



# Annual Report 2019

Prime Road Power Public Company Limited

## VISION

Prime Road Public Company Limited (the "Company") focuses on creating the highest value for stakeholders and employees with managerial ethics and good governance while addressing the environmental issues and at the same time creating the social impact in the Asia-Pacific region. The Company is committed to be a leader in driving the use of renewable energy with international standards at the highest efficiency. The positive green impact and sustainable development is the cornerstone of our business by promoting the creation and use of energy that contributes to the sustainability of natural resources and sustainable development between communities and the environment.

## MISSION

Invest, develop, and operate clean energy power plants worldwide. By striving to manage the use of all types of renewable energy for maximum results while maintaining the quality of the environment and society under the use of modern technology to preserve the sustainability of natural resources while also emphasizing new opportunities for other related businesses in order to grow and expand the business base for shareholders.



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## MESSAGE FROM THE CHAIRMAN

The year 2019 was a success year of Prime Road Public Company Limited. The Company's securities have been traded from the MAI to the Stock Exchange of Thailand with paid up capital of Baht 17,017,941,757, and changed the business from the food business to renewable energy power plant business which is consistency and high potential growth. Including successfully of C sign lifted in the last quarter of the year 2019 within 4 months

In the past year, the Company Group have performed pleasurable business growth. The business projects are proceeded according to the settled frame work. The Company Group generates revenue and net profit of Baht 658.01 million and 272.1 million respectively. The main income of the Company Group relies on revenue from power plant controlled by the Company Group in amount of Baht 334.24 million , representing 50.80 percent of total revenue.

From the achievements of the previous year, the Company would like to express appreciation to the Executive and all employees for your dedication, effort and being an important part in achieving success and business growth with the potential of the Company, the Board of Directors and the expert Executives in development of renewable energy power plant projects for more than ten years, expertise in investment and strong financial status. The Company is confident in continuously expanding renewable energy business.

On behalf of the Board of Directors, I would like to express my appreciation to all shareholders, clients, business partners, both public and private sectors, as well as all stakeholders for the trust and confidence in the Company Group. The Board of Directors shall perform duties with full responsibility for all stakeholders' interest in accordance with good corporate governance to grow the business sustainably.



Mr. Somprasong Panjalak  
Chairman of the Board



# AUDIT COMMITTEE REPORT

To Shareholders,

The Audit Committee of Prime Road Power Public Co., Ltd. Comprises of three Independent Directors, and one of them is competent and experienced to audit the reliability of the financial statement. Therefore, the overall structure of the Audit Committee is qualified and duly meet all requirements as stipulated by the Stock Exchange of Thailand. The Audit Committee is independent to perform its duties in accordance with the charter of the Audit Committee.

The Audit Committee comprises of

1. Mrs. Wipaporn Chairatana	Chairman of Audit Committee / Independent Director
2. Air Chief Marshal Surasak Meemanee	Member of Audit Committee / Independent Director
3. Professor Dr. Kamphol Panyagometh	Member of Audit Committee / Independent Director

The Board of Directors' Meeting No.15/2562 held on 2 August 2019, resolved to appoint Mrs. Wipaporn Chairatan as Chairman of Audit Committee and resolved to appoint Air Chief Marshal Surasak Meemanee and Professor Dr. Kamphol Panyagometh as Member of Audit Committee in replacing of resigned directors.

In 2019, the Audit Committee held 12 meeting, the Audit Committee strictly complied with the charter of the Audit Committee approved by the Board of Directors. The Audit Committee invited executives and related parties to attend the meeting in the agenda related to them, including inviting the internal audit department and the auditor to attend the meeting to share information, comments and give suggesting which were benefit to administration proposes. The Audit Committee quarterly reports the meeting result to the Board of Directors, the important activities could be summarized as follow;


1. In reviewing the financial statements, the Audit Committee reviewed the quarterly financial statements, annual financial statements and related financial reports and significant accounting policy changes by discussing with the auditor and the executives in order to ensure that the Company's financial reports have been prepared correctly in accordance with generally accepted accounting standards with sufficient, complete and reliable information disclosure in comply with laws and announcements associated before presenting the financial statements to the Board of Directors for an approval. The Audit Committee arranged one meeting with the auditor without the attendance of the executives. The meeting discussed significant information, internal control system related to accounting and preparation of financial reports and other matters, including obstacles occurred during work.
2. In reviewing the internal control system, the Audit Committee reviewed the adequacy, appropriateness and effectiveness of the internal control system by considering the report of the internal audit result conducted by the internal audit department and the auditors. The Audit Committee had an opinion that the internal control system of the Company is effective and adequate, without any material defects and the internal audit department was independent.

3. In supervision of internal audit, the Audit Committee supervised the internal audit work to ensure the adequacy, appropriateness and effectiveness of the internal control system, acknowledged the result, gave suggestions and followed up the corrective action of material issues in accordance with the internal audit report, including gave opinions on internal control sufficient to prevent or reduce possible risks and reviewed the annual internal auditing plans to ensure good corporate governance and sufficient internal control.
4. In reviewing the risk management, the Audit Committee reviewed the risk management system in order to ensure that the Company has an appropriate and effective risk management system to reduce the risk to an acceptable level and provided suggestions for improvement.
5. In reviewing the related transactions or conflicts of interest transactions, the Audit Committee reviewed the related transactions or the transactions that may have a conflict of interest which were classified as a related transaction pursuant to the Notification of the Securities Exchange Commission, Thailand, and the Securities and Exchange Commission, including disclosure of the related transactions to ensure that the transactions were reasonable, accurate and benefit of the Company.
6. Compliance with the Securities and Exchange Commission Law and Regulations, the Audit Committee reviewed the compliance with the Securities and Exchange Commission Law of Thailand, regulations of the Stock Exchange of Thailand and the laws related to the business of the Company. The Audit Committee considered that the Company has appropriately complied with the laws.
7. In consideration, selection, appointment and proposal of remuneration of the auditor of the Company, the Audit Committee considered the selection of auditors by considering the independence of the operation, business skills, the performance in the previous year, including audit fees. In 2019, the Audit Committee considered and appointed the auditor and proposed the auditor's remuneration to the Board of Directors for approval of the Annual General Meeting of Shareholders for the year 2019. The details are as follow;

- To appoint Pricewaterhousecoopers ABAS Co., Ltd. as the auditor of the Company, namely as below;

Mr. Kajornkiet Aroonpirodkul	CPA (Thailand) No. 3445 and / or
Mr. Paiboon Tunkoon	CPA (Thailand) No. 4298 and / or
Mr. Pisit Thangtanagul	CPA (Thailand) No. 4095

These auditors are approved by the Securities and Exchange Commission, Thailand.



Mrs. Wipaporn Chairatana  
Chairman of Audit Committee

# **NOMINATION AND REMUNERATION COMMITTEE REPORT**

To All shareholders

The Company recognizes the importance of nominating Committee and Executives including the remuneration such as persons. The Board of Directors of the Company has appointed the Nomination and Remuneration Committee to search for a person with talent and qualified to serves in the position of the Committee and Executives. In order to support the Board of Directors of Company to set the policy, form and criteria of the remuneration to the Board of Directors of the Company, Sub – Committees and Executives of the Company and propose the opinions or suggestions to the meeting of the Board of Directors of Company for consider and further approval by the shareholders’ meeting. The main objective is for consideration of remuneration with transparency, fair and be competitive with other company in the same size and industry to enable that the Company retain the qualified directors and high executive who have major roles in driving the business operation toward goal. the Nomination and Remuneration Committee comprises to:

- |                                       |  |
|---------------------------------------|--|
| 1. Air Chief Marshal Surasak Meemanee | Chairman of the Nomination and Remuneration Committee and Independent Director |
| 2. Prof. Dr. Kamphol Panyakometh      | the Nomination and Remuneration Committee and Independent Director             |
| 3. Mrs. Wipaporn Chairatana           | the Nomination and Remuneration Committee and Independent Director             |

The Nomination and Remuneration Committee convened the meetings for consider matters. The Nomination and Remuneration Committee reported the results of the meeting, comments and recommendations to the Board of Directors of Company for consideration and continuously. The important activities could be summarized as follow;

- To consider the nomination and selection of qualified persons to be directors of the company

The Nomination and Remuneration Committee has considered the recruitment and selection of persons to be appointed as the Board of Directors of the Company and independent directors including the sub – committee that has completed the term. The nomination will be considered by the person with appropriate qualifications complete in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand by considering the qualifications, experience and useful knowledge including supporting the growth of the Company. As well as proposing to the Board of Directors’ meeting and Shareholders’ meeting.



- To determine the bonus payment rate and annual salary adjustment  
To create a motivation and maintain good and competent employees, the Nomination and Remuneration Committee has considered the criteria for determining the bonus payment and annual salary adjustment together with the Executive Committee to be at an appropriate rate and in line with the operating results of the Company and the Group and also in level of comparable to general practices in the industry.

The Nomination and Remuneration Committee reported the results of every meeting to the Board of Directors of Company continuously. The Nomination and Remuneration Committee has fulfilled the tasks assigned in an entirety with duly care and full capacity with a very straightforward for the best interests of the shareholders and stakeholders on all sides and a commitment to abide by the principles of equality, fairness and transparency to ensuring compliance with the principles of good corporate governance as prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand and to be accepted internationally.



Air Chief Marshal Surasak Meemanee  
Chairman of Remuneration Committee

## **BOARD OF DIRECTORS**



**Mr. Somprasong Panjalak**  
Chairman of the Board /  
Chairman of Executive Committee /  
Managing Director



**Mr. Surachet Chaipatamanont**  
Vice Chairman/ Director/ Executive Committee



**Mr. Nuttawut Phowborom**  
Independent Director



**Mrs. Wipaporn Chairatana**  
Independent Director / Chairman of the Audit  
Committee / Member of the Nomination and  
Remuneration Committee





**Air Chief Marshal Surasak Meemanee**

Independent Director / Audit Committee /  
Chairman of the Nomination and Remuneration  
Committee



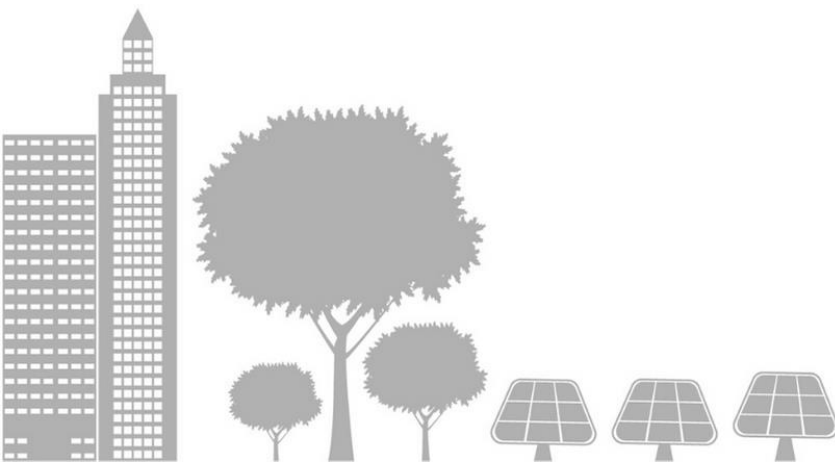
**Prof. Dr. Kamphol Panyagometh**

Independent Director / Audit Committee /  
Nomination and Remuneration Committee



**Mr. Apichart Pumsook**

Independent Director





## Mr. Somprasong Panjalak (48 years)

Chairman of the Board / Chairman of Executive Committee / Managing Director

Company shareholding : 77.9%

Education/Qualification :

- Master of Laws, Case Western Reserve University, USA
- Bachelor of Laws, Thammasat University

Training History

Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 147/2018

Work Experience during the past 5 years

Time Period	Position	Company
July 30, 2019 - Present	Chairman & Chairman of Executive Committee	Prime Road Power Public Company Limited
June 3, 2018 - Present	Director	Digital Economy Promotion Agency (DEPA)
June 2017 - Present	Chairman	Clickinter Business Co.,Ltd
2012 - Present	Managing Director	Prime Road Group Co.,Ltd
2011 - 2012	Vice President, Compliance	Banpu Public Company Limited
2000 - 2011	Partner	Baker and McKenzie

## Mr. Surachet Chaipatamanont ( 51 years)

Vice Chairman / Director/ Executive Committee

Company shareholding : 9.6%

Education/Qualification :

- Master of Operations Research in Finance, Columbia University, USA
- Bachelor of Electrical Engineering, Columbia University

Training History

Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 147/2561

Work Experience during the past 5 years

Time Period	Position	Company
August 2, 2019 - Present	Vice Chairman	Prime Road Power Public Company Limited
2018 - 2019	Director	Hydrotek Public Company Limited
2012 - Present	Managing Partner	Tuas Capital Partners MGF I General Partner Ltd (Labuan), Malaysia
2006-2009	Chief Executive Officer	Maybank Investment Bank, Malaysia

## Mr. Nuttawut Phowborom (56 years)

Independent Director

Company shareholding : 0.0%

Education/Qualification :

- MBA, City University (Seattle, U.S.A) 1990
- Bachelor of Economics, University of the Thai Chamber of Commerce 1987

Training History

Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 28/2547
- Audit Committee Program (ACP) 4/2548
- Role of the compensation Committee (RCC) 6/2551

Work Experience during the past 5 years

Time Period	Position	Company
August 31, 2017 – Present	Independent Director	Prime Road Power Public Company Limited
2019 - Present	Director	Electronic Industry Public Company Limited
2019 - Present	Director	Domino Asia Pacific Co.,Ltd.
2017 - Present	Director	Watabak Wind Co.,Ltd. First Korat Wind Co.,Ltd
2015 - Present	Director	Navavej International Pcl. KPM Energy Holding Co., Ltd.
2015 - Present	Chairman	Wind Energy Holding Co., Ltd.

## Mrs. Wipaporn Chairatana (57 years)

Independent Director / Chairman of the Audit Committee / the Nomination and Remuneration Committee

Company shareholding : 0.0%

Education/Qualification :

- Master of Faculty for Business Administration, Thammasat University
- Bachelor of Accountancy, Thammasat

Training History

Thai Institute of Directors Association (IOD) :

Director Certification Program (DCP) 199/2558

- Role of the compensation Committee (RCC) 13/2561

Work Experience during the past 5 years

Time Period	Position	Company
August 2, 2019 - Present	Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee	Prime Road Power Public Company Limited
2015 - 2018	Deputy Director of Risk Management Group	Government Savings Bank
2010 - 2015	Assistant Director of Finance and International Division / Money Management Investment Group	Government Savings Bank

## Air Chief Marshal Surasak Meemanee (63 years)

Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee

Company shareholding : 0.0%

Education/Qualification :

- National Defense College (Diploma) Air Force College Air Force Chief of Staff School
- Bachelor of Navaminda Kasatriyadhiraj Royal Air Force Academy

Training History

Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 147/2561

Working Experience during the past 5 years

Time Period	Position	Company
July 30, 2019 - Present	Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee	Prime Road Power Public Company Limited
2018 - Present	Independent Director / Chairman of the Audit Committee / Nomination and Remuneration Committee	Hydrotek Public Company Limited
2016 - Present	Consultant	Defense Technology Institute (Public Organization)
2015 - 2016	President	Air Force Renewable Energy Board
2014 - 2015	Director of Science Development Research Center	Aerospace Technology, Air Force

## Prof.Dr. Kamphol Panyagometh (47 years)

Independent Director / Audit Committee / Nomination and Remuneration Committee

Company shareholding : 0.0%

Education/Qualification :

- Ph.D. in Finance, Schulich School of Business, York University, Canada
- Master of Finance, National Institute of Development Administration
- Bachelor of Microbiology, King Mongkut's Institute of Technology Thonburi

Training History

Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 90/2554

Working Experience during the past 5 years

Time Period	Position	Company
July 30, 2019 - Present	Independent Director / Audit Committee / Nomination and Remuneration Committee	Prime Road Power Public Company Limited
2014 - Present	Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee	Hydrotek Public Company Limited



Time Period	Position	Company
2014 - 2019	Independent Director / Audit Committee / Nomination and Remuneration Committee	Hydrotek Public Company Limited
2013 - Present	Vice President for Research and Academic Services Capital Management Committee	National Institute of Development Administration
2011 - Present	Audit Committee and Chairman of Risk Management Committee	Stars Microelectronics (Thailand) Plc.

