to Baht 688,052,034. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on November 7, 2019.

## 34. WARRANTS

According to the Extraordinary General Meeting of Shareholders No. 1/2019 of PP PRIME Public Company Limited ("the Company") on June 10, 2019, received approval for the Company's ordinary shares, No. 4 ("Warrants" or "PPPM-W4") not exceeding 281,525,344 units to the existing shareholders of the Company in proportion to their shareholding (Warrant-RO) without charge at the ratio of 3 shares per 1 unit. Rights Whereby the fraction of the warrants shall be discarded and scheduled for July 17, 2019 to be the date of determining the list of shareholders who have the right to subscribe for the said warrants (Record Date).

The warrants to purchase ordinary shares of the Company No. 4 or PPPM-W4 are summarized as follows:

### Type of warrants

Warrants to purchase ordinary shares of PP PRIME Public Company Limited, No. 4, allocated to the existing shareholders of the Company at the ratio of 3 ordinary shares per 1 unit of warrants. ("Warrant" or "PPPM-W4")

### Type

Named and transferable warrants

### Number to be issued

Not exceeding 229,350,678 units

<b>Number of ordinary shares reserved for the exercise of warrants</b>	Not exceeding 229,350,678 shares (par value of Baht 1.00 per share), representing 33.33 percent of the total issued shares of the Company as of July 9, 2019, amounting to 688,052,034 shares (par value of Baht 1.00 per share).
<b>Offering Method</b>	Allocated to the existing shareholders of the Company at the ratio of 3 ordinary shares per 1 unit (in the case that there is a fraction To round off) In this regard, the Company determines the list of ordinary shareholders of the Company. With the right to receive allotment of warrants issued at this time (Record Date) on July 17, 2019.
<b>Offering Price per unit</b>	Baht 0.00.
<b>Tenure</b>	5 years from the issuance date of the Warrants.
<b>Issuance and Offering Date</b>	September 23, 2019
<b>Exercise Ratio</b>	1 unit of the Warrants is entitled to purchase 1 newly issued ordinary share (unless the exercise ratio is adjusted by the conditions of right adjustment).
<b>Exercise Price</b>	Baht 1 per share (unless the exercise ratio is adjusted by the conditions of right adjustment).
<b>Exercise Period</b>	The holders of the Warrants may exercise the Warrants once every year on the last business day of October of each year during the period from 9.00 hours to 15.30 hours during the term of the Warrants, with the first exercise date on Thursday, October 31, 2019 and the last exercise date on the fifth anniversary of the issuance date of the Warrants (the "Exercise Date"). If the Exercise Date falls on any non- business day of the Stock Exchange of Thailand, the Exercise Date shall be postponed to the business day preceding such Exercise Date.
<b>Exercise Notice Period</b>	The holders of the Warrants wishing to exercise their rights to purchase the Company's newly issued ordinary shares shall give notice of intention to purchase the Company's newly issued ordinary shares within 5 business days prior to the Exercise Date, except for the notice of intention on the last exercise, such notice of intention to purchase the Company's newly issued ordinary shares shall be given at least 15 days before the last Exercise Date.
<b>End date of warrants</b>	July 31, 2024
<b>Warrant Registrar</b>	Thailand Securities Depository Co., Ltd.
<b>Secondary Market for the Warrants</b>	The Company shall list the Warrants as listed securities on the Stock Exchange of Thailand ("SET").
<b>Secondary Market for the Newly Issued Ordinary Shares for Exercise of the Warrants</b>	The Company shall list the newly issued ordinary shares to accommodate the exercise of the Warrants as listed securities on SET.