## Mr. Apichart Pumsook (47 years)

Independent Director

Company shareholding : 0.0%

Education/Qualification :

- Master Degree, Vehicle Styling (Transportation Design), University Royal Melbourne Institute of Technology
- Bachelor Degree, Industrial design, K.M.I.T.L University of Technology

Training History

Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 164/2562

Working Experience during the past 5 years

Time Period	Position	Company
August 2, 2019 - Present	Independent Director	Prime Road Power Public Company Limited
1988 - Present	Managing Director	CRJ Group
2015 - 2017	Consultant	National Innovation Agency
2005-2015	Consultant	Thai Yarnyon Company Limited

**Mr. Somprasong Panjalak (48 years)**

Managing Director

Company shareholding : 77.9%

Education / Qualification / Training History :

- Master of Laws, Case Western Reserve University, USA

Working experience during the past 5 years

July 30, 2019 - Present	Chairman & Chairman of Executive Committee Prime Road Power Public Company Limited
2012 - Present	Managing Director Road Power Public Company Limited
2011-2012	Vice President, Compliance, Banpu Public Company Limited

**Mr. Surachet Chaipatamanont ( 51 years)**

Deputy Managing Director, Finance and Accounting Department

Company shareholding : 9.6%

Education / Qualification / Training History

- Master of Operations Research in Finance, Columbia University, USA

Working experience during the past 5 years

August 2, 2019 - Present	Vice Chairman Prime Road Power Public Company Limited
2012 - Present	Managing Partner Tuas Capital Partners MGF I General Partner Ltd (Labuan), Malaysia
2006 - 2009	Chief Executive Officer Maybank Investment Bank, Malaysia







**Mr. Kanadej Thamanoonragsa (32 years)**

Deputy Managing Director, Business Development and Strategic Department

Company shareholding : 0.0%

Education / Qualification / Training History

- Bachelor of Business Administration (International Program), Faculty of Commerce and Accountancy, Thammasat University

Working Experience during the past 5 years

Present	Deputy Managing Director, Prime Road Power Public Company Limited
2015 - 2019	Deputy Managing Director, Prime Road Group Company Limited

**Ms. Tanida Keawvanasak (54 years)**

Assistant Managing Director

Company shareholding : 0.0%

Education / Qualification / Training History

Bachelor of Accountancy, Suan Dusit University

Working Experience during the past 5 years

Present	Assistant Managing Director, Prime Road Power Public Company Limited
2015 - 2019	Assistant Managing Director, Prime Road Group Company Limited



## Corporate Goals and Strategies

The Company plans to invest in various types of renewable energy businesses such as solar power plant projects, wind power plant project, biogas power plant project, biomass power plant project, waste to energy power plant project and other renewable energy projects by using modern technology that has no effect to the community as well as the environment through business acquisition and/or develop new projects both domestic and international, especially in the Asia-Pacific countries. The search for investment opportunities abroad is in accordance with the government's investment policy in that country that provides support to foreign investors. The company foresees the opportunity to expand the industry and develop business to expand the foundation of green energy to cover all areas of the world

## General Information

### Company General Information

Thai Name	บริษัท ไพร์ม โรด เพาเวอร์ จำกัด (มหาชน)
English Name	Prime Road Power Public Company Limited
Company Registration Number	0107546000415
Type of Business	Production and distribution of electricity from renewable energy
Address	22 <sup>nd</sup> Floor, TP&T Tower Building, 1 Soi Vibhavadi Rangsit 19, Chatuchak Subdistrict, Chatuchak District, Bangkok 10900
Phone Number	02-105-8686
Website	www.primeroadpower.com
Registered Capital	25,514,280,600 Baht
Paid-up Capital	17,017,941,757 Baht
Type and number of shares	25,514,280,600 Shares
Number of issued and paid-up shares of the company	17,017,941,757 Shares
Par value of share	1 baht per share

### General information of the companies in which the company holds 10% or more

Name (Initials)	Type of business	Registration number	Paid-up capital	Address
Prime Road Alternative Co.,Ltd. (PRA)	Invest in companies that has business in generating electricity from renewable energy	0105560219826	4,018.0 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Prime Energy Capital Co.,Ltd. (PEC)	Invest in companies that has business in generating electricity from renewable energy	0105560213712	437.1 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Prime Road Group Co.,Ltd. (PRG)	Invest in companies that has business in generating electricity from renewable energy	0105558003781	1,000.0 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Beung Samphan Solar Co.,Ltd. (BSS)	Generating electricity from renewable energy under the Project BSS	0105553105225	240.0 million Baht	87/2 CRC Tower All Seasons Place, Floor 9, Room 4-5, Wireless Road, Lumpini, Pathumwan

Name (Initials)	Type of business	Registration number	Paid-up capital	Address
Chiangmai Renewable Energy Co.,Ltd. (CRE)	Generating electricity from renewable energy under the Project CRE	0105552031171	240.0 million Baht	87/2 CRC Tower All Seasons Place, Floor 9, Room 4-5, Wireless Road, Lumpini, Pathumwan
ESPP Co.,Ltd. (ESPP)	Generating electricity from renewable energy under the Project ESPP1, ESPP2 และ ESPP 3	0105552076698	480.0 million Baht	87/2 CRC Tower All Seasons Place, Floor 9, Room 4-5, Wireless Road, Lumpini, Pathumwan
Golden Light Solar Co.,Ltd. (GLS)	Generating electricity from renewable energy under the Project GLS	0105553105357	240.0 million Baht	87/2 CRC Tower All Seasons Place, Floor 9, Room 4-5, Wireless Road, Lumpini, Pathumwan
Infinite Alpha Capital Co.,Ltd. (IAC)	Generating electricity from renewable energy under the Project IAC	0105552082752	240.0 million Baht	87/2 CRC Tower All Seasons Place, Floor 9, Room 4-5, Wireless Road, Lumpini, Pathumwan
Nine A Solar Co.,Ltd. (NAS)	Generating electricity from renewable energy under the Project NAS	0105553105691	240.0 million Baht	87/2 CRC Tower All Seasons Place, Floor 9, Room 4-5, Wireless Road, Lumpini, Pathumwan
Northwest Solar Co.,Ltd. (NWS)	Generating electricity from renewable energy under the Project NWS	0125553013819	240.0 million Baht	87/2 CRC Tower All Seasons Place, Floor 9, Room 4-5, Wireless Road, Lumpini, Pathumwan
Solartech Energy Co.,Ltd. (STE)	Generating electricity from renewable energy under the Project STE	0105553105616	240.0 million Baht	87/2 CRC Tower All Seasons Place, Floor 9, Room 4-5, Wireless Road, Lumpini, Pathumwan
Vena Energy Solar (Thailand) Co.,Ltd. (VES)	Invest in companies that has business in generating electricity from renewable energy	0635549000088	167.0 million Baht	87/2 CRC Tower All Seasons Place, Floor 9, Room 4-5, Wireless Road, Lumpini, Pathumwan
Wichain Buri Power Co.,Ltd. (WBP)	Invest in companies that has business in generating electricity from renewable energy	0105553107112	33.0 million Baht	87/2 CRC Tower All Seasons Place, Floor 9, Room 4-5, Wireless Road, Lumpini, Pathumwan
Infinite Solar Energy Co.,Ltd. (ISE)	Invest in companies that has business in generating electricity from renewable energy	0105553105420	36.0 million Baht	87/2 CRC Tower All Seasons Place, Floor 9, Room 4-5, Wireless Road, Lumpini, Pathumwan

Name (Initials)	Type of business	Registration number	Paid-up capital	Address
Prime Renewable Development Co.,Ltd. (PRD)	Generating electricity from renewable energy under the Project Sena Agricultural Cooperatives and Lat Lum Kaew Pattana Agricultural Cooperatives	0105558047631	257.1 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Smart Solar Co.,Ltd. (SMS)	Invest in companies that has business in generating electricity from renewable energy	0105558061234	82.0 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Prime Road Solar Co.,Ltd. (PRS)	Generating electricity from renewable energy under the Project Lat Bua Luang Land Reform Water User Cooperatives	0105558047622	317.2 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Star Solar Co.,Ltd. (STS)	Invest in companies that has business in generating electricity from renewable energy	0105558062061	163.0 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Prime Alternative Energy Co.,Ltd. (PAE)	Generating electricity from renewable energy under the Project Sena Agricultural Cooperatives	0105558062036	392.8 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Power Energy Development Co.,Ltd. (PED)	Invest in companies that has business in generating electricity from renewable energy	0105556084644	130.0 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
5 Amata Co.,Ltd. (5AMATA)	Generating electricity from renewable energy under the Project 5 Amata	0105547162123	140.0 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Prime Renewable Energy Co.,Ltd. (PRE)	Invest in companies that has business in generating electricity from renewable energy	0105557179983	400.0 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Aizu Energy PTE Limited (Aizu)	Invest in companies that has business in generating electricity from renewable energy	201425959H	1,258.5 million Yen 17.6 million USD	8 Marina Road # 05-02 Marina Bay Financial Center, Singapore 018981



Name (Initials)	Type of business	Registration number	Paid-up capital	Address
Smart Solar Power Co.,Ltd. (SSP)	Generating electricity from renewable energy under the Project Agricultural Cooperative for Customer Marketing BAAC Trang and Lam thup Argicultural Cooperatives	0105558061391	104.8 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Prime Green Solar Co.,Ltd. (PGS)	Generating electricity from renewable energy under the Project Na Bo Kum Pattana Agricultural Cooperative	0105558066724	52.5 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Ideal Solar Co.,Ltd. (IDS)	Invest in companies that has business in generating electricity from renewable energy	0105558062052	1.0 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok
Prime Solar Energy Corporation Co.,Ltd. (PSE)	Invest in companies that has business in generating electricity from renewable energy in Taiwan	106057381	500,000 NTD	No.14, Ningxia East 2nd street, Xitun District, Taichung city, 407
He Wu Co.,Ltd (He Wu)	Generating electricity from renewable energy under the Project He Wu	50767582	100,000 NTD	7F., No.218, Dunhua N. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)
Sheng Jiu Co.,Ltd (Sheng Jiu)	Generating electricity from renewable energy under the Project Sheng Jiu	50768169	100,000 NTD	3F-1., No.142-2, Sec 2, Wuchang St., Wanhua Dist., Taipei City 108 , Taiwan (R.O.C.)
Shin Shi Co.,Ltd (Shin Shi)	Generating electricity from renewable energy under the Project Shin Shi	50767056	140,000 NTD	7F., No.218, Dunhua N. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)
Prime Esco Co.,Ltd. (ESCO)	Conducting business in the design, construction, installation, energy-saving systems by using renewable energy such as solar energy	0105561197681	1.0 million Baht	1 TP&T Building, Floor 22, Soi Vibhavadi Rangsit 19, Chatuchak, Chatuchak, Bangkok

## Company Background & Major Development

### Company Background

The Company was registered on 22 December 2003, formerly known as Evolution Capital Public Company Limited, the stock ticker was "E" and changed the Company name to Food Capital Public Company Limited, the ticker "FC" in 2016, operates by holding shares in other companies (Holding Company) whose main investment is in companies that operate in food and beverage restaurants and lifestyle restaurant by being a franchise rights holder in operating food and beverage brands such as:

- (1) Domino's Pizza ("Domino's") in Thailand and Cambodia
- (2) The Coffee Bean and Tea Leaf ("CBTL") in Thailand
- (3) Kyochon in Thailand, Myanmar, Laos and Cambodia

In addition, the Company operates a food and beverage restaurants under the Company's brand which includes lifestyle restaurants such as:

- (1) The Iron Fairies, Sukhumvit 55 (Soi Thonglor)
- (2) The Iron Fairies, Central Festival Eastville
- (3) Maggie Choo's, Novotel Fenix Silom
- (4) Fat Gut'Z Eastville, Central Festival Eastville
- (5) G Enterprise and Co restaurants including Moom Mum Park restaurant ("MOOMMUM PARK"), Umami Falabella restaurant ("UMAMI FALLABELLA"), Chingcha Chalee restaurant at the emporium and siam paragon branch ("CHINGCHA CHALEE"), and Pirate Chambre restaurant ("PIRATE CHAMBRE")

In addition, the Company has invested in the hotel business under the name "Red Planet", with hotels in Thailand, the Philippines, Indonesia and Japan.

Due to the former business of the Company which operates a restaurant and real estate development business has a higher competition, as a result, the Company has continuously suffered losses and in need for funds to expand branches of the franchise restaurant business to enable the economy of scale, the Board of Directors has considered that the resolution should be proposed to the shareholders' meeting to consider the plan to enter the production and distribution of renewable energy business which is an investment in the energy related project that has potential return at acceptable risk level through the entire business transfer (EBT) transaction of Prime Road Alternative Company Limited ("PRA") and the allotment of the newly issued shares as the consideration to PRG Development Company Limited ("PRGD"), a shareholder of PRA. The Company expects to benefit from the business of production and distribution of renewable energy as follows:

- Opportunity to expand and increase the business channels of the Company.
- Opportunities for increasing sustainable income and appropriate returns

- A new management team with experience and expertise in business consisting of Mr. Somprasong Panjalak ("**Mr. Somprasong**") and Mr. Surachet Chaipatamanont ("**Mr. Surachet**"), both of whom jointly founded Prime Road Group Company Limited ("**PRG**") in 2015 to invest in the business of producing and distributing electricity from renewable energy both domestically and internationally. Mr. Somprasong has experience in investing and developing solar power projects in Thailand, with a total installed capacity of 91.7 megawatts (the total contracted capacity of 72.0 megawatts) of Prime Energy Capital Company Limited ("**PEC**"), which commenced commercial operation date (COD) in 2014

In addition, the Board of Directors agreed that the resolution should be proposed to the shareholders' meeting to consider the disposal of investment and liabilities in the subsidiary and the Company's assets which is a subsidiary company that operates restaurant business and all real estate development businesses in order to use a portion of the funds to be reserved for repayment of short-term loans and debentures of the Company and use it as a fund to support the production and distribution of renewable energy business, for business expansion that generate better returns at lower levels of risk than previous businesses and create additional value for the shareholders of the Company

Subsequently, the Extraordinary General Meeting of Shareholders No. 1/2018, on 21 December 2018, approved the business integration plan of the Company with PRGD, which is held by Prime Road Capital Company Limited ("**PRC**"), Mr. Somprasong, Mr. Surachet, Mr. Kanadej Thammanoonragsa ("**Mr. Kanadej**") and Prime Road Tech Inter Limited ("**PRTI**") through Entire Business Transfer ("**EBT**") and Annual General Meeting of Shareholders for the year 2019, on 29 April 2019 resolved to propose to the shareholders' meeting to consider and approve the capital increase of the Company from the original registered capital. 2,767,765,276 baht to 25,514,280,600 baht by issuing new ordinary shares of 22,746,515,324 at a par value of 1 baht per share including the Extraordinary General Meeting of Shareholders No. 1/2018, on 21 December 2018, passed a resolution approving the transaction of disposal of investment and liabilities in subsidiaries and the assets of the Company to a third party or Mr. Krit Srichawla or the person or juristic person assigned by Mr. Krit Srichawla. The investment and liabilities of the subsidiary to be sold in accordance with the preceding conditions of the subscription agreement for the additional shares consist of:

1. Disposal of ordinary shares and liabilities of Evolution Foods (Thailand) Company Limited in the amount of 595,014 shares, with a par value of 1,000 baht per share, representing 90.00% of the paid-up capital
2. Disposal of 39,998 shares of common shares and liabilities of Fenix Iron Fairy Company Limited, with a par value of 100 baht each, representing 100.00 percent of the paid-up capital
3. Disposal of 99,997 ordinary shares and liabilities of FC Commissary Company Limited, with a par value of 100 baht each, representing 100.00 percent of the paid-up capital

4. Disposal of 25,000,000 ordinary shares and liabilities of G Enterprise and Company Limited, with a par value of 5 baht each, representing 100.00 percent of the paid-up capital. (Which such liabilities are inter-company liabilities with the former shareholders of G Enterprise and Co., Ltd.)

In addition, the Company will sell all investments and liabilities in 2 subsidiaries and assets consisting of Evolution Land Company Limited and Evolution Holdings Limited in accordance with the duty of proceed after the transaction of the entire business transfer and the allocation of securities is complete ("Covenants") specified in the subscription agreement. The sale of investment and liabilities in the subsidiary and the said assets consist of:

1. Disposal of ordinary shares and liabilities of Evolution Land Company Limited in the amount of 2,291,075 shares at the par value of 1,000 baht per share held by the Company representing 100.00 percent of the paid-up capital
2. Disposal of 4,675,000 ordinary shares and liabilities of Evolution Holdings Limited, with a par value of 100 baht each, representing 100.00 percent of the paid-up capital.
3. Disposal of 10 plots of land under the title deeds No. 11902, 11914, 11922, 34052, 34161-34162 and 37259-37262
4. The disposal of 2 leasehold rights of the Company, under the title deed no. 41628 and under Nor Sor 3 Kor No. 2053

Later, on 4 June 2019, the Company sold the investment in G Enterprise and Co., Ltd. to Fenix Food World Company Limited which is a juristic person assigned by Mr. Krit Srichawala and on 26 July 2019 the Company further disposed the investment in Evolution Foods (Thailand) Company Limited, Fenix Iron Fairy Company Limited and FC Commissary Company Limited to Fenix Food World Company Limited, a juristic person designated by Mr. Krit Srichawala, as well as entering into the entire business transfer transaction of PRA by paying consideration in form of new shares amount of 14,881,481,481 shares, par value of 1.00 baht per share, price of 0.27 baht per share to PRGD instead of cash payment in accordance with the resolution of the Extraordinary General Meeting of Shareholders No. 1/2018 on 21 December 2018 and the resolution of the Annual General Meeting of Shareholders for the year 2019 on April 29, 2019.

Disposals of investments and liabilities in subsidiaries and company assets has the main objective to adjust the capital structure to support the business transfer of PRA, which operates the main business by holding shares in other companies (Holding Company) that operates in the production and distribution of electricity from renewable energy. The related parties under the Share Subscription Agreement, which consists of the major shareholders of the Company (Which consists of Mr. Krit Srichawala, Fico Corporation Company Limited, Mr. Akkaradech Srichawala, Mr. Thepprit Srichawala, Mr. Amorn Srichawala, and Sanjay Kumar Singh) and PRGD have agreed to the conditions of disposal of investments and liabilities in subsidiaries by conditioned business groups that operate in the food business as a condition precedent before the entire business transfer transaction and the allocation of securities and conditioned businesses that operate in the real estate business as a condition subsequent after the entire business

transfer transaction and the complete allocation of the securities (Covenant) within a period of 12 months and there are terms of payment from the disposal of investments and liabilities in the subsidiary and all assets according to Covenant after completing 15 months.

On 26 July 2019, the Company changed its name from Food Capital Public Company Limited, the stock symbol "FC", to Prime Road Power Public Company Limited under the stock symbol "PRIME" in accordance with the resolution of the Annual General Meeting of Shareholders Year 2019 on 29 April 2019, after the entire business transfer transaction between the Company and PRGD is completed, by conducting the business by holding shares in other companies (Holding Company) which operates in the production and distribution of electricity from renewable energy in both domestic and other countries, with Prime Road Solar Co., Ltd. ("PRS") as the main company.

### Major Development of the Company

Major development of the Company as the followings:

Year	Major development of the Company
1999	<ul style="list-style-type: none"> <li>The Company commenced digital and communication business.</li> </ul>
2005	<ul style="list-style-type: none"> <li>The Company is listed on the Market for Alternative Investment of Thailand (MAI) under the Stock Exchange of Thailand on behalf of Siam 2 You Public Company Limited. The main shareholders are Mr. Suprat Sripadung, Miss Mai Tai Kwon Hua and Mr. Nicholas John Assa Stelberg</li> </ul>
2008	<ul style="list-style-type: none"> <li>The Company changed its name to Evolution Capital Public Company Limited and started investing in real estate.</li> </ul>
2012	<ul style="list-style-type: none"> <li>The Company acquired a restaurant business and investments in the property development business from the Srichavala Group which consists of Mr. Krit Srichavala, Mr. Amorn Srichavala, Mr Thepparit Srichavala, and Mr. Akkaradej Srichavala, as well as changing the major shareholders to the Srichavala group. And while the representatives from the new shareholders The Srichavala Group took the position of director and Company's executives</li> </ul>
2014	<ul style="list-style-type: none"> <li>The Company has 28.5% interest in the Sweet Star Company Limited by the Sweet Star Group which is the franchise for the business of Magnolia Bakery and Mr. Jones or Fashion in Japan. In addition, the Company has bought shares of QINGING which is the owner and operator of 17 restaurant businesses in Japan</li> <li>Opened the first store in Asia of Magnolia Bakery in Tokyo Japan</li> <li>Opened the first branch of Mr. Jones or Fashion in Sapporo, Hokkaido, Japan.</li> </ul>



Year	Major development of the Company
	<ul style="list-style-type: none"> <li>Opened Kyochon (first branch) at MBK Center</li> <li>The Company has entered into a joint venture agreement with CBM Corporation Limited ("CBM") to operate Domino's Pizza business in Cambodia. As of the end of 2014 there are 51 branches of the Company's restaurants and subsidiaries Both in Thailand and overseas.</li> </ul>
2015	<ul style="list-style-type: none"> <li>Opened the first Domino's Pizza shop in Cambodia at Phnom Penh in January 2015</li> <li>The Company restructured its shareholding by establishing Evolution Foods (Thailand) Company Limited as a newly established subsidiary to hold shares in the following companies <ul style="list-style-type: none"> <li>Dominoes (Thailand) Company Limited and D. Pizza Public Company Limited (Holders of Domino's Pizza rights in Thailand and Cambodia respectively)</li> <li>CBTL (Thailand) Company Limited (franchise rights holder of The Coffee Bean and Tea Leaf) and</li> <li>Kyonchon Company Limited (franchise holder of Kyonchon)</li> </ul> <p>In which Dr. Wuttisak Limpanich purchased additional shares of Evolution Foods (Thailand) Company Limited in the amount of 150 million baht, equivalent to 10 percent of the total shares of the said subsidiary company in order to support the Company's restaurant expansion strategy</p> </li> <li>Opened the 2nd Magnolia Bakery store in Asia at Pankyo-Hyundai Department Store in Gyeonggi Province, Korea in August 2015.</li> <li>The Company's Board of Directors resolved to close the business of Monster Media Company Limited and Photo Me.com Company Limited on 14 August 2015. Such company is an affiliate company that operates digital media business because the Company intends to focus on the business which is the Company's core business which is an investment business in a subsidiary company which mainly operates food and beverage businesses</li> <li>The Company granted franchise rights to Alpha Plus Company Limited in the business of Mr. Jones or Fashion in Myanmar in August 2015.</li> <li>The Company entered into a joint venture with CBM in operating Kyocone in Cambodia and opened the first Kyocons store in Cambodia at Phnom Penh</li> <li>Opened the branch of Mr. Jones or Fashion Store The first branch in Myanmar at the HAGL Center in Yangon</li> </ul>

Year	Major development of the Company
2016	<ul style="list-style-type: none"> <li>▪ At the end of 2015 there are 73 restaurant branches of the Company and subsidiaries in both domestic and international.</li> <li>▪ The Company sold 222,250 shares of Sweetstar KK, equivalent to 11.1% shareholding ratio and 3,000 shares of Sweetstar Asia Limited, equivalent to 12.2% shareholding ratio, and the investment in Q's Dining Inc., 213 shares, equivalent to 29.3% shareholding ratio</li> <li>▪ The Company changed the Company name from "Evolution Capital Public Company Limited" to "Food Capital Public Company Limited" and the abbreviation of the Company's securities from "E" to "FC" according to the resolution of the Extraordinary General Meeting of the Shareholders No. 1/2016 on 14 June 2016</li> <li>▪ In September 2016, the Company sold 100% of the shares in Mr. Jones International Company Limited ("MJO"), a subsidiary of the Company for the price of 27 million baht and selling the trademark of MJO for the price of US \$ 40,000 in accordance with the resolution of the Board of Directors meeting no. 3/2016 on 13 May 2016.</li> <li>▪ In December 2016, the Company purchased additional 12,000 ordinary shares of Maggie Choo Company Limited at a price of 3 million baht, resulting in an increase in the percentage of investment in Maggie Choo Company Limited from 80 percent to 100</li> </ul>
2017	<ul style="list-style-type: none"> <li>▪ In February 2017, the Company made a transaction to purchase 100% of G Enterprise and Co., Ltd. from the existing shareholders. As a result, the Company has 6 restaurants that operate under the following brands: "Chingcha chale" "Moommam Park" "Umami Falella Bella" and "Pirate Chamber"</li> </ul>
2018	<ul style="list-style-type: none"> <li>▪ The Company sold investments in               <ol style="list-style-type: none"> <li>(1) 14,250,000 ordinary shares of Casa Fico Company Limited, equivalent to 50% of the registered and paid-up capital, and</li> <li>(2) 5,000,000 ordinary shares of Fena Park Company Limited, equivalent to 50% of the registered and paid-up capital. Both items are exercised according to Put Option rights.</li> <li>(3) 51,000 Preferred shares of Andaman Beach Residence Company Limited, equivalent to 51.00% of the paid-up registered capital.</li> <li>(4) 51,000 Preferred shares of Phang Nga Hotel Company Limited, equivalent to 51.00% of the paid-up registered capital</li> </ol> </li> </ul>

Year	Major development of the Company
	<ul style="list-style-type: none"> <li>▪ The Board of Directors Meeting No. 6/2018, held on April 19, 2018, passed a resolution to approve the dissolution and liquidation of Evolution Capital International Pte. Ltd. and Food Capital Company USA Inc.</li> <li>▪ On 21 December 2018, the Extraordinary General Meeting of Shareholders No. 1/2018 approved the entire business transfer transaction from PRGD, which includes ordinary shares in Prime Road Alternative Co., Ltd. ("PRA") and all liabilities of issuance and allocation of new ordinary shares 14,881,481,481 Shares at the price of 0.27 baht per share to pay as compensation for the entire business transfer instead of cash (Pay-in-Kind) and also the disposal of investments and liabilities of subsidiaries and assets under the Share Subscription Agreement, consisting of <ul style="list-style-type: none"> <li>(1) Investment groups and liabilities in the subsidiary under the conditions precedents; Evolution Food (Thailand) Company Limited, Phoenix Company Iron Fairy Company Limited, FC Commissary Company Limited and G Enterprise and Co., Ltd.</li> <li>(2) Disposal of investment as according to Covenants, namely Evolution Company Land Company Limited and Evolution Holdings Limited.</li> <li>(3) Disposal of the Company's freehold land and the leasehold rights of companies as according to Covenants</li> </ul> </li> </ul>
2019	<ul style="list-style-type: none"> <li>▪ On 29 April 2019, the Annual General Meeting approved the issuance and allocation of the newly issued ordinary shares in the amount of 14,881,481,481 shares at the price of 0.27 baht per share as compensation for the entire business transfer instead of cash (Pay-in-Kind) again. As the Company is unable to complete the offering of the newly issued ordinary shares of the Company by 20 March 2019 or within a period not exceeding three months from the date that the extraordinary general meeting of shareholders No. 1/2018 passed a resolution to offer for such sale of newly issued shares</li> <li>▪ On 4 June 2019, the Company sold the investment in G Enterprise and Co., Ltd. to Phoenix Food World Company Limited, a juristic person designated by Mr. Krit Srichawla.</li> <li>▪ On 26 July 2019, the Company sold the investment in Evolution Foods (Thailand) Company Limited, Phoenix Iron Fairies Company Limited and FC Commissary Company Limited to Phoenix Food Company Limited. World Company Limited, a juristic person assigned by Mr. Krit Srichawla, as well as entering into the entire business transfer</li> </ul>

Year	Major development of the Company
	<p>transaction of PRA in accordance with the resolution of the Extraordinary General Meeting of Shareholders No. 1/2018 on 21 December 2018 in which the Company paid compensation for the entire business transfer of PRA with 14,881,481,481 new ordinary shares of the Company, with a par value of 1.00 baht per share, a price of 0.27 baht per share to PRGD instead of cash payment according to the resolution of the Annual General Meeting of Shareholders on 29 April 2019</p> <ul style="list-style-type: none"> <li>▪ After the entire business transfer transaction of PRA, the Company changed the Company name from Food Capitals Public Company Limited and the stock symbol of "FC" to Prime Road Public Company Limited and the stock symbol of "PRIME" in accordance with the resolution of the Annual General Meeting of Shareholders of Food Capital Public Company Limited on 23 April 2018, which operates business by holding shares in other companies (Holding Company) investing in other companies engages business of production and sale of electricity from renewable energy and also the development and operation of renewable energy power plants in the country and abroad</li> <li>▪ The Board of Directors Meeting No. 17/2019, held on 23 August 2019 and the Executive Committee Meeting No. 2/2019, held on 10 September 2019, resolved to approve the establishment of 2 new subsidiaries as follows:             <ol style="list-style-type: none"> <li>(1) Prime Alternative Vision Company Limited, in order to support the expansion of the solar rooftop installation business by Prime Road Group Company Limited (Which is a subsidiary in which the Company holds a 99.98% stake), holds 54%</li> <li>(2) Prime Road Rooftop Company Limited, to engage in the business of production and distribution of electricity from solar rooftop systems by Prime Road Group Company Limited (Which is a subsidiary in which the Company holds 99.98%)</li> </ol> </li> <li>▪ The Board of Directors Meeting No. 18/2019, held on 19 September 2019, resolved to propose to the shareholders' meeting to consider approving the PRA to invest in a 60MW ground mounted solar power plant project in Kampong Chhnang Province, Cambodia which is considered as an asset acquisition transaction</li> <li>▪ The Board of Directors Meeting No. 18/2019 held on 19 September 2019 and the Executive Committee Meeting No. 5/2019 on 17 October 2019 has approved the establishment of a new subsidiary, Prime Road Alternative (Cambodia) Company Limited to support the development of the project in Cambodia, with Prime Road Group Company Limited (a subsidiary in which the Company holds 99.98% of the shares) holds 100% of the shares</li> </ul>

Year	Major development of the Company
	<ul style="list-style-type: none"> <li>On 30 October 2019, "PRIME" has been traded in the SET and changed the industry group from "Agriculture and food industry" to a "resources" under category of the energy and utility business</li> <li>The Board of Directors Meeting No. 20/2019, held on 13 November 2019, resolved to approve the establishment of 2 new subsidiaries in Taiwan to support the Company's business expansion by Prime Solar Energy Corporation Limited (a subsidiary company in which 99.99% shareholding) holds 100%</li> <li>As of 15 November 2019, the Extraordinary General Meeting of Shareholders No. 1/2019 passed a resolution approving the PRA to invest in a 60 megawatt ground-mounted solar power plant in Kampong Chang Province, Cambodia</li> </ul>

Overview and major developments of the solar power plant project of the Company are as follows:

Year	Major Development of the Company
2011	<ul style="list-style-type: none"> <li>8 associated companies entered into 10 Power Purchase Agreements (PPA), equivalent to the total capacity of 72 MW</li> </ul>
2012	<ul style="list-style-type: none"> <li>8 associated companies entered into Credit Facilities Agreements and begun to develop the solar power plant projects</li> </ul>
2013	<ul style="list-style-type: none"> <li>The initial solar power plant which has 7.6 MW installed capacity (6 MW contracted capacity) has been commercially operated (Commercial Operation Date)</li> </ul>
2014	<ul style="list-style-type: none"> <li>The 9 solar power plants of 84.1 MW installed capacity (66.0 MW contracted capacity) which reached a commercial operation date (COD) by Prime Road Tech Co., Ltd, as a 30 percent shareholder with Soleq Pte. (which is a company under the management of Equis Fund Group at that time).</li> <li>In December, Prime Road Capital Company Limited, a shareholder of Prime Road Group Company Limited (PRG), entered into a joint venture agreement in Aizu Energy Pte. which is a solar power plant projects in Japan in which the Company has a total 25 percent shareholding in Aizu Energy Pte. Ltd., a company registered in Singapore and investing in the solar power plant projects as a TK Investor</li> </ul>
2015	<ul style="list-style-type: none"> <li>PRG has started to develop solar power plant in Project 5 Amata and has entered into power purchase agreements under the solar power generation project, on-ground installation for government entities and agricultural cooperatives in 2015, consisting of 4 contracts; the Lad Bua Luang Land Reform Water Cooperative (LBL05), Sena Agricultural</li> </ul>



Year	Major Development of the Company
	<p>Cooperative Project (BSA01), Sena Land Reform Agriculture Cooperative (BSA08) ) and Lat Lum Kao Pattana Agriculture Cooperative (LAK09), equivalent to a total production capacity of 18.0 megawatts. All projects were scheduled for completion and commencement for commercial operation date within 2016.</p>
2016	<ul style="list-style-type: none"> <li>▪ 5 Amata Project reached a commercial operation date (COD) in January 2016.</li> <li>▪ The solar power plant project in Japan has started to commence commercial operation date (COD) as the first project Including the Hino project in May 2016</li> <li>▪ All 4 projects from the ground-mounted solar power generation project for government agencies and agricultural cooperatives projects reached a commercial operation date (COD) in December</li> </ul>
2017	<ul style="list-style-type: none"> <li>▪ PRG participated in the bidding for electricity purchase agreements under the solar power generation project on-site installation for government agencies and agricultural cooperatives 2017, in which the Company has selected 3 projects, with a total production capacity of 14.6 megawatts</li> <li>▪ The Awaji solar project in Japan of the affiliates under shareholding of PRG reached a commercial operation date (COD) in May</li> <li>▪ Prime Energy Capital Company Limited (PEC) was established on December 21, 2017, with the main business is the holding in other companies (Holding Company) for the purpose of restructuring the business group. PEC invested in the shares of the operating companies which holds 10 operating-solar-power-plant projects in Thailand with a contracted capacity of 72.0 megawatts in the proportion of 30 percent of the paid up registered capital on behalf of the Prime Road Tech Company Limited, each project is under an 8.00-baht Adder per kilowatt hour</li> <li>▪ Prime Road Alternative Company Limited (PRA) was established on 28 December 2017 in the form of a limited company with registered capital. 4,018,003,000 baht for the purpose of restructuring the business group by investing in the shares of PRG and PEC, which are companies under the same control as the shareholders of the Company</li> </ul>
2018	<ul style="list-style-type: none"> <li>▪ The Board of Directors 'meeting of PRGD No. 3/2018 held on 9 November 2018 has approved the merger plan with Food Capitals Public Company Limited including the signing of Share Subscription Agreement among PRGD, Food Capitals Public Company Limited and Major shareholders of Food Capital Public Company Limited.</li> <li>▪ The Company has signed 3 additional power purchase agreements under the ground-mounted solar power generation project for government agencies and agricultural</li> </ul>

Year	Major Development of the Company
	cooperatives in 2017 at the Feed-in-Tariff (FiT) of 4.12 baht per kilowatt hour. All 3 projects are commercially operational in December
2019	<ul style="list-style-type: none"> <li>▪ The Nari Aizu Project, a solar power plant project in Japan, reached a commercial operation date (COD) in December</li> <li>▪ The Company has bought 5 solar power plants in Taiwan, which are under development, under the main project name of "Yunlin Project", with the total contracted power capacity of 8.5 megawatts.</li> <li>▪ All 3 sub-projects under the main project name Yunlin Project, with a total contract power of 6.0 MW, commenced for commercial operation date (COD) in April</li> <li>▪ The Extraordinary General Meeting of the Shareholders of the Company No. 1/2019 on November 15, 2019 passed a resolution approving the PRA to invest in a 60 megawatt ground-based solar power plant in Kampong Chung Province, Cambodia</li> </ul>

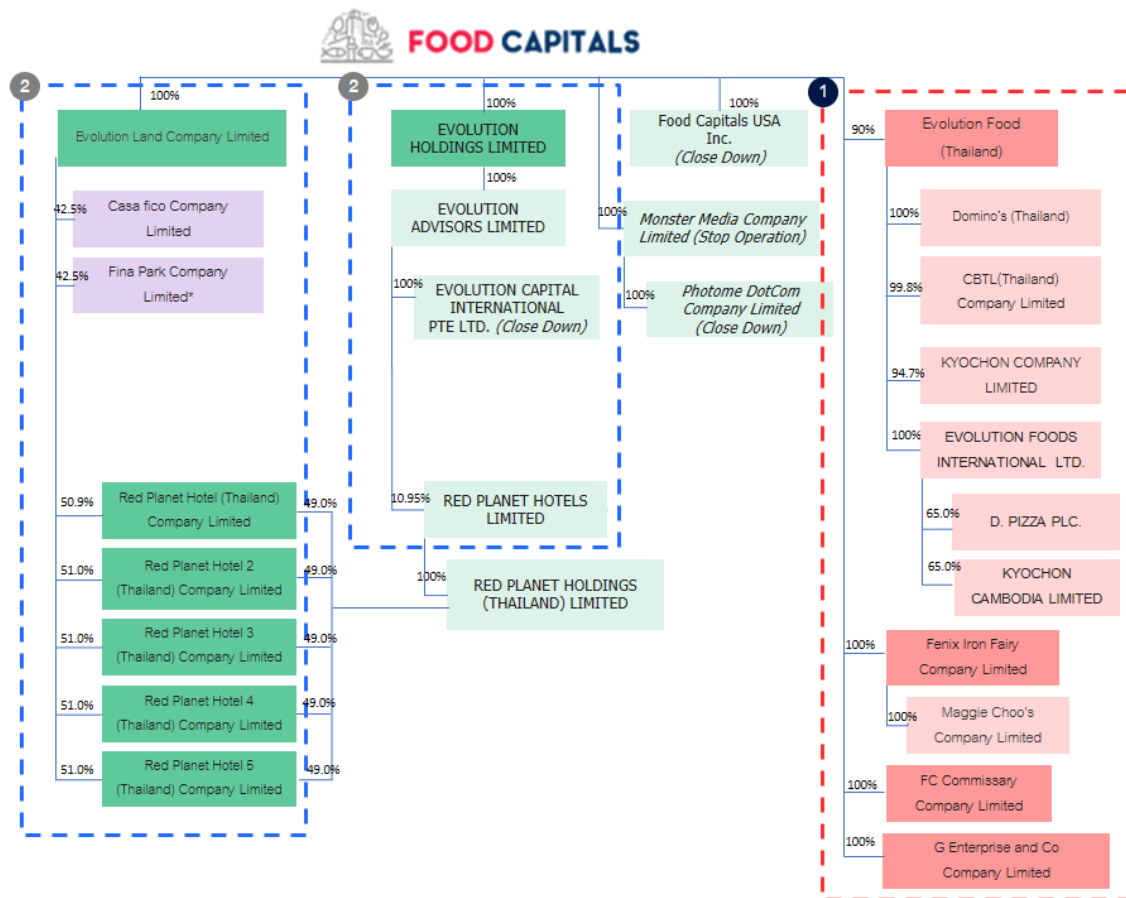
#### The Entire Business Transfer

Prior to the entire business transfer, the Company operates business by holding shares in other companies (Holding Company) with the main investment in the food and beverage restaurant business and lifestyle restaurant as well as jointly invested in the hotel business in Thailand and other countries in Asia. After the entire business transfer from PRGD, and in compliance with the condition precedent terms of the share subscription agreement, which required the Company to dispose the investment and liabilities in the subsidiary that operates all restaurants and the other former businesses of the Company, and will be left with only investment in real estate and joint venture businesses in the hotel business.

On 2 August 2019 after the entire business transfer, the Company has only one major shareholder group consisting of shareholders groups from PRGD which are (1) PRC (2) Mr. Somprasong (3) Mr. Surachet (4) PRTI and (5) Mr. Kanadej with the total shareholding of 87.45 of the issued and paid-up shares of the Company. Post transaction, the Sri Chawala group, former major shareholder, has only 4.65 percent shareholding.