### 35. 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, 2019 and 2018:

	For the year period ended December 31			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (loss) attributable to equity holders of the parent company (Million Baht)	(1,460,595)	(110,084)	(1,593,079)	256,683
Number of ordinary shares as at January 1	563,051	563,051	563,051	563,051
Effect of share issued during the period	60,277	-	60,277	-
Weighted average number of common shares	623,328	563,051	623,328	563,051
Basic earnings (loss) per share (Baht / Share)	(2.34)	(0.20)	(2.56)	0.46

Diluted earnings (loss) per share Weighted average number of ordinary shares in issue during the year is adjusted by the number of dilutive potential ordinary shares, assuming that the dilutive potential ordinary shares are exercised. Converted to ordinary shares. The Company has diluted ordinary shares, is warrants to purchase ordinary shares. The Company calculates the equivalent of the discounted shares based on the fair value based on the par value of the share option price accompanying the warrants to purchase the ordinary shares. The calculation is based on the weighted average number of ordinary shares in issue during the period. The calculation is based on the weighted average number of ordinary shares in issue during the period. However, the Company does not calculate diluted earnings per share for the year period ended December 31, 2019 and 2018, because the fair value of ordinary shares is less than the exercise price.

### 36. 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.

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.



The following tables present revenue and loss information regarding the Company's and its subsidiaries' operating segments for the years ended December 31, 2019 and 2018, were as follows:

	(Unit : Million Baht)									
	Domestic					Overseas				
	Aquatic animal feed		Pets food		Manufacturing and distributing frozen food		Production and distribution of electricity		Eliminations	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external customers	3,451	1,797	194	187	-	-	85	77	-	-
<b>Total revenues</b>	<b>3,451</b>	<b>1,797</b>	<b>194</b>	<b>187</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>77</b>	<b>-</b>	<b>-</b>
<b>Results</b>										
<b>Segment profit (loss)</b>	68	(11)	14	4	-	-	(50)	(29)	(18)	(3)
Gain (loss) on investments in securities										
Interest income										
Other income (expenses)										
Share of loss from investments in associates										
Finance cost										
<b>Profit (loss) before income tax expenses</b>										
Income tax expenses										
<b>Profit (loss) for the year</b>										

## Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2019	2018
Thailand	2,047,893	1,984,351
Japan	71,267	76,567
Total	2,119,160	2,060,918

## Non-current assets

(other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance contracts)

(Unit: Thousand Baht)

	2019	2018
Thailand	1,007,451	715,067
Japan	581,357	224,908
Total	1,588,808	939,975

## Major customers

For the years 2019 and 2018, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues

## 37. 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 2019 amounting to approximately Baht 1 million (2018 : Baht 2 million) were recognised as expenses.

## 38. COMMITMENTS AND CONTINGENT LIABILITIES

### 38.1 Power purchase agreements

As at December 31, 2019 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.

### 38.2 Hot springs service agreement

As at December 31, 2019 the overseas subsidiaries have commitments in respect of power plant hot springs service agreements made with an unrelated company, amounting to approximately Yen 0.4 million per month per power plant for periods of 15 years from the commercial operation dates.

On 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.

38.3 Power plant operation and maintenance agreement

As at December 31, 2019 an overseas subsidiary has commitments in respect of power plant operation and maintenance agreements made with an unrelated company, amounting to approximately Yen 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.

38.4 Property rights of land agreement

As at December 31, 2019 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 Yen 0.1 million per month per power plant. The term of this agreement is 21 years starting from an agreement signing date.

38.5 Capital commitments

As at December 31, 2018 the Company had capital commitments of approximately Baht 0.1 million, relating to acquisition and installation of machinery and equipment. And as at December 31, 2019, the overseas subsidiaries had capital commitments of approximately Yen 2,351 million (December 31, 2018 : Yen 2,351 million), relating to the construction of power plant.

38.6 Purchase of raw material commitments

As at December 31, 2018 the Company had purchase commitments of USD 1.3 million in respect of the purchase of raw materials for aquatic animal feed.

38.7 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)

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Payable:				
within 1 year	2.23	2.00	1.49	2.00
more than 1 year but not over 2 years	0.23	0.50	0.23	0.50

38.8 Guarantees

As at December 31, 2019 the Company were outstanding bank guarantees of approximately Baht 18 million (December 31, 2018 : 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 relating to guarantee electricity use.