The Company engages in business by holding shares in other companies (Holding Company) which operate in the production and distribution of electricity from renewable energy both domestically and internationally, with Prime Road Solar Company Limited (PRS) being the main company in accordance with the regulations of the Stock Exchange of Thailand. The group of companies under the shareholding of PRA conducts business by holding shares in companies that produce and distribute electricity from renewable energy. There are solar power plant projects with a total installed capacity of 209.0 MW (equivalent to the equity installed capacity of 89.7 MW) or the contracted capacity of 175.6 MW (equivalent to the equity contracted capacity of 80.4 MW).

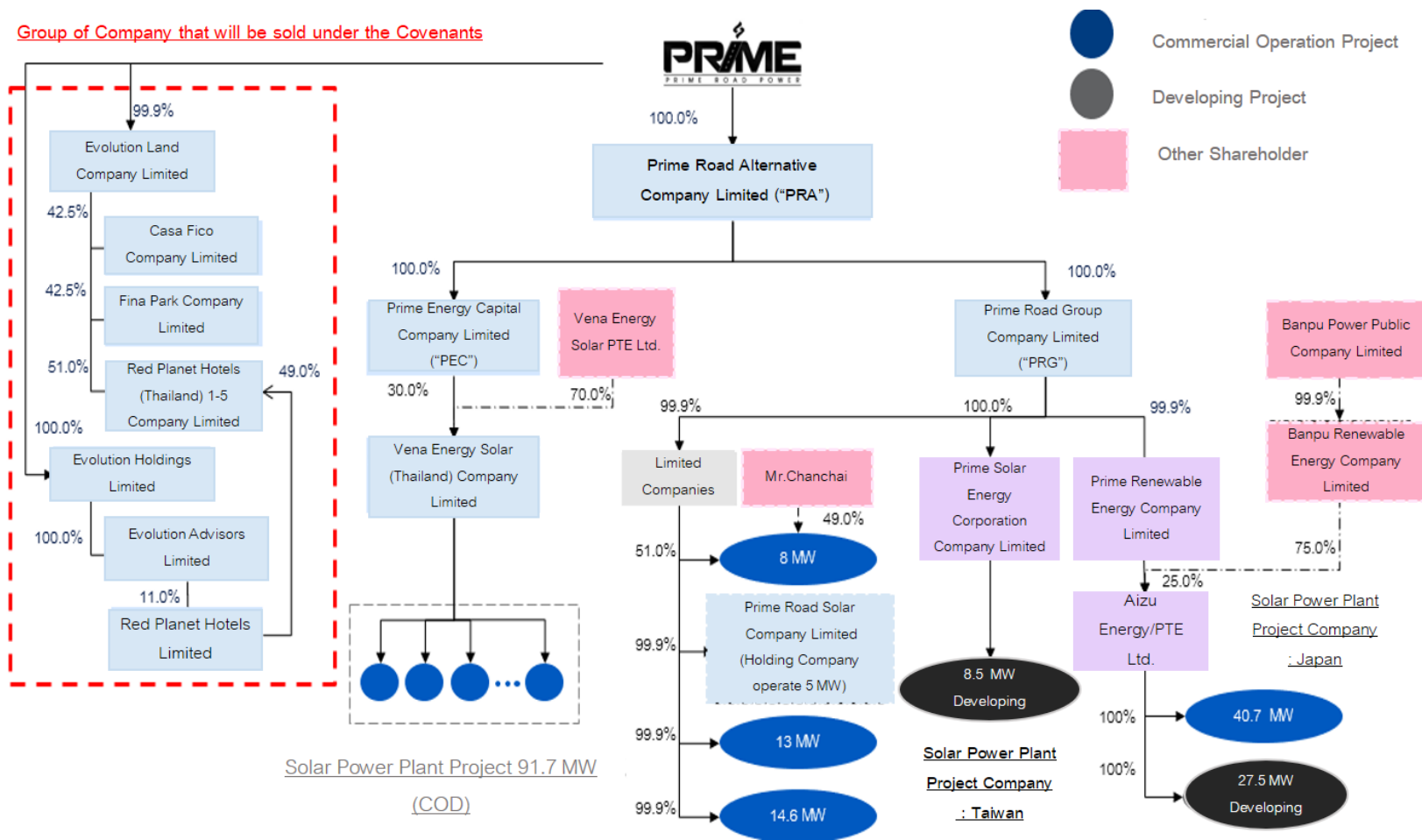
The shareholding structure of Food Capital Public Company Limited before the entire business transfer



According to the shareholding structure of the above, the Company has divested investments and liabilities in subsidiaries and company assets as specified in the Share Subscription Agreement, consisting of 1.) Disposal of investment and liabilities in subsidiary companies in accordance with the condition precedent 2.) Disposals of investments and liabilities in subsidiaries as according to Covenants and 3.) Land sales and leasehold transactions according to Covenants, with details as the following:

- 1.) Disposal of investment and liabilities in subsidiary companies in accordance with the condition precedent
  - Evolution Foods Company Limited in the proportion of 90.00 percent
  - Fenix Iron Fairy Company Limited in the proportion of 99.99 percent
  - FC Commissary Company Limited in the proportion of 99.99 percent
  - G Enterprise and Co Company Limited in the proportion of 99.99 percent
- 2.) Disposals of investments and liabilities in subsidiaries as according to Covenants
  - Evolution Holdings Limited, 100.00 percent
  - Evolution Land Company Limited, 99.99 percent
- 3.) Land sales and leasehold transactions according to Covenants
  - 10 plots of land
  - 2 leasehold rights to the company's land

### Company shareholding structure post the entire business transfer of PRA



**Remark:** (1) Vena Energy (Thailand) Company Limited and ESPP Company Limited, an associated company of Prime Energy Capital Company Limited, have Vena Energy Solar PTE Ltd. as a direct and indirect shareholder, representing approximately 70.0 percent of the total issued shares.

(2) Aizu Energy PTE Ltd. has Banpu Renewable Energy Company Limited, holding 75.0% of the total issued shares

## The shareholding structure of the Company and its subsidiaries

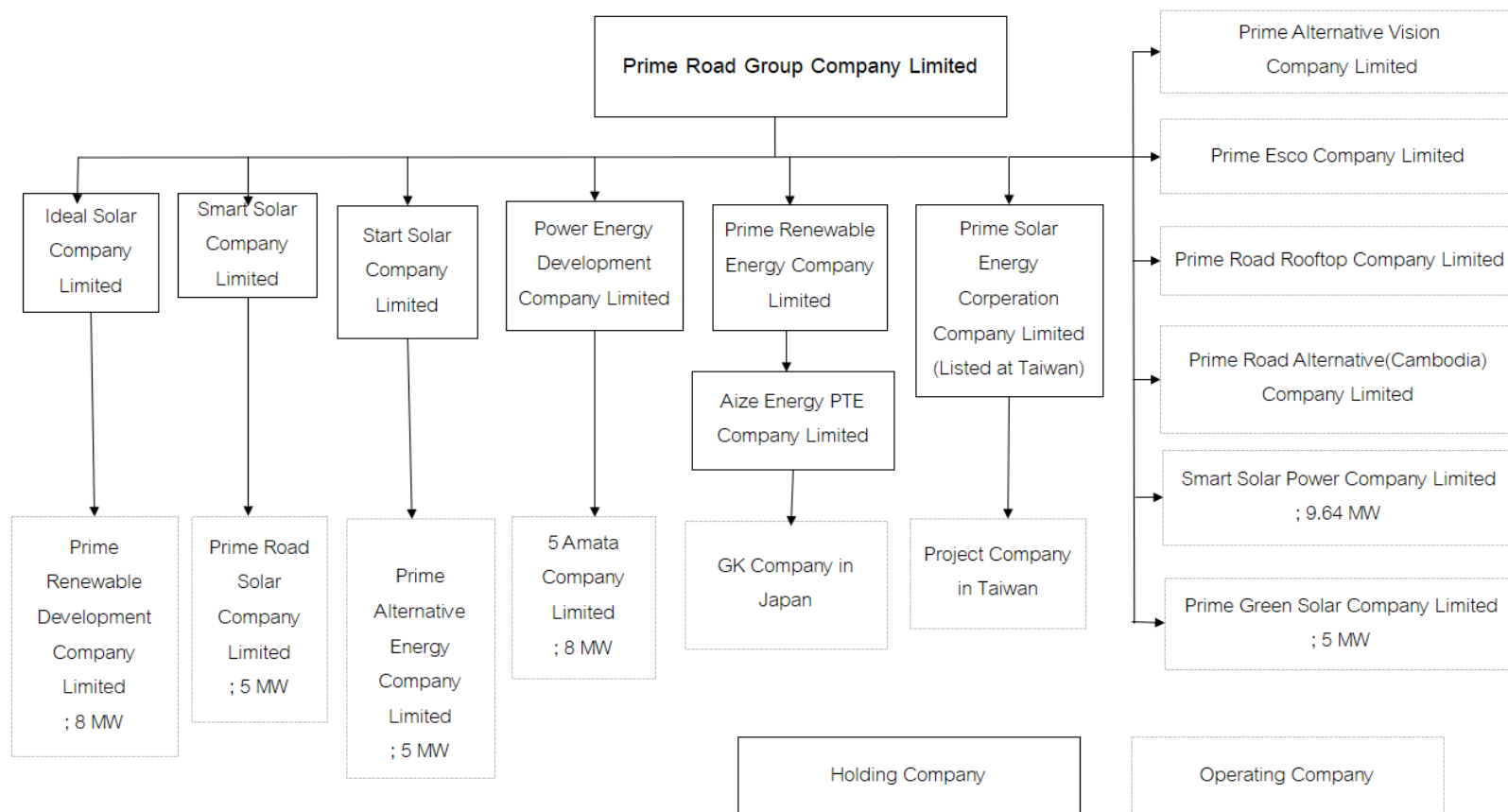
The Company engages in business by holding shares in other companies (Holding Company) which operate in the production and distribution of electricity from renewable energy both domestically and internationally, with Prime Road Solar Company Limited (PRS) being the main company in accordance with the regulations of the Stock Exchange of Thailand. The group of companies under the shareholding of PRA conducts business by holding shares in companies that produce and distribute electricity from renewable energy. There are solar power plant projects with a total installed capacity of 209.0 MW (equivalent to the equity installed capacity of 89.7 MW) or the contracted capacity of 175.6 MW (equivalent to the equity contracted capacity of 80.4 MW) through shares held in 1) Prime Energy Capital Company Limited (PEC) and 2) Prime Road Group Company Limited (PRG).

### PRG has subsidiaries under investment as follows

- (1) Prime Renewable Development Company Limited
- (2) Smart Solar Company Limited
- (3) Prime Road Solar Company Limited
- (4) Star Solar Company Limited
- (5) Prime Alternative Energy Company Limited
- (6) Power Energy Development Company Limited
- (7) 5 Amata Company Limited
- (8) Prime Renewable Energy Company Limited
- (9) Aizu Energy PTE Limited
- (10) Smart Solar Power Company Limited
- (11) Prime Green Solar Company Limited
- (12) Ideal Solar Company Limited
- (13) Prime Solar Energy Corporation Company Limited
- (14) He Wu Company Limited (a project company in Taiwan)
- (15) Shin Shi Company Limited (Project Company in Taiwan)
- (16) Sheng Jiu Company Limited (Project Company in Taiwan)
- (17) Prime Esco Company Limited
- (18) Prime Alternative Vision Company Limited
- (19) Prime Road Rooftop Company Limited
- (20) Prime Road Alternative (Cambodia) Company Limited



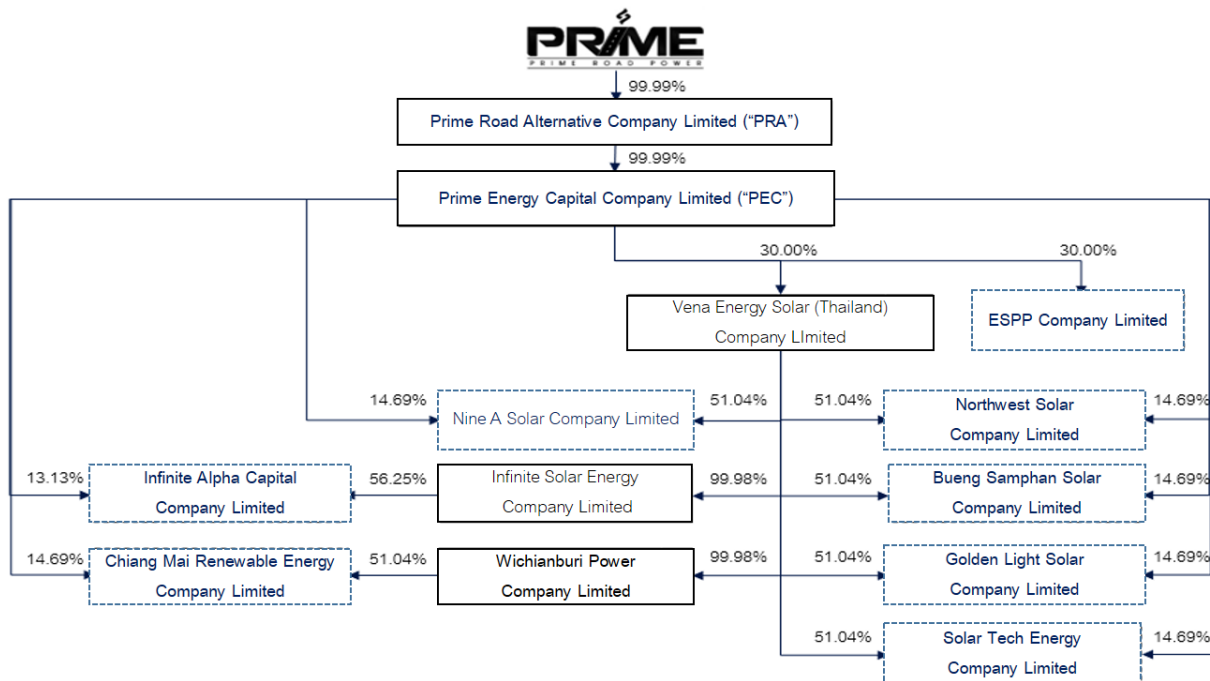
Shareholding structure under PRG



PEC has associated companies under investment as follows

- (1) Bueng Samphan Solar Company Limited
- (2) Chiang Mai Renewable Energy Company Limited
- (3) ESPP Company Limited
- (4) Golden Light Solar Company Limited
- (5) Infinite Alpha Capital Company Limited
- (6) Nine A Solar Company Limited
- (7) Northwest Solar Company Limited
- (8) Solar Tech Energy Company Limited
- (9) Vena Energy Solar (Thailand) Company Limited
- (10) Wichianburi Power Company Limited
- (11) Infinite Solar Energy Company Limited

Shareholding structure under PEC



General information of PRA's subsidiaries and associated companies in the renewable energy business are as follows:

Name (Initials)	Type of business	Registration Country	Paid-up capital	Shareholding <sup>(1)</sup> (%)
Prime Energy Capital Co.,Ltd. (PEC)	Invest in companies that has business in generating electricity from renewable energy	Thailand	437.1 million Baht	99.99
Prime Road Group Co.,Ltd. (PRG)	Invest in companies that has business in generating electricity from renewable energy	Thailand	1,000.0 million Baht	99.99
Beung Samphan Solar Co.,Ltd. (BSS)	Generating electricity from renewable energy under the Project BSS	Thailand	240.0 million Baht	30.00
Chiangmai Renewable Energy Co.,Ltd. (CRE)	Generating electricity from renewable energy under the Project CRE	Thailand	240.0 million Baht	30.00
ESPP Co.,Ltd. (ESPP)	Generating electricity from renewable energy under the Project ESPP1, ESPP2 and ESPP 3	Thailand	480.0 million Baht	30.00
Golden Light Solar Co.,Ltd. (GLS)	Generating electricity from renewable energy under the Project GLS	Thailand	240.0 million Baht	30.00
Infinite Alpha Capital Co.,Ltd. (IAC)	Generating electricity from renewable energy under the Project IAC	Thailand	240.0 million Baht	30.00
Nine A Solar Co.,Ltd. (NAS)	Generating electricity from renewable energy under the Project NAS	Thailand	240.0 million Baht	30.00
Northwest Solar Co.,Ltd. (NWS)	Generating electricity from renewable energy under the Project NWS	Thailand	240.0 million Baht	30.00
Solartech Energy Co.,Ltd. (STE)	Generating electricity from renewable energy under the Project STE	Thailand	240.0 million Baht	30.00
Vena Energy Solar (Thailand) Co.,Ltd. (VES)	Invest in companies that has business in generating electricity from renewable energy	Thailand	167.0 million Baht	30.00
Wichain Buri Power Co.,Ltd. (WBP)	Invest in companies that has business in generating electricity from renewable energy	Thailand	33.0 million Baht	30.00
Infinite Solar Energy Co.,Ltd. (ISE)	Invest in companies that has business in generating electricity from renewable energy	Thailand	36.0 million Baht	30.00
Prime Renewable Development Co.,Ltd. (PRD)	Generating electricity from renewable energy under the Project Sena Agricultural Cooperatives and Lat Lum Kaew Pattana Agricultural Cooperatives	Thailand	257.1 million Baht	99.99

Name (Initials)	Type of business	Registration Country	Paid-up capital	Shareholding <sup>(1)</sup> (%)
Smart Solar Co.,Ltd. (SMS)	Invest in companies that has business in generating electricity from renewable energy	Thailand	82.0 million Baht	99.99
Prime Road Solar Co.,Ltd. (PRS)	Generating electricity from renewable energy under the Project Lat Bua Luang Land Reform Water User Cooperatives	Thailand	317.2 million Baht	99.99
Star Solar Co.,Ltd. (STS)	Invest in companies that has business in generating electricity from renewable energy	Thailand	163.0 million Baht	99.99
Prime Alternative Energy Co.,Ltd. (PAE)	Generating electricity from renewable energy under the ProjectSena Agricultural Cooperatives	Thailand	392.8 million Baht	99.99
Power Energy Development Co.,Ltd. (PED)	Invest in companies that has business in generating electricity from renewable energy	Thailand	130.0 million Baht	99.99
5 Amata Co.,Ltd. (5AMATA)	Generating electricity from renewable energy under the Project 5 Amata	Thailand	140.0 million Baht	51.00
Prime Renewable Energy Co.,Ltd. (PRE)	Invest in companies that has business in generating electricity from renewable energy	Thailand	400.0 million Baht	99.99
Aizu Energy PTE Limited <sup>(2)</sup> (Aizu)	Invest in companies that has business in generating electricity from renewable energy	Singapore	1,258.5 million Yen 17.6 million USD	25.00
Smart Solar Power Co.,Ltd. (SSP)	Generating electricity from renewable energy under the Project Agricultural Cooperative for Customer Marketing BAAC Trang and Lam thup Argicultural Cooperatives	Thailand	104.8 million Baht	99.99
Prime Green Solar Co.,Ltd. (PGS)	Generating electricity from renewable energy under the Project Na Bo Kum Pattana Agricultural Cooperative	Thailand	52.5 million Baht	99.99
Ideal Solar Co.,Ltd. (IDS)	Invest in companies that has business in generating electricity from renewable energy	Thailand	1.0 million Baht	99.99
Prime Solar Energy Corporation Co.,Ltd. <sup>(3)</sup> (PSE)	Invest in companies that has business in generating electricity from renewable energy in Taiwan	Taiwan	500,000 NTD	100.00

Name (Initials)	Type of business	Registration Country	Paid-up capital	Shareholding <sup>(1)</sup> (%)
He Wu Co.,Ltd (He Wu)	Generating electricity from renewable energy under the Project He Wu	Taiwan	100,000 NTD	100.00
Sheng Jiu Co.,Ltd (Sheng Jiu)	Generating electricity from renewable energy under the Project Sheng Jiu	Taiwan	140,000 NTD	100.00
Shin Shi Co.,Ltd (Shin Shi)	Generating electricity from renewable energy under the Project Shin Shi	Taiwan	100,000 NTD	100.00
Prime Esco Co.,Ltd. (ESCO)	Conducting business in the design, construction, installation, energy-saving systems by using renewable energy such as solar energy	Thailand	0.25 million Baht	99.99
Prime Alternative Vision Co.,Ltd. ("PAV")	Conducting business in the design, construction, installation, energy-saving systems by using renewable energy such as solar energy	Thailand	1.0 million Baht	54.00
Prime Road Rooftop Co.,Ltd. ("PRR")	Conducting business in the design, construction, installation, energy-saving systems by using renewable energy such as solar energy	Thailand	1.0 million Baht	54.00
Prime Road Alternative (Cambodia) Co.,Ltd. ("PRAC")	Generating electricity from renewable energy in Cambodia	Cambodia	1.0 million USD	99.99

**Remark:**

<sup>(1)</sup> Proportion of shareholding, including both direct and indirect shareholding and including in the form of preferred shares

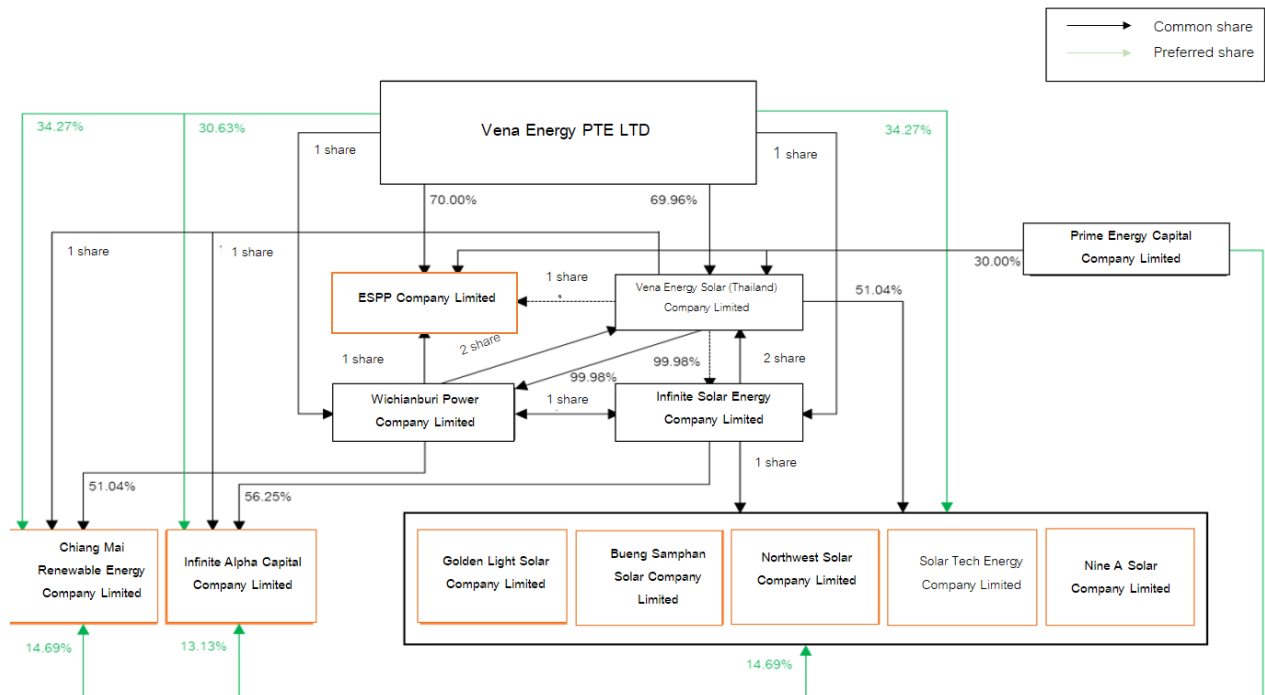
<sup>(2)</sup> Companies that have invested in solar power plant projects in Japan

<sup>(3)</sup> Companies that have invested in solar power plant projects in Taiwan



## Relationship of major shareholders

## Relationship of Prime Energy Capital Company Limited (PEC) with Vena Energy PTE Ltd.



Source: Shareholding documents and joint venture contract documents between PEC and Vena Energy PTE Ltd.

PEC operates by holding shares in a solar power plant project in Thailand. The total contracted capacity is 72.0 megawatts and the total installed capacity of 91.7 megawatts ("**91.7 MW solar power plant project**"), both directly and indirectly, in a proportion of 30.0 percent. The shareholding of PEC came from the internal restructuring from Prime Road Company Limited (PRT) to PEC in December 2017. While another 70.0% of the shares held by Vena Energy PTE Ltd. In this regard, the 30.0% shareholding makes the 91.7 MW solar power plant project is an associated company of the Company. The main operation is operated by Vena Energy Solar (Thailand) Company Limited. However, PEC will be the main participant in making important decisions as follows:

- Changing the auditor of the company
- Approval of merger or disposal of related companies
- Capital increase or decrease of related companies
- Significant amendments to the article of incorporation or material agreements of the related companies
- The issuance of financial instruments related to capital or Re-Capitalization

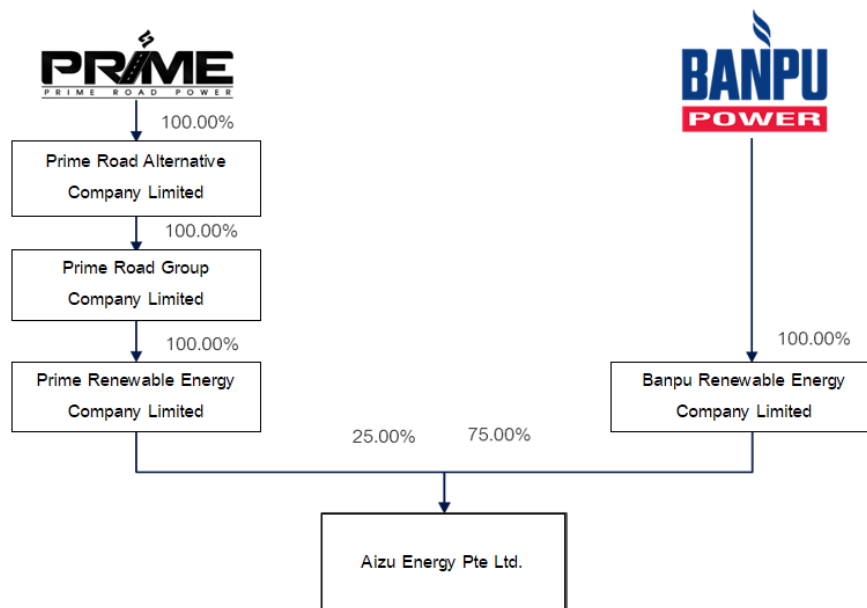
The joint venture between PEC and Vena Energy originated from Mr. Somprasong, a major shareholder of PRGD. However, after receiving all the power purchase agreements with the Provincial Electricity Authority in December 2011, the project was required to use the source of funds from project finance loans from financial institutions which required a solid credit capability and track records. Mr. Somprasong then negotiated with the Equis Fund, a fund that focuses on investing in power plant projects from renewable energy. Equis has a long-standing reputation for operations and development of 2.4 GW renewable energy power plant projects and it is known as the largest private fund that invests in the infrastructure and solar power plant projects throughout the Asia Pacific region. Mr. Somprasong then negotiated an agreement to invest with the proportion of investment that Equis Fund 70.0% and Mr. Somprasong 30.0%.

In 2018, Equis Fund sold Equis Energy to Global Infrastructure Partners (GIP). GIP is a leader in the infrastructure fund management business that focuses on integrating industry expertise and best practices in management, managing equity funds with infrastructure projects and have a major investment group focused on the energy, transportation and wastewater treatment industries. In addition, GIP also changed the name of the Company that holds the 91.7 MW solar power plant project from Soleq Pte. Ltd to Vena Energy PTE Ltd. and Soleq Solar (Thailand) Ltd. to Vena Energy Solar (Thailand) Company Limited.

Vena Energy, a shareholder of Vena Energy PTE Ltd., is a developer and investor in the solar power plant (PV) project in the Asia-Pacific region and is a leader in the production and distribution of electricity from renewable energy in Asia. Currently, it owns more than 180 projects, with a combined installed capacity of over 11.0 gigawatts in countries such as Australia, Japan, India, Indonesia, the Philippines, Taiwan, South Korea and Thailand. Vena Energy has headquartered in Singapore and has offices in 17 different countries with a team of over 600 people.

The Company, subsidiary company, the Board of Directors and major shareholders of the Company are not the connected party with Vena Energy PTE Ltd. and ultimate shareholders of Vena Energy PTE Ltd. in any way. Entering into the contract and the nature of joint management with Vena Energy (Thailand), the Company has the right to vote in important matters at 30.0 percent, which is enough to object to the material matters that required 70.0 percent voting while the Company will focus on the decision to maximize shareholder value.

## Relationship of Prime Renewable Energy Company Limited with Banpu Renewable Energy Company Limited



Source: Shareholding documents and joint venture contract documents between PRC and Banpu Renewable Energy Company Limited

The Company has developed a solar power plant project in Japan. The development of power plants in Japan has special characteristics such as legal aspects of land selection and development, acquisition of funding sources and understanding the characteristics of the solar power plant project industry in Japan.

The Company has the knowledge and understanding as well as the ability to invest but investing in Japan requires a reputable investor in the initial stages. The Company has therefore entered into a joint venture and negotiated with Banpu Renewable Energy Company Limited, a subsidiary of Banpu Power Public Company Limited, to enable the funding from financial institutions in Japan in a short time frame. The benefit of borrowing from financial institutions in Japan is that the interest rates for loans are low compared to other countries. Further, Japan has increasingly supported the production of electricity from renewable energy after the Fukushima nuclear disaster. Also there is an investment structure that facilitates tax benefits or so-called TK-GK structures.

In operation in Japan, the Company invests through a company in Singapore named Aizu Energy PTE Limited, 25% which is an investment through the TK-GK structure.

However, the Company, subsidiary company, the Board of Directors and major shareholders of the Company are not the connected party with Banpu Public Company Limited, Banpu Power Public Company Limited or its subsidiaries.

## Business Overview

### Business Overview and Revenue Structure

#### Renewable Energy Business

The Company operates its main business by holding shares in other companies (Holding Company) which produces and distributes electricity from renewable energy, currently focusing on investment and development of solar power plant projects. By having a policy to invest in development and management of renewable energy power plant projects domestically and internationally, especially in Asia-Pacific region. In the initial business expansion, the Company focused on investment and development of solar power plant projects. In order to the next phase, the Company intends to invest in power generation projects without limitation, not only solar power plants, but also considering the possibility of investing in other types of renewable power plants in Asia-Pacific region, such as wind power plants, biogas power plant projects, biomass power plant projects and waste to energy power plant projects.

At present, the Company has solar power plant projects which have the contracted production capacity of 175.6 megawatts (representing the contracted production capacity according to the shareholding proportion of 80.4 megawatts) or the total installed capacity of 209.0 megawatts (representing the installed capacity according to the shareholding proportion of 89.7 megawatts).

In which the Company has commercial solar power plants which are the contracted production capacity total 150.1 megawatts (representing the contracted production capacity in proportion to the shareholding of 72.2 megawatts) or the total installed capacity of 179.0 megawatts (representing the installed capacity according to the shareholding proportion of 80.4 megawatts) as follows;

- 1) Solar power plants in Thailand as total contracted electricity production capacity of 112.6 megawatts (total installed capacity of 132.2 megawatts) and
- 2) Solar power plants in Japan as total contracted electricity production capacity of 31.5 megawatts (total installed capacity of 40.7 megawatts) and
- 3) Solar power plants in Taiwan as total contracted electricity production capacity of 6.0 megawatts (total installed capacity of 6.0 megawatts).

In addition, the Company has solar power plants that are under development in equivalent to 25.5 megawatts of total contracted production capacity (representing 9.4 megawatts of contracted capacity) or a total installed capacity of 30.0 megawatts (representing the installed capacity according to the shareholding proportion of 8.3 megawatts) as follows;

- 1) Two solar power plant projects in Japan with the total contracted production capacity of 23.0 megawatts (total installed capacity of 27.5 megawatts) and
- 2) Solar power plant project in Taiwan with the total contracted production capacity of 2.5 megawatts (total installed capacity of 2.5 megawatts).

Subsidiary companies which operate business by mainly holding companies in other companies (Holding Company) has expanded investment both domestically and internationally as follows:

1. Prime Road Alternative Company Limited ("PRA"), which operates its core business by holding shares in other companies (Holding Company) investing in the shares of Prime Road Group Company Limited ("PRG") in the proportion of 99.9 percent of the paid-up capital and Prime Energy Capital Company Limited ("PEC") in the proportion of 99.9 percent of the paid-up capital.

2. Prime Road Group Company Limited (PRG) which operates its core business by holding shares in other companies (Holding Company) investing in a solar power plant projects that has entered into a power purchase agreement in the form of Feed- in Tariff ("FiT"), as divided into the following project groups;

- a. Solar power plant projects in Thailand, which having entered into contracts to purchase electricity in the form of Feed-in Tariff (FiT), in the amount of 8 projects, with the total contracted production capacity of 40.6 megawatts.
- b. Solar power plant project in Taiwan, which having entered into contract to purchase electricity in the form of Feed-in Tariff (FiT), in the amount of 1 project, with the total contracted production capacity of 8.5 megawatts.
- c. Benefit through TK-GK Structure of 25.0% of the solar power plant projects in Japan that having entered into the Power Purchase Agreements in the form of Feed- in Tariff (FiT) 5 projects with the total contracted production capacity of 54.5 megawatts

3. Prime Energy Capital Company Limited (PEC) which operates its core business by holding shares in other companies (Holding Company) investing in 10 solar power plant projects in Thailand with the total production capacity under the agreements of 72.0 megawatts, in the proportion of 30 percent of the paid-up capital in every projects which receives the electricity price promotion ratio ("Adder") at 8.00 baht per kilowatt hour

4. Prime Alternative Vision Co., Ltd. (PAV) operates as an EPC Contractor for the construction of a solar rooftop, or a ground mounted Solar Farm), which services are design, procurement, management equipment and construction of projects

## Summary of Renewable Energy Projects in Thailand at Prime Road Group Company Limited (PRG), Directly and Indirectly Holding which sell Electricity to PEA

Project	Project Company	Share Holding (Percentage)	Location		Installed Capacity (MW)	Installed Capacity (MW) / Shareholding Ratio	Contracted Capacity (MW)	Contracted Capacity (MW) / Shareholding Ratio	Type of Revenue	Contract period (Year)	Commercial Operation Date
			Province	District							
5 Amata (5AMATA)	5 Amata Co., Ltd (“5AMATA”)	51.0	Ratchaburi	Ban Pong	8.0 MW	4.0 MW	8.0 MW	4.0 MW	FiT 5.66 Baht / kWh	25	5 Amata (5AMATA)
Sena Land Reform Agricultural Cooperative(BSA08)	Prime Alternative Energy Co., Ltd (“PAE”)	100.0	Ayutthaya	Sena	5.0 MW	5.0 MW	5.0 MW	5.0 MW	FiT 5.66 Baht / kWh	25	Sena Land Reform Agricultural Cooperative(BSA08)
Sena Agriculture Cooperative (BSA01)	Prime Renewable Energy Co., Ltd (“PRD”)	100.0	Ayutthaya	Sena	5.0 MW	5.0 MW	5.0 MW	5.0 MW	FiT 5.66 Baht / kWh	25	Sena Agriculture Cooperative (BSA01)
Lat Lum Kaew Pattana Agriculture Cooperative (LAK09)		100.0	Pathum Thani	Lat Lum Kaew	3.0 MW	3.0 MW	3.0 MW	3.0 MW	FiT 5.66 Baht / kWh	25	Lat Lum Kaew Pattana Agriculture Cooperative (LAK09)
Lat Bua Luang Water User Cooperative (LBL05)	Prime Road Solar Co., Ltd (“PRS”)	100.0	Ayutthaya	Lat Bua Luang	5.0 MW	5.0 MW	5.0 MW	5.0 MW	FiT 5.66 Baht / kWh	25	Lat Bua Luang Water User Cooperative (LBL05)
Na Bo Kham Pattana Agriculture Cooperative (KPA05)	Prime Green Solar Co., Ltd (“PGS”)	100.0	Kamphaeng Phet	Mueng	5.0 MW	5.0 MW	5.0 MW	5.0 MW	FiT 4.12 Baht / kWh	25	Bo Kham Pattana Agriculture Cooperative (KPA05)
Agricultural Marketing CooperativeTrang (LRA02)	Smart Solar Power Co., Ltd (“SSP”)	100.0	Trang	Mueng	5.0 MW	5.0 MW	5.0 MW	5.0 MW	FiT 4.12 Baht / kWh	25	Agricultural Marketing CooperativeTrang (LRA02)
Lam Thap Agriculture Cooperative (KTM07)		100.0	Krabi	Lam Thap	4.6 MW	4.6 MW	4.6 MW	4.6 MW	FiT 4.12 Baht / kWh	25	Lam Thap Agriculture Cooperative (KTM07)
Total					40.6 MW	36.6 MW	40.6 MW	36.6 MW			



## Summary of Renewable Energy Projects in Thailand at Prime Energy Capital Company Limited (PEC), Directly and Indirectly Holding

-	Project Companiy	Shareholding Percentage	Location		Installed Capacity (MW)	Installed Capacity (MW) / Shareholding Ratio	Contracted Capacity (MW)	Contracted Capacity (MW) / Shareholding Ratio	Type and Revenue from PPA	Contract period (Year)	Commercial Operation Date
			Province	District							
ESPP 1	ESPP Co., Ltd	30.0	Ubon Ratchathani	Warin chamrarb	7.6 MW	2.3 MW	6.0 MW	1.8 MW	Adder 8.00 Baht / kWh	Every Solar Power Plant under PEC receive benefit from adder from PEA 10 years after COD date. PPA has renewed every 5 years.	ESPP 1
ESPP 2		30.0	Ubon Ratchathani	Warin chamrarb	7.6 MW	2.3 MW	6.0 MW	1.8 MW	Adder 8.00 Baht / kWh		ESPP 2
ESPP 3		30.0	Ubon Ratchathani	Warin chamrarb	5.1 MW	1.5 MW	4.0 MW	1.2 MW	Adder 8.00 Baht / kWh		ESPP 3
GLS	Golden Light Solar Co., Ltd	30.0	Sukhothai	Si Satchanalai	10.2 MW	3.1 MW	8.0 MW	2.4 MW	Adder 8.00 Baht / kWh		GLS
BSS	Bueng samphan Solar Co., Ltd	30.0	Kamphaeng Phet	Phran Kratai	10.2 MW	3.1 MW	8.0 MW	2.4 MW	Adder 8.00 Baht / kWh		BSS
NWS	Northwest Solar Co., Ltd	30.0	Kamphaeng Phet	Phran Kratai	10.2 MW	3.1 MW	8.0 MW	2.4 MW	Adder 8.00 Baht / kWh		NWS
CRE	Chiangmai Renewable Energy Co., Ltd	30.0	Tak	Sam Ngao	10.2 MW	3.1 MW	8.0 MW	2.4 MW	Adder 8.00 Baht / kWh		CRE
IAC	Infinite Alpha Capital Co., Ltd	30.0	Tak	Sam Ngao	10.2 MW	3.1 MW	8.0 MW	2.4 MW	Adder 8.00 Baht / kWh		IAC
NAS	Nine A Solar Co., Ltd	30.0	Kamphaeng Phet	Phran Kratai	10.2 MW	3.1 MW	8.0 MW	2.4 MW	Adder 8.00 Baht / kWh		NAS
STE	Solar tech Energy Co., Ltd	30.0	Kamphaeng Phet	Phran Kratai	10.2 MW	3.1 MW	8.0 MW	2.4 MW	Adder 8.00 Baht / kWh		STE
					Total	91.7 MW	27.8 MW	72.0 MW	21.6 MW		

## Solar Power Plant Business in Japan

The Company holds benefits through the TK-GK structure of investment in 5 solar power plant projects in Japan. The Company has invested in the Japanese projects through Prime Renewable Energy Company Limited ("PRE"), which holds a 25.0% stake in Aizu Energy PTE Limited, a TK company that was established in Singapore and has Banpu Power Public Company Limited holds 75.0% stake through Banpu Renewable Energy Company Limited.