## 39. FINANCIAL INSTRUMENTS

### 39.1 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 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.

As at December 31, 2019 and 2018 financial asset and liabilities can be reclassified by type of interest rate. And financial asset and liabilities that have fixed interest rate can be separated by either due date or date of the re-price were. (If the date of the re-price were determined before) as follows:

(Unit: Million Baht)

Consolidated financial statements													
Fixed interest rates				Floating interest rate				Non-interest Bearing				Effective interest rate	
Within 1 year		1 - 5 years		Over 5 years		Floating interest rate		Bearing		Total		Effective interest rate	
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
												(% p.a.)	(% p.a.)
<b>Financial Assets</b>													
Cash and cash equivalents	-	-	-	-	-	45	20	1	1	46	21	0.0 - 0.6	0.0 - 0.5
Trade and other receivables	-	-	-	-	-	-	-	285	323	285	323	-	-
Restricted bank deposits	18	8	-	-	-	-	-	-	-	18	8	0.9	0.9
Other long-term investments	-	-	-	-	-	-	-	88	324	88	324	-	-
Long-term loan to related party	63	-	-	169	-	-	-	-	-	63	170	3.0	3.0
	81	8	-	169	-	45	20	374	648	500	845		
<b>Financial liabilities</b>													
Short-term loans from financial institutions	187	550	-	-	-	-	-	-	-	187	550	4.5 - 7.5	4.5 - 7.5
Trade and other payables	-	-	-	-	-	-	-	250	298	250	298	-	-
Long-term loan	527	611	-	-	-	-	-	-	-	527	611	YEN LIBOR (3 months) plus 3%	YEN LIBOR (3 months) plus 3%
Debentures	515	707	206	199	-	-	-	-	-	721	906	6.3 - 7.25	6.3 - 7.25
Liabilities under long-term lease agreements	1	2	1	2	-	-	-	-	-	-	-	1.17 - 5.12	1.17 - 5.12
	1,230	1,870	207	201	-	-	-	250	298	1,687	2,369		

(Unit: Million Baht)

	Separate financial statements												
	Fixed interest rates					Floating interest rate		Non-interest Bearing		Total		Effective interest rate	
	Within 1 year		1 - 5 years		Over 5 years	2019		2018		2019			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
										(% p.a.)	(% p.a.)		
<b>Financial Assets</b>													
Cash and cash equivalents	-	-	-	-	-	16	15	1	1	17	16	0.0 – 0.05	0.0 - 0.5
Trade and other receivables	-	-	-	-	-	-	-	279	425	279	425	-	-
Restricted bank deposits	-	8	-	-	-	-	-	-	-	-	8	0.9	0.9
Other long-term investments	-	-	-	-	-	-	-	88	324	88	324	-	-
Long-term loan to related party	-	-	374	1,769	-	-	-	-	-	374	1,769	2.5 – 8.0	2.5 – 8.0
	-	8	374	1,769	-	16	15	368	750	758	2,542		
<b>Financial liabilities</b>													
Short-term loans from financial institutions	164	550	-	-	-	-	-	-	-	164	550	4.5 – 7.5	4.5 - 7.5
Trade and other payables	-	-	-	-	-	-	-	485	294	485	294	-	-
Long-term loan	527	611	-	-	-	-	-	-	-	527	611	YEN LIBOR (3 months) plus 3%	YEN LIBOR (3 months) plus 3%
												6.3 – 7.25	6.3 – 7.25
Debentures	515	707	206	199	-	-	-	-	-	721	906	1.17 – 5.12	1.17 – 5.12
Liabilities under long-term lease agreements	1	2	1	2	-	-	-	-	-	2	4	2.5 – 8.0	2.5 – 8.0
	1,207	1,870	207	201	-	-	-	485	294	1,899	2,365		