Project	Operator Company	Sharehold ing (%)	Location (Prefecture)	Installed Capacity	Equity Contracted Capacity	Contracted Capacity	Equity Installed Capacity	Type and Revenue from PPA <sup>(1)</sup>	Period (years)	Offtaker	Commercial Operation Date
Hino	HIN G.K.	25.0	Shiga	4.6 MW	1.2 MW	3.5 MW	0.9 MW	FiT 40 yern or 11.34 baht / kWh	20	Kansai Electric Power Company ("KEPCO")	13 May 2016
Awaji	AWJ G.K.	25.0	Hyogo	9.9 MW	2.5 MW	7.9 MW	2.0 MW	FiT 40 yern or 11.34 baht / kWh	20		8 May 2017
Nari Aizu	Aizu Solar Energy G.K.	25.0	Fukushima	26.2 MW	6.6 MW	20.5 MW	5.1 MW	FiT 36 yen or 10.20 baht / kWh	20	Tohoku Electric Power Company ("TEPCO")	1 Dec 2018
Yabuki	Prime Smart Solar - YABUKI G.K.	25.0	Fukushima	9.8 MW	2.5 MW	6.9 MW	1.7 MW	FiT 36 yen or 10.20 baht / kWh	20		Expected Q4 2020
Onami	Prime Smart Solar – ONAMI G.K.	25.0	Fukushima	17.7 MW	4.4 MW	16.0 MW	4.0 MW	FiT 21 yen or 5.95 baht / kWh	20		Expected Q2 2021 <sup>(2)</sup>
Total				68.2 MW	17.2 MW	54.8 MW	13.7 MW				

**Remark** (1) Exchange Rate as of 30 September 2019 (100 yen : 28.3443 Baht) from BOT

(2) The Commercial Operation Date may be changed. As the Company is conducting an investigation and feasibility study

### Solar power plant in Taiwan

As at 18 January 2019, the Company acquired Solar power plant under development in Taiwan in total of 5 projects under Yunlin Project. The total contracted capacity is 8.5 MW with total installed capacity of 8.5 MW. The Company made purchase agreement with Taipower with contract age of 20 years starting from the commercial operation date. Yunlin Project comprises 5 subprojects. The significant detail is as follows:

Project name	Project	Share Holding (Percentage)	Location	Installed Capacity(MW)	Contracted Capacity (MW)	Type and Revenue from PPA <sup>(1)</sup>	Contract period (Year)	Commercial Operation Date
He Wu 1	He Wu	100.0	Yunlin	2.0 MW	2.0 MW	FiT 4.552 NTD or 4.4853 Baht / kWh	20	Project He Wu 1 Shin Shi 1 and Sheng Jiu, COD on April 2019.  Tentative COD for He Wu 2 and Shin Shi 2 is Q2/2020
He Wu 2				1.0 MW	1.0 MW	FiT 4.552 NTD or 4.4853 Baht / kWh	20	
Shin Shi 1	Shin Shi			2.0 MW	2.0 MW	FiT 4.552 NTD or 4.4853 Baht / kWh	20	
Shin Shi 2				1.5 MW	1.5 MW	FiT 4.552 NTD or 4.4853 Baht / kWh	20	
Sheng Jiu				2.0 MW	2.0 MW	FiT 4.552 NTD or 4.4853 Baht / kWh	20	
Total				8.5 MW	8.5 MW			

**Remark:** Exchange rate on 30 September 2019 (1 NTD: 0.9854 Baht) from Bank of Thailand

## Real Estate Business and Joint Investment in Hotel business

(These businesses shall be disposed within 12 month after the entire business transfer under the term and condition of Share Subscription Agreement)

### a. Real Estate Business

The Company holds land in the form of land ownership and leasehold rights. The objective is to develop the hotel project in the future. The land and leasehold rights that the Company has are for development, which does not generate revenue as detailed follows:

Title	Location	Measure (Rai-Ngang-Wa)	Objectives	Rights
The Company <sup>(1)</sup>	Samui Surathani	21-2-4	For developing the hotel project	Freehold
The Company <sup>(1)</sup>	Samui Surathani	21-2-34	For developing the hotel project	Leasehold

Note: (1) Land ownership and leasehold rights exists with the Company before entering into the entire business transfer transaction of PRA. The Company has the duty to sell the assets according to the Covenants specified in the Share Subscription Agreement with the condition precedent. Within July 26, 2020, which is the twelve (12) month expiry date from the date of the entire business transfer transaction and allocation Completed. The land ownership and leasehold rights under the lease agreement in the table above must be disposed of at the minimum price of 63.20 million baht and 52.20 million baht respectively, which is the appraisal price from KK Valuation Company Limited in the report Dated 22 October 2018. However, if the Company is not able to sell the assets as according to the Covenants as specified in the Share Subscription Agreement with the condition precedent, Mr. Krit Srichawla is responsible for the acquisition of assets under the Covenants at a price not lower than the minimum price specified above.

### b. Hotel Business

The Company relates to the investment in hotel business of Red Planet Hotel Limited



**Red Planet Hotel Limited**

*The Company Holds 10.95% via Evolution*

*Advisory Limited<sup>(1)</sup>*

Red Planet Hotel Limited operates under trademark of Red Planets Hotels having more than 4,202 rooms in both Thailand, Philippines, Indonesia and Japan and having 27 operating hotels

Note: (1) The Company records investment in Red Planet Hotel Limited in the form of other investments in the Company's financial statement

## Revenue Structure of PRA

PRA was established on 28 December 2016. According to PRA revenue structure for the year 2018 and 2019, which has revenue from generating and selling electricity from Solar energy and profit sharing in associates that operate in generating and selling electricity from Solar energy which can classify as follows:

Unit: Million Baht

Transaction	2018 <sup>(1)</sup>		2019	
	Amount	%	Amount	%
Revenue from Sales of Electricity	215.81	42.40	334.2	51.2
Profit Sharing from Associate Company	293.60	57.68	318.1	48.8
Other Income <sup>(2)</sup>	(0.42)	(0.08)	5.7	0.9
<b>Total Revenue</b>	<b>508.98</b>	<b>100.00</b>	<b>658.00</b>	<b>100.00</b>

Remark:

(1) Consolidated financial information for the year ended 2018 of PRA were prepared by management which were authenticated by TMB ( Financial Advisor of PRA for Backdoor listing in SET)

(2) Other income e.g. Gain(loss) from exchange rate etc.

## Revenue from selling electricity from Solar energy

### 1. Solar Power Plant in Thailand

The Company has revenue from generating and selling electricity from renewable energy in Thailand under PRG which consists of Sena Agriculture Cooperative( BSA01), Lat Lum Kaew Pattana Agriculture Cooperative (LAK09), Lat Bua Luang Water User Cooperative(LBL05), Sena Land Reform Agricultural Cooperative( BSA08), 5 Amata (5AMATA) which have entered in Power Purchase Agreement in form of Feed-in Tariff (FiT) at 5.66 Baht per KWh. Agricultural Marketing CooperativeTrang (LRA02), Lam Thap Agriculture Cooperative(KTM07), Bo Kham Pattana Agriculture Cooperative (KPA05) are projects that have entered into Power Purchase Agreement in form of Feed-in Tariff (FiT) at 4.12 Baht per KWh.

### 2. Solar Power Plant in Taiwan

The Company has revenue from generating and selling electricity from renewable energy in Taiwan under PRG which is Yunlin Projects, generating and selling electricity from solar energy, has entered in Power Purchase Agreement in form of Feed-in Tariff (FiT) at 4.552 New Taiwan Dollar (NTD) per KWh.

**Profit Sharing from Associated Companies consist of****1. Solar Power Plant in Thailand**

The Company gains profit sharing Solar Power Plant projects in Thailand through PEC in proportion of 30 percent consist of BSS, CRE, ESPP 1, ESPP 2, ESPP 3, GLS, IAC, NAS, NWS, and STE. The Solar Power Plant projects gain Power Purchase Agreement rate in form of Adder at 8.00 Baht per KWh.

**2. Solar Power Plant in Japan**

The Company gains profit sharing Solar Power Plant projects in Japan through Prime Renewable Energy Co., Ltd. (PRE) in proportion of 25 percent consist of Hino, Awaji, and Nari Aizu. The projects have revenue in form of Feed-in Tariff (FiT) at 36 and 40 Yen per KWh.

**Businesses in each Sector****Renewable Energy Business**

The Company conducts its businesses in selling electricity generated from renewable energy sources both domestic and international, having total contracted capacity of 175.6 MW and installed capacity of 209.1 MW, of which, most of the projects already achieved commercial operation but some projects remain under construction/development as outlined in 2.1.1 above. In Thailand, the total solar projects have contracted capacity of 112.6 MW and installed capacity of 132.4 MW. For Japan, the total solar projects have contracted capacity of 54.5 MW and installed capacity of 68.2 MW. For Taiwan, the total solar projects have contracted capacity of 8.5 MW and installed capacity of 8.5 MW

For these projects, buyers of the electricity (“Off-Taker”) are utility companies which are Provincial Electricity Authority (“PEA”) in Thailand, Kansai Electric Power Company (“KEPCO”) and Tohoku Electric Power Company (“TEPCO”) in Japan and Taiwan Power Company (“Taipower”)

**1. Solar Projects in Thailand**

The Company has been operating the business by using subsidiary which are PEC and PRG.

In Thailand, PRG has been developed, owned and investing in 8 solar projects which are executed under long-term separated Power Purchase Agreement (“PPA”) with PEA as counterparty of the contract. In total, the contracted capacity of portfolio is 40.6 MW and installed capacity of 40.6 MW. All 8 solar projects already achieved the commercial operation with difference supporting mechanism for the investment from the government during the 25-years period of the PPA. In detail, 5 Amata project is receiving FiT for 5.66 Baht/kWh. The other 7 solar projects were developed under 1) the solar agricultural cooperative program No. 1 receiving FiT of 5.66 Baht/kWh (BSA01,



BSA-08, LAK-09 and LBL-05) and 2) the solar agricultural cooperative program No.2 receiving 4.12 Baht/kWh (KPA-05, KTM-07 and LRA-08).

The picture shows the location of the solar power plant project invested through PRG



PEC has invested in 10 solar projects in Thailand with 30% ownership, having power purchase agreement with PEA. These projects have been executed under Very Small Power Producer (VSPP) program with contracted capacity of 8.0 MW, 6.0 MW and 4.0 MW. All of the 10 projects had achieved its commercial operation in 2013-2014 with total contracted capacity of 72.0 MW and installed capacity of 91.7 MW. The duration of power purchase agreement is 5 years with automatically renewal for another 5 years (Evergreen Contract). The sale per unit generated (kWh) is the sum of 8 baht ("Adder") and the wholesale electricity price referencing from Electricity Generation Authority of Thailand (EGAT) for 10 years since the commercial operation. After the 10<sup>th</sup> year, sale per unit will be the wholesale electricity price referencing from Electricity Generation Authority of Thailand (EGAT). The Company's policy is to extend the PPA contract, at least, until the end of power generating assets lifetime which is typically 25 years.

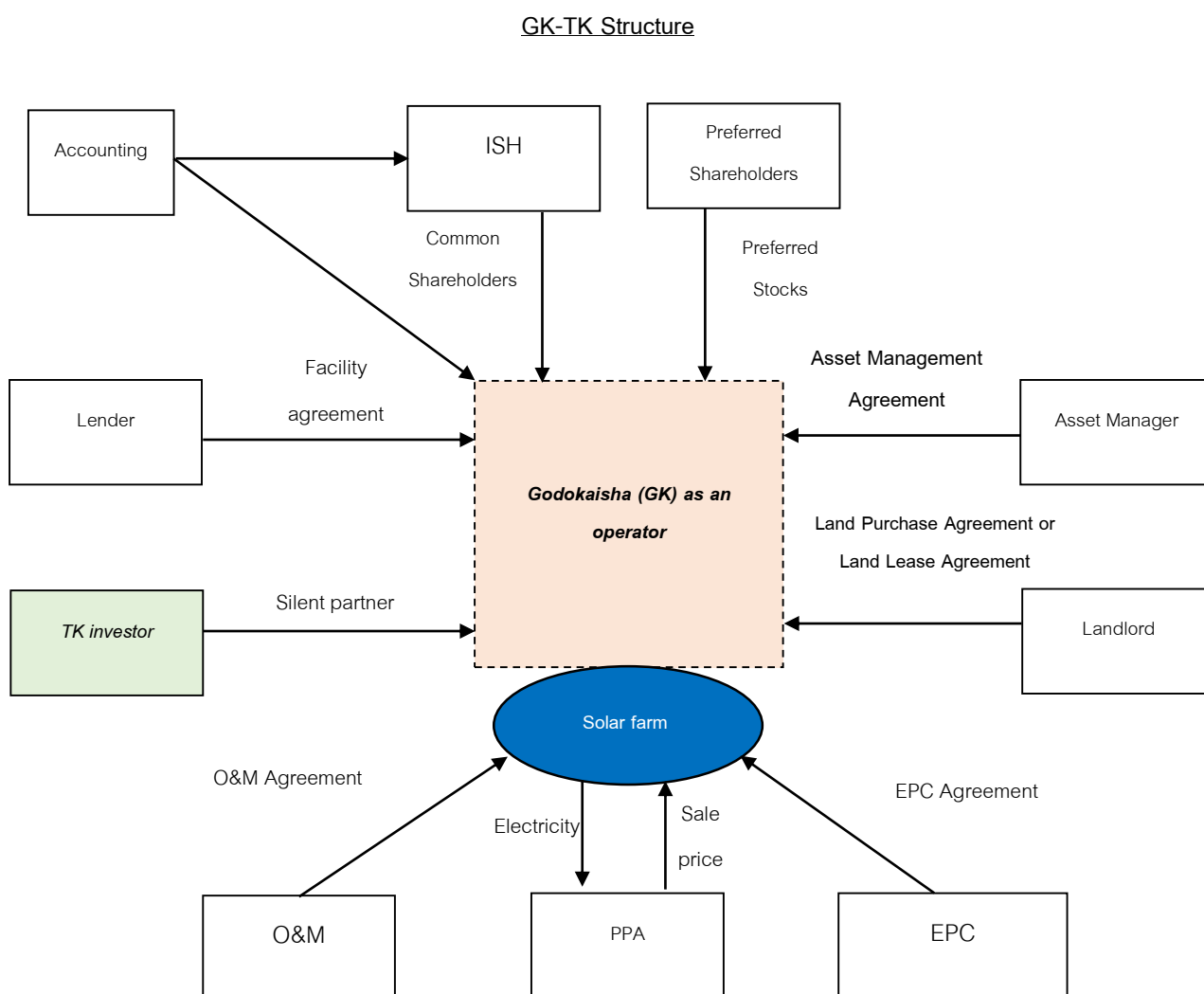
The picture shows the location of the solar power plant project invested through PEC



## 2. Solar Power Plant Projects in Japan

The entire solar power plant projects in Japan is an investment under PRG, which is invested through Prime Renewable Energy Company Limited, which holds 25% shares in Aizu Energy PTE Ltd as a TK Investor established in Singapore and has Banpu Power Public Company Limited as a joint partner holding 75 % shares through Banpu Renewable Energy Company Limited, a 100 % subsidiary. The power plant project in Japan has a total production capacity under the Power Purchase Agreement (PPA) of 5 contracts, representing the contracted capacity of 54.5 megawatts and total installed capacity of 68.2 megawatts, the shareholding in the solar power plant project of PRG in Japan is made through the investment structure so called TK - GK (TK-GK Structure). The structure is a type of joint venture structure in Japan under the contract between the TK investor and the operator company (GK), which investors will invest (in the form of cash or other assets) to the operator, and investors have the right to receive a share of profits from business operations by the operator as an investment return under the laws and regulations of Japan. Such investors under the TK- GK investment structure and their officers, directors, employees, or representatives of the TK investors are unable to manage or operate the business, including not having the authority to act for the operator under the TK-GK investment structure. In addition, investors under the TK-GK investment structure do not have the right to vote on matters under the decision of the operator or not having the right to

participate in various business decision-making processes. However, investors under the TK-GK investment structure will have the right to inspect the operators and businesses under the TK-GK investment structure by which is a legal right. Other than those cases, only operators under the TK-GK investment structure will have sole discretion in managing the business under the TK-GK investment structure. Therefore, if the investors under the TK-GK investment structure perform any actions that are considered to have an influence on the management and operation businesses under the TK-GK investment structure or have authority to take any action on behalf of the operator under the TK-GK investment structure, there is a high possibility that such event will affect the nature of "Non-management partner" under the TK-GK investment structure which may result in operators and investors under the TK-GK investment structure to lose benefits and advantages (Including tax benefits) that should be received under the TK-GK investment structure. The characteristics and related parties under the TK-GK investment structure can be explained as follows:



Those involved in the TK-GK investment structure for general solar power plant projects in Japan, the details are as follows:

**(1) GK or Operator**

The operator is the person with the rights and duties under the law in the business operation and operation of the solar power plant. The operator has duties and responsibilities to TK investor in accordance with the terms and conditions specified in the TK Investment Agreement. Under the TK agreement, the operator is responsible for overseeing the interests of TK investor and will be the recipients of rights and obligations under the law regarding investment management.

The operator can consider hiring relevant people in the solar power plant project, such as asset management, EPC Contractor, O&M Contractor and other service providers in accordance with the terms and conditions specified in the TK Agreement. The operator must be registered as a juristic person in the form of a limited company or GK (Godo Kaisha) and when there is profit, the operator will allocate profit sharing to TK investors. If the operating is a loss, the TK investor must also absorb the loss. However, the loss must not exceed the portion that TK investors invested.

**(2) TK Investor**

TK Investors invest in the capital of the operator in which the TK investor has the right to receive the profit sharing from the business operation of the operator as specified in the TK Agreement and the TK investor will be assigned the role only as an investor which has no participation in management (Silent Investor), including no authority to act on behalf and has no right to vote in matters relating to investment management. Therefore, TK investors will not have to receive rights or obligations in relation to Article 536 (Contribution by Silent Partner and Right and Obligations) of the Commercial Code of Japan. However, TK investors have the right to request a management review at the end of every business year or when there is a reasonable cause or being received an order from the court of Japan.

**(3) Trustee (ISH)**

The trustee is a normal membership interest and/or the managing membership interest for the operator. In general, the trustee does not usually manage the Company itself.

**(4) Private Power Purchaser**

Private power purchaser will be the off-taker of electricity from the operators. The purchase rate is specified in the permit from the Ministry of Economy, Trade and Industry ("METI"), collectively referred to as "METI Approval" and the purchase period specified in the Power Purchase Agreement, which is a contract between operator and private power purchaser.

**(5) Asset Management Company**

The property manager is the operator of the solar power plant under the terms and conditions specified in the Asset Management Agreement, which is a contract made between the operators and the asset management company.

**(6) Land Owner**

The landowner is the owner of the area where the solar power plant is located. The operator will consider entering into the Land Purchase Agreement or the Land Rental Agreement or the Surface Right Agreement with the landowner, depending on the suitability to be used as the location of the solar power plant project.

**(7) EPC Contractor**

EPC Contractor is a service provider for design, procurement of equipment and construction of solar power plants. The type of service contract may be different depending on the case, such as a turnkey contract which covers from the design, procurement of equipment and to construction and testing before the delivery of work. Another type of contract is specific contract which separates the scope of design, procurement of equipment and construction.

**(8) O&M Contractor**

The operation and maintenance service provider is the operator and maintenance provider of the solar power plant. Under the conditions and scope specified in the operation and maintenance service agreement Which is a contract made between the operator and operating and maintenance service companies.

**(9) Administrative Professional Service Provider**

Administrative professional service provider is a service provider in accounting, bookkeeping management and general administration services for operators.

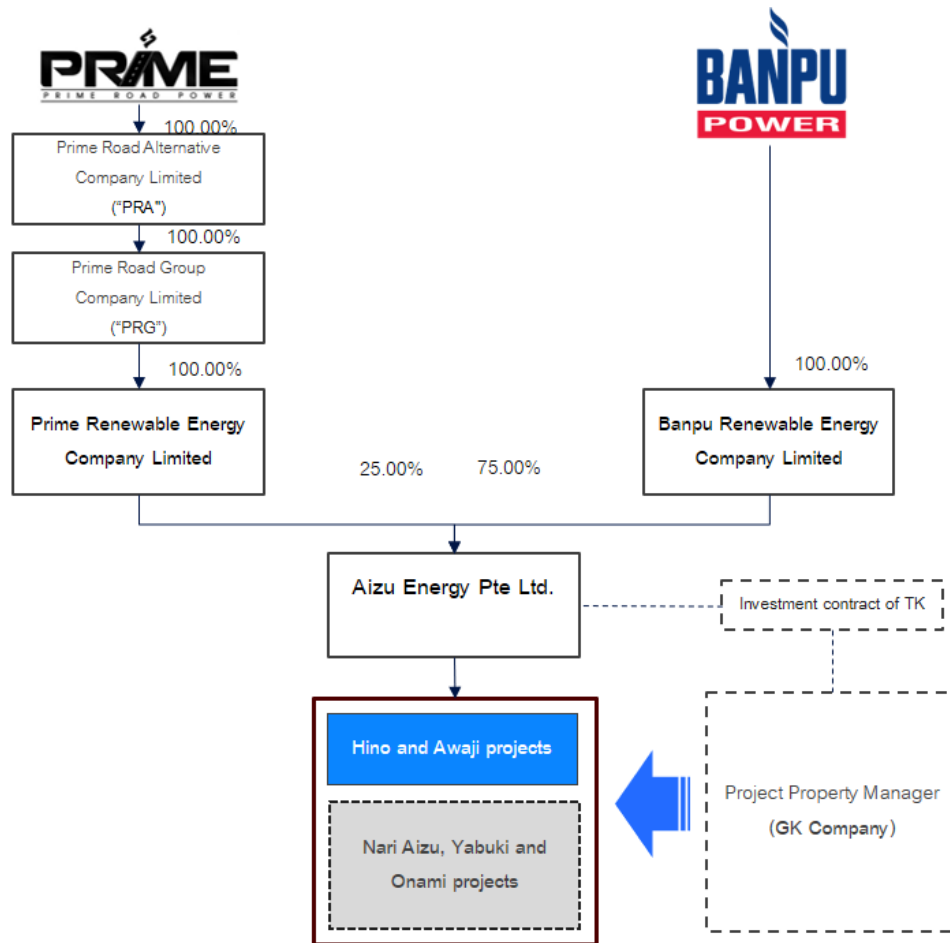
**(10) Tax Service Provider**

Tax Service Provider is a service provider in preparing documents and submitting tax return services to operators.

**(11) Lender**

The lender is the person who lends money to invest in the development and construction of solar power plants. In which the operator will enter into a loan agreement with the lender which will specify various conditions in loans such as interest rate and repayment profile etc.

### TK-GK Structure for solar power plant investment in Japan



Source: Supporting documents for conducting power plant business in Japan

For solar power plants in Japan, the important related persons as follows:

Project	Project Operator	TK Investor	Utility Company	EPC Contractor	Asset Management	O&M Contractor
Hino	HIN Godo-Kaisha	Aizu Energy Pte Ltd	KEPCO	NEC Fielding Ltd.	Vector Cuatro Ltd.	NEC Fielding Ltd.
Awaji	AWJ Godo-Kaisha			Hitachi Ltd.		Hitachi Ltd.
Nari-Aizu	Aizu Solar Energy Godo-Kaisha		TEPCO	Hitachi Ltd.	Vector Cuatro Ltd.	Hitachi Ltd.
Yabuki	Prime Smart Solar – Yabuki G.K.			Mirait Co.,Ltd		Under Solicitation
Onami	Prime Smart Solar – Onami G.K.			N/A	N/A	N/A

From the table shown above, all of the projects have already obtained the PPA from KEPCO or TEPCO for 20 years. Under the PPA, each project has no obligation to sell electricity as stipulated in the PPA (MWac) – non firm basis – but the Utility has obligation to offtake the electricity produced (take-or-pay basis). However, each project is subjected to a so-called “30-day Curtailment” where Utility can curtail the electricity purchase up to 30 days per year. The companies operate under Feed-in-Tariff program of Japan, which sets the minimum price for purchasing renewable energy. The purchase price of electricity under the power purchase agreement ranges from 21 yen per kilowatt hour to 40 yen per kilowatt hour, not including consumption tax.

The picture shown location of solar power plant project invested through PRG





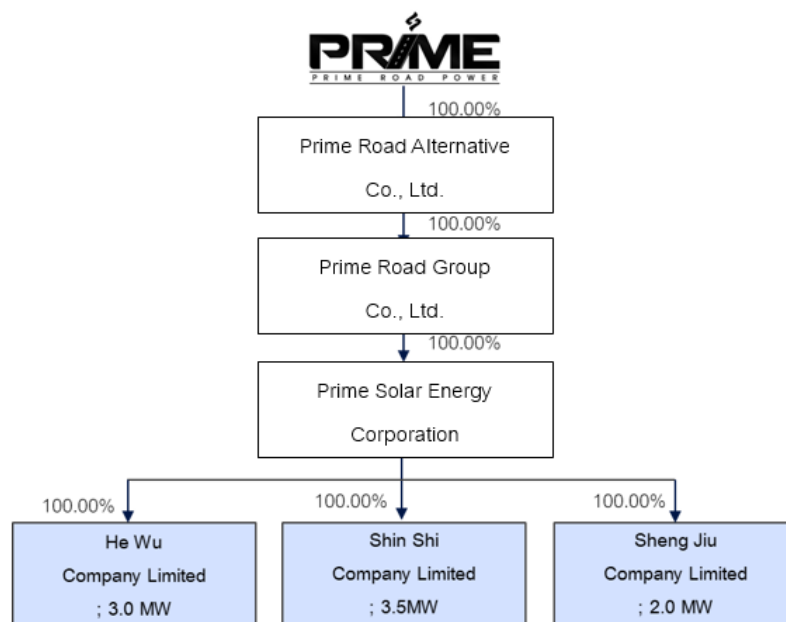
### 3. Solar Power Plant Project in Taiwan

The Company has invested through purchasing share in project companies that obtained contract and related permit and license of solar power plant in Taiwan which is invested by Prime Solar Energy Corporation, subsidiary of PRG that is an incorporated company in Taiwan. This project is divided into 5 sub-projects which are He Wu (Phase1 / Phase 2), Shin Shi (Phase1 / Phase 2) and Sheng Jiu project. All five projects holding 100% by PSE are located in Yunlin County and developed under the cooperation with Yunlin Irrigation Association. The projects engage in 5 PPAs in which Taipower Company is the sole electricity purchaser. The Contracted Capacity and Install Capacity are 8.5 MW receiving Feed-In-Tariff at 4.552 NTD/kWh for 20 years. The Phase 1 three projects total installed capacity of 6 MW has already reached their commercial operation date since April 2019 and Phase 2 is expected to achieve its commercial operation date within the fourth quarter of 2020.

#### Location of Developing Solar Power Projects in Taiwan



#### Investment Structure in Taiwan



## Income Structure and Profit Sharing in each Project

According to consolidated financial statement of PRA Group, separated by project in fiscal year as of 31 December 2018 and consolidated financial statement of the Company in fiscal year as of 31 December 2019, can be classified as follows:

Unit: million baht

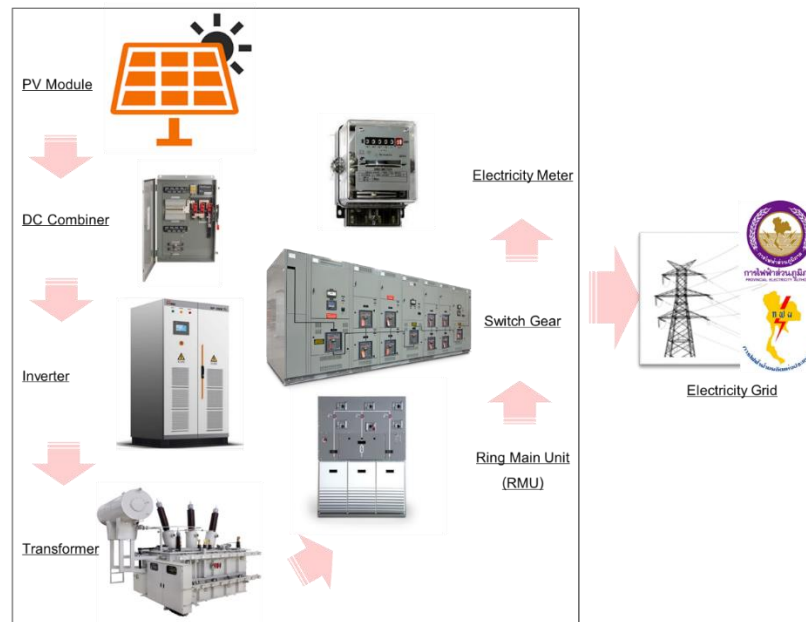
Project (Country)	2018		2019	
	Amount	%	Amount	%
<b>Revenue from selling electricity</b>	<b>215.8</b>	<b>42.4</b>	<b>334.2</b>	<b>51.0</b>
- BSA01 and LAK09 (Thailand)	66.4	13.0	67.1	100.2
- LBL05 (Thailand)	41.4	8.1	42.0	6.4
- BSA08 (Thailand)	42.2	8.3	42.7	6.5
- 5AMATA (Thailand)	64.6	12.7	66.2	10.1
- KPA05 (Thailand)	0.4	0.1	32.3	4.9
- KTM07 and LRA08 (Thailand)	0.7	0.1	60.9	9.3
- Yunlin (Taiwan)	-	-	23.0	3.5
<b>Share of profits in associated company</b>	<b>293.6</b>	<b>57.6</b>	<b>318.1</b>	<b>48.3</b>
- Share of profit from selling electricity in Thailand in form of Adder	281.7	55.3	311.5	47.3
- Share of profit from selling electricity in Japan in form of FiT	11.9	2.3	6.6	1.0
Other Income	2.1	0.4	5.7	0.9
<b>Revenue from electricity distribution and profit sharing in associated companies</b>	<b>511.5</b>	<b>100.0</b>	<b>658.0</b>	<b>100.0</b>

## Operation of the Solar Power Plant Project in Thailand of the Company

### (A) The electricity production process of the solar power plant project in Thailand

Solar power plant project is a solar power plant that uses solar cells generation technology or photovoltaic method, which is the conversion of solar energy into electrical energy directly (Direct Current) using solar cells (Photovoltaic cell or (PV))

Diagram showing the process of electricity production from solar energy by Photovoltaics



source: the Company

- (1) As the sunlight reaches the PV module, the electric carrier will be created, resulting in direct current voltage at both electrodes producing low-voltage direct current (DC) and that direct current is carried through the electrical wires to the DC Combiner Box, which combines the electricity
- (2) Direct current from the DC Combiner Box is transmitted to the inverter which is a device to convert direct current to alternating current (AC)
- (3) The alternating current will be transmitted to the transformer to increase the voltage to 22 kilovolts for power plants that supply electricity to the grid of Provincial Electricity Authority (PEA) or 115 kilovolts for power plants that supply power to the grid of Electricity Generating Authority of Thailand (EGAT), where the said voltage is the voltage under the power purchase agreement which is the respective contracted party
- (4) Electric current is transmitted through Ring Main Unit and Switch Gear, which connected to the electricity sale system. From then the electricity will be transmitted to the meter to measure the amount of electrical sale units and pass to the power transmission system of the Provincial Electricity Authority (PEA) or the Electricity Generating Authority of Thailand (EGAT) in accordance with the power purchase connection point

**(B) The process of monitoring the operation of the solar power plant project**

The Company addresses great importance to monitoring the operation of the power plants to ensure that the power plants of the Company can continuously produce and distribute electricity along with the collaboration of the Company's O&M Contractor. In which the Company has employees in each project which consists of engineers and project operations personnel and staff at the project site. It is responsible to monitor the power plant's performance 24 hours a day via the Skytron computer system, which is a system under the widely accepted Supervisory Control and Data Acquisition (SCADA) system. The system, in addition to being able to view information at each solar power plant project data, the data are also linked to the Company. Each solar power plant will collect data to create a daily report, monthly report and yearly report processing to present to the management. Should the power plant project of the group of electricity generating companies is different from normal operations, the Company's employees will collaborate with the Company's O&M contractor under the O&M Contract to find the cause of the malfunction simultaneously. In order for the power plant to be able to distribute electricity as usual. In addition, the Company also conducts random inspections on-site without any prior notice to ensure that the power plant project operates as normal operation and able to generate maximum electricity. The aforementioned random inspection is not only limited to the random inspection of the equipment and the work of the employees, but also includes a random check of work environment and nearby weather conditions as well because these factors affect the performance of the power plant and affect the ability to produce electricity (Performance Ratio) of the power plant.

**(C) Operation and maintenance of the power plant**

The Company engaged an Onshore EPC Contractor and Offshore EPC Contractor, in which after completing the construction of the project, which is also responsible for servicing and maintaining the solar power plant project that is the contractor. The contract duration is 5 years. In each day of operation, the O&M Contractor staff will clean the solar panels as the solar panels have to be cleaned regularly for the efficiency of the electricity production. The daily operations are controlled by the daily operations plan approved by the Company to ensure that the project The electricity of the Company is handled appropriately and thoroughly. The scope of the O&M Contractor's solar power plant project consists of (1) Preventive Maintenance (2) Corrective Maintenance (3) Facility Security Maintenance (4) Monitoring System Maintenance and (5) Performance Reporting Service with brief details as follows:

**(1) Preventive Maintenance**

The O&M Contractor in the solar power plant project will specify a preventive maintenance plan for the important power plant equipment as agreed in the Operating and Maintenance Agreement (O&M Contract), such as PV Module, inverter, mounting structure. power plant control systems, etc.

(2) Corrective Maintenance

The staff of the O&M Contractor in the solar power plant project will inspect the equipment and systems. As agreed in the O&M Contract to manage and maintain the solar power plant, including the initial solution of the equipment problems as agreed in the contract of the Onshore EPC Contract and the Offshore EPC Contract, if the equipment of the power plant is damaged, the staff of the O&M Contractor will notify the Company immediately to change the equipment

(3) Facility Security Maintenance

The scope of the O&M Contractor in the solar power plant project is not only limited to engineering part related to solar panels and equipment but also covers monitoring and repair of structural damage for related buildings, such as dyke, office building or the building structure that is the location for other equipment

(4) Monitoring System Maintenance

The staff of the solar power plant O&M contractor will check the accuracy of the sensors that are installed in various places including taking information from the system base to cross-check the operation correctness

(5) Performance Reporting Service

The O&M Contractor in the power plant project will provide regular maintenance tracking reports to ensure the operation of the power plant is efficient, to ensure operating and maintenance in good condition and able to solve the problems on time so that the power plant can distribute electricity as usual. The report will be summarized on a monthly basis and deliver to the management of the Company or the person who is responsible to monitor the operation of the power plant of the electric power company that has actually produced

At present, all solar power plant projects in Thailand which has started commercial operation pass the minimum guarantees of electrical power that can be produced by an EPC Contractor both in the form of a guarantee of the efficiency of solar panels (Performance Ratio Guarantee), including the Availability Guarantee as specified in the Onshore EPC Contract and O&M Contract since the commencement of commercial operation. In the event that any solar power plant produces electricity less than the amount guaranteed by the EPC Contractor, the integrated contractor must compensate the difference between the guaranteed electricity amount and the actual power generated by the Company according to the calculation formula specified in the EPC Contract.