#### 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 December 31, 2019 and 2018, 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, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	30.51	32.61
Japanese yen	1,886	2,060	0.28	0.29

#### 39.2 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.

#### 39.3 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.

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 financial statements							
	Level 1		Level 2		Level 3		Total	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018

**Financial assets measured at fair value**

Available-for-sale investments

Equity instruments	84	320	-	-	-	-	84	320
Debt instruments*	-	-	0.03	0.03	-	-	0.03	0.03

**Financial assets for which fair value are disclosed**

Investment properties	-	-	-	-	85	39	85	39
Land revaluation	-	-	-	-	436	-	436	-

\* Level 2 - The fair value determined by using the net asset value as published by the Asset Management

(Unit: Million Baht)

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018

**Financial assets measured at fair value**

Available-for-sale investments

Equity instruments	84	320	-	-	-	-	84	320
Debt instruments*	-	-	0.03	0.03	-	-	0.03	0.03

**Financial assets for which fair value are disclosed**

Investment properties	-	-	-	-	85	39	85	39
Land revaluation	-	-	-	-	100	-	100	-

\* 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.

## 40. 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 5.27:1 (December 31, 2018 : 3.11:1) and the Company's was 3.06:1 (December 31, 2018 : 1.75:1).

## 41. RECLASSIFICATION

On December 31, 2019 have been reclassified to conform to the current year classification. The effect from reclassifications to the consolidated statement of financial position as at December 31, 2018 and January 1, 2018 can be summarized as follows :

(Unit: Thousand Baht)

	Consolidated Financial Statements		
	Before reclassification	Increase of reclassification (decrease)	After reclassification
<b>Statements of financial position as at 31 December 2018</b>			
<b>Assets</b>			
Trade and other current receivables	322,806	529	323,335
Disposal groups classified as held for sale	1,222,335	(24,562)	1,197,773
<b>Non - current assets</b>			
Long - term loans	145,079	24,033	169,112
Property, plant and equipment	675,301	(675,301)	-
Investment properties	38,685	(3,365)	35,320
Land Revaluation	-	106,910	106,910
Plant and equipment	-	500,319	500,319
Property, plant and equipment not used in operations	-	3,365	3,365
Advances payment	195,724	68,072	263,796
<b>Current liabilities</b>			
Other current liabilities	4,717	58,173	62,890
Liabilities included in disposal groups classified as held for sale	128,835	(58,173)	70,212
<b>Statements of financial position as at 1 January 2018</b>			
<b>Non - current assets</b>			
Property, plant and equipment	1,494,455	(1,494,455)	-
Investment properties	10,376	(3,365)	7,011
Land Revaluation	-	155,064	155,064
Plant and equipment	-	1,272,081	1,272,081
Property, plant and equipment not used in operations	-	3,365	3,365
Advances payment	181,845	67,310	249,155

The effect from reclassifications to the separate statement of financial position as at December 31, 2018 and January 1, 2018 can be summarized as follows :

(Unit: Thousand Baht)

	Separate Financial Statements		
	Before reclassification	Increase of reclassification (decrease)	After reclassification
<b>Statements of financial position as at 31 December 2018</b>			
<b>Non - current assets</b>			
Property, plant and equipment	594,978	(594,978)	-
Investment properties	38,685	(3,365)	35,320
Land Revaluation	-	95,186	95,186
Plant and equipment	-	499,792	499,792
Property, plant and equipment not used in operations	-	3,365	3,365
<b>Statements of financial position as at 1 January 2018</b>			
<b>Non - current assets</b>			
Property, plant and equipment	663,222	(663,222)	-
Investment properties	10,376	(3,365)	7,011
Land Revaluation	-	112,737	112,737
Plant and equipment	-	550,485	550,485
Property, plant and equipment not used in operations	-	3,365	3,365

## 42. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's authorised director on March 30, 2020.





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