(D) Electricity purchase price structure for solar power plants in Thailand

At present, the Company has revenue income from the production and distribution of electricity from solar energy by having entered into a power purchase agreement with the Provincial Electricity Authority (PEA) under very small power producer in 18 contracts, with a total installed capacity of 112.6 megawatts. The details of the price structure as follows:

- Adder Scheme for Very Small Power Producer (VSPP)

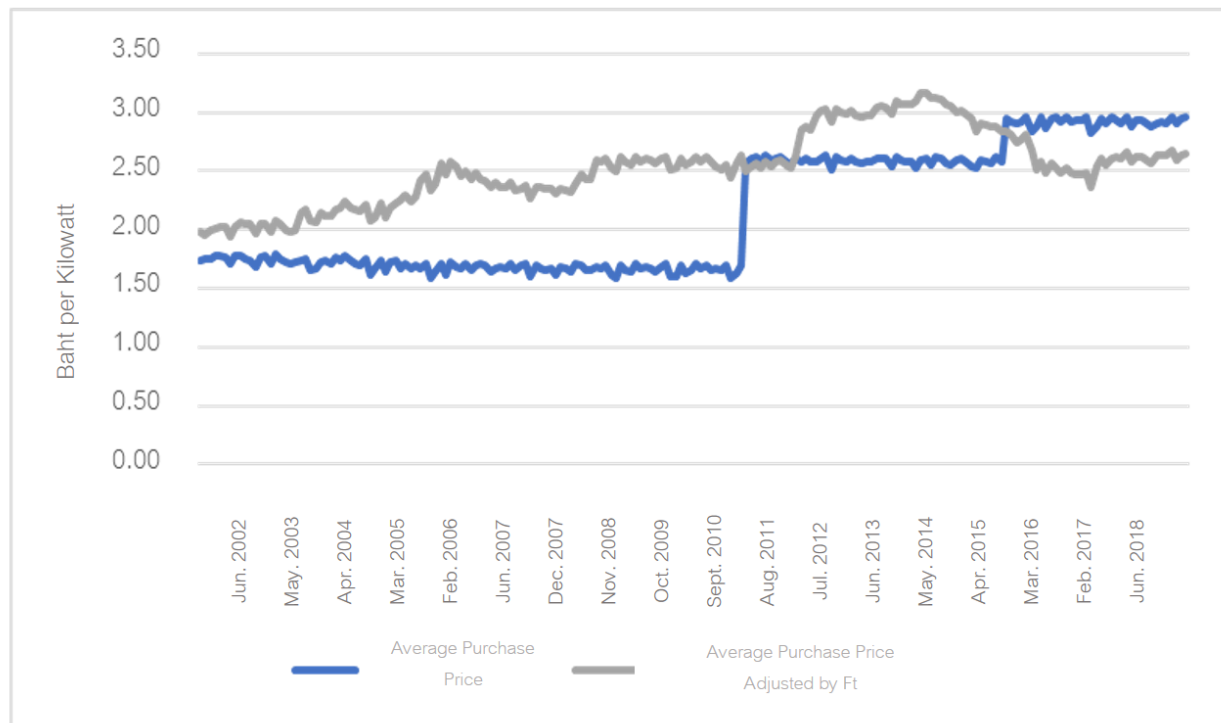
The Adder scheme is a price incentive measure for renewable energy power producers. The government will support the Very Small Power Producer (VSPP) through the electricity price increase so-called "Adder" in the form of the base electricity price plus the additional electricity purchase price (Adder) for a period of 10 years from the date of commercial operation. After the 10 years, the solar power plant will only receive the base electricity rate

The 91.7 MW solar power plant project has 10 power purchase agreements with the Provincial Electricity Authority (PEA) in the form of Adder, representing 72 MW of total contracted capacity details are as follows:

- 1) Base electricity rate - since the Company is a consumer of electricity according to the Time of Use Rate (TOU), the electricity charge rate that the PEA purchases from a very small power producer or VSPP is equal to the wholesale electricity rate at the level of Voltage from 11-33 kV that the Electricity Generating Authority of Thailand (EGAT) sold to the electricity distributing authority together with the electricity charge according to the automatic electricity adjustment formula (Ft average wholesale)
- 2) Adder - the electricity producers will receive an adder at the rate of 8.0 baht per kilowatt hour. All projects under this scheme will be granted an Adder for a period of 10 years from the commercial operation date.

source: Announcement of the determination of the adder for renewable energy power producers by Provincial Electricity Authority (PEA) on 19 August 2009

# Electricity charge diagram and electricity prices with adjustment of the Ft average wholesale rate in 2002-2018



source: electricity purchase rate of VSPP ([www.mea.or.th](http://www.mea.or.th))

## - Feed-in Tariff Scheme

Feed-in Tariff or FiT is a measure to promote the purchase of electricity from renewable energy that is widely used in many countries. In order to motivate private company to invest in the renewable energy power plant business, FiT rates will be in the form of constant power purchase rates throughout the project life. FiT rates will not change with base electricity and Ft.

## - Price structure according to the ground mounted solar power project for agricultural cooperatives

The solar power plant project sponsored by the Company has been selected to enter into a contract with the PEA according to the electricity purchase from ground-mounted solar power project for agricultural cooperatives. The contract is divided into two types which are (1) the project to purchase electricity from ground mounted solar power project for agricultural cooperatives with the Feed-in Tariff (FiT) at the price of 5.66 baht fixed throughout the project life period of 25 years. Under this scheme, there are 4 projects of this nature which have started commercial operations namely BSA01, LAK09, LBL05 and BSA08, with a total contracted capacity of 18 megawatts, and (2) a project to purchase electricity from a ground mounted solar power project for agricultural cooperatives 2017 with the Feed-in Tariff (FiT) at the price of 4.12 baht fixed throughout the project life period of 25 years. Under this scheme, there are



3 projects namely LRA02 KTM07 and KPA05 all of which have started commercial operation with the contracted capacity of 14.6 megawatts.

source: Regulation of the Energy Regulatory Commission on Electricity Purchase from Ground-mounted Solar Power Projects for Government Agencies and Agricultural Cooperatives 2015

- **Price structure according to the purchase of electricity from the ground mounted solar power project for applicant under Adder scheme**

Power purchase from ground-mounted solar power project for applicant under Adder scheme will have the same power purchase price same as the Feed-in Tariff scheme. The Company has 1 such project, 5AMATA Project, which will receive the Feed-in Tariff at 5.66 baht per unit throughout the project life period of 25 years and has a contracted capacity of 8.0 megawatts.

### (E) Tax Benefits

All of Solar Power Plant under Prime Road Alternative Co., Ltd in Thailand got Investment Promotion Certification from Board of Investment (BOI) that have Tax benefit (Tax Exemption) from investing in Solar Power Plant as detail below:

Project	BSS	NAS	NWS	STE	CRE	ESPP1	ESPP2	ESPP3
Investment Promotion Certificate No.	2776(1)2555	2777(1)2555	2270(1)2555	2272(1)2555	2271(1)2555	2650(1)2555	2651(1)2555	2562(1)2555
Month and Year	March 2014	April 2014	April 2014	September 2014	April 2014	November 2014	November 2014	November 2014
Type of Product	Production of electricity from solar energy							
Exemption of Corporate Income Tax 8 years from Business Operation from the date realized the revenue (up to)	March 2022	April 2022	April 2022	September 2022	April 2022	November 2022	November 2022	November 2022
Corporate Income Tax reduction 50 percent on normal tax rate from Business Operation for 5 years after matured 8 years of exemption Corporate Income Tax	March 2027	April 2027	April 2027	September 2027	April 2027	November 2027	November 2027	November 2027
Tax exemption on dividend receiving from promoted company (Not include dividend for Income tax)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Exemption of import duties on machinery	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Permit to bring foreign technicians and experts according to limit amount and time	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Project	GLS	IAC	BSA01	LAK09	LBL05	BSA08	5AMATA
Investment Promotion Certificate No.	2274(1)/2555	2275(1)/2555	59-1 159-1-00-1-0	59-1 158-1-00-1-0	59-1 157-1-00-1-0	59-1200-1-00-1-0	58-2 2223-1-00-1-0
Month and Year	April 2014	September 2014	August 2016	August 2016	August 2016	August 2016	September 2016
Type of Product	Production of electricity from solar energy						
Exemption of Corporate Income Tax 8 years from Business Operation from the date realized the revenue (up to)	April 2022	September 2022	August 2025	August 2025	August 2025	August 2025	September 2025
Corporate Income Tax reduction 50 percent on normal tax rate from Business Operation for 5 years after matured 8 years of exemption Corporate Income Tax	April 2027	September 2027					
Tax exemption on dividend receiving from promoted company (Not include dividend for Income tax)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Exemption of import duties on machinery	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Permit to bring foreign technicians and experts according to limit amount and time	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Project	LRA08	KTM07	KPA05
Month and Year	May 2018	May 2018	May 2018
Type of Product	Production of electricity from solar energy		
Exemption of Corporate Income Tax 8 years from Business Operation from the date realized the revenue (up to)	May 2026	May 2026	May 2026
Corporate Income Tax reduction 50 percent on normal tax rate from Business Operation for 5 years after matured 8 years of exemption Corporate Income Tax	April 2031	September 2031	September 2031
Tax exemption on dividend receiving from promoted company (Not include dividend for Income tax)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Exemption of import duties on machinery	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Permit to bring foreign technicians and experts according to limit amount and time	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Operation of the solar power plant project in Japan of the Company

### (a) The electricity production process of the solar power plant project in Japan

The Company's current solar power plants in Japan are solar power plant project that use photovoltaics technology in conversion of solar energy into electrical energy via solar cells or PV with the details of the electricity production process same as the production of electricity process from solar energy in Thailand.

### (b) Process to monitor the operation of the solar power plant project

The Company has monitored the operation of the power plant project, that is jointly invested with Banpu Renewable Energy Company Limited, a subsidiary of Banpu Power Public Company Limited, through computer systems called Supervisory Control and Data Acquisition (SCADA). The characteristics of the solar power plant in Japan will have Asset Manager or Asset management in accordance with the TK-GK structure and the asset manager will follow up with the O&M Contractor. In Japan, the team will report and update the status and progress of the commercialized plants and plant under development on a regular basis.

### (c) Electricity purchase price structure for solar power plants in Japan

At present, the Company has income from the production and distribution of electricity from solar energy. There are 5 power purchase agreements which are divided into (1) 2 power purchase agreements with KEPCO, with a total capacity of 11.5 megawatts, with a Feed in Tariff (FiT) 40 yen per kilowatt hour throughout the 20 year from the first reading of the electricity meter, and (2) 3 power purchase agreements with TEPCO with the capacity of 43 megawatts under the Feed in Tariff (FiT) 21 - 36 yen per kilowatt hour throughout the 20 year from the first reading of the electricity meter. Such purchasing rates are the rates approved by the METI.

Each year, METI determines the Feed-in Tariff (FiT) rate and the support period which will vary depending on the type of renewable energy and the size of the power plant by considering the cost of electricity production, equipment installation, and the fair profit margin that renewable energy producers should receive under the Feed-in Tariff (FiT) scheme. All electricity produced from renewable energy must be purchased at the Feed-in Tariff (FiT) rate and the support period specified by METI.

source: Cross Border Newsletter, Feed-in Tariff Act for Renewable Energy by Nishimura & Asahi, December 2011.

## Operation of the solar power plant project in Taiwan

### (a) The electricity production process of the solar power plant project in Taiwan

The current solar power plant project in Taiwan is a solar power plant project that uses solar cell technology or photovoltaics technology in conversion of solar energy into electrical energy via solar cells or PV with the details of the electricity production process same as the production of electricity process from solar energy in Thailand. The type of PV panel used in the project in Taiwan is Mono Crystalline Double Glass.

### (b) Process to monitor the operation of the solar power plant project

The Company will monitor the performance of all solar power plant projects in Taiwan through the computer system called Supervisory Control and Data Acquisition (SCADA). The nature of the solar power plant project in Taiwan will have contractors to carry out the operations and maintenance (O&M Contractor). The main duties of the O&M contractor are equipment maintenance, replacement of equipment breakdowns, rust prevention of metal parts, inspecting and maintenance of power plants. The Company team in Taiwan will report the status and progress of the project on a regular basis.

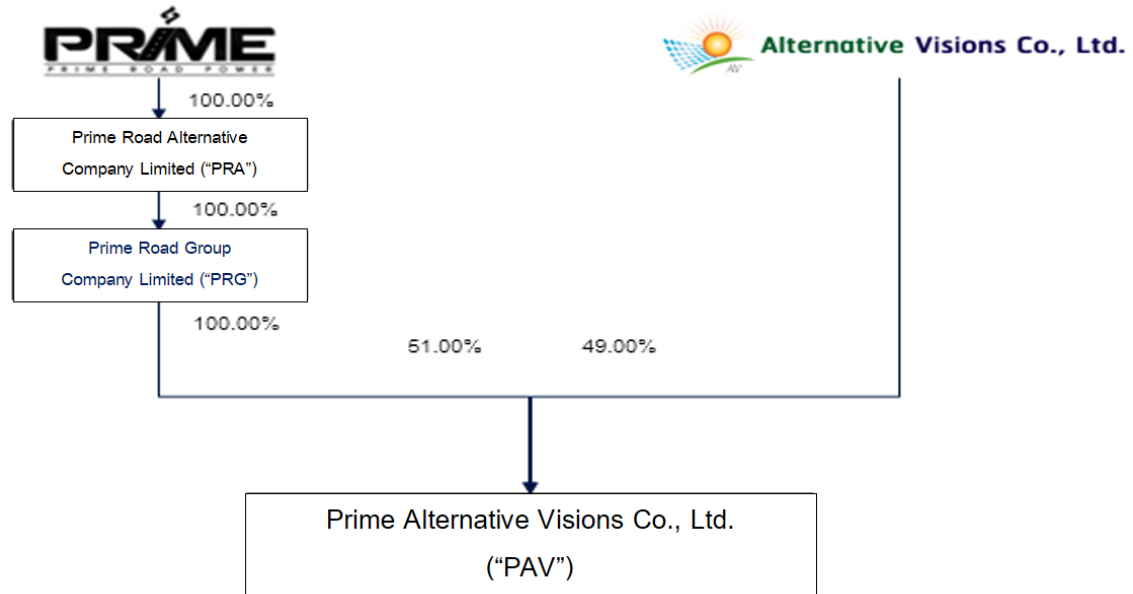
### (c) Electricity purchase price structure for solar power plants in Taiwan

The Company has entered into 5 power purchase agreements with Taipower, equivalent to 8.5 megawatts of total contracted capacity. The Feed-in Tariff (FiT) in Taiwan will be determined on the day that the project commences commercial operation. The FiT in Taiwan will be announced every year by the Ministry of Economic Affairs (MOEA). For projects that the Company has entered into a power purchase agreement with Taipower, FiT rates for the said projects is 4.552 New Taiwan Dollars per kilowatt hour.

## EPC Business

Prime Alternative Vision Company Limited (PAV) operates as an EPC Contractor for the construction of a solar rooftop or a ground-mounted solar farm, providing service in designing, procuring equipment for management and construction of the projects.

Prime Alternative Vision Company Limited (PAV) was founded by a joint venture of Prime Road Group Company Limited (PRG) 54% and Alternative Vision Company Limited (AV) 46%



#### Business and Investment Business in Hotel Business





The Company has invested in Red Planet Hotels Limited, which operates hotel under the name Red Planet Hotels under the main concept of value for money by combining comfort, cleanliness, along with professional and friendly service at a reasonable price to provide a quality stay experience. The Company has invested through an associated company covering over 4,991 rooms in Thailand, the Philippines, Indonesia and Japan, including 31 hotels that are already operated. The Company is holding a 10.95% interest in Red Planet Hotel Limited.

#### Trademark of Red Planet





## Share structure under Red Planet Hotel Limited

Company	Name	Shareholding (%)
	PT Red Planet TBK Ltd	
	(Publicly Listed Company)	72.8
	(IDX: PSKT)	
	Red Planet Holdings (Philippines) Ltd.	100.0
	Red Planet Japan Inc.	
	(Publicly Listed Company)	56.2
	(NASDAQ: 3350)	
	Red Planet Hotel (Thailand) 1-5 Ltd.	100.0

However, other investments in Red Planet Hotel Limited will be divested as per Covenants. The sale will occur through the sale of Evolution Holdings Company Limited, which is the main company that indirectly holds shares in Red Planet Hotels Limited through Evolution Advisors Limited within 12 months after the completion of the entire business transfer transaction

### Industry and Competition

#### Renewable Energy Industry

The Company is engaged in the production and distribution of electricity from renewable energy which increasing stiff competition is anticipated due to the government's policy to support for electricity production from renewable energy combined with technological progress which drives down the cost of production of electricity generating systems from solar energy. As a result, the private sector has shown great interest in investing in the renewable power generation industry. At present, there are major business operators in the production and distribution of electricity from renewable energy, as follows: SPCG Public Company Limited (SPCG), Gunkul Engineering Public Company Limited (GUNKUL), Thai Solar Energy Public Company Limited (TSE), BCPG Public Company Limited (BCPG), Sermsang Power Corporation Public Company Limited (SSP) and Banpu Power Public Company Limited (BPP)

### *Strategy of the renewable energy business*

The Company has a competitive strategy and is determined to continuously expand the renewable energy business both domestically and internationally especially in Asia-Pacific region by which the new power plant project will not be limited to only the solar power plant project.

The main competitive strategy that the Company uses is (1) improving the efficiency of current power plant projects and monitoring regularly (2) bidding or applying for permission to develop new renewable energy power plants project by internal team (Organic Growth) and (3) Acquisition / merger new power plant project both domestically and internationally.

The Company operates a solar power plant project that is currently effective for the highest return on investment. With the following main factors:

#### **(a) Technology selection**

The Company has chosen to use Polycrystalline Silicon Solar Cell and Thin Film Solar Cell for solar power plants in Thailand that have been commercially operated. The said technology has the price advantage, has a long lifespan of more than 20 years, durable, requires less installation space and lightweight.

The Company has a concept since the commencement of the construction of the solar power plant project that the efficiency and quality of the equipment is crucial in the development of solar power plants and hence attaches great importance to the quality of the equipment, especially devices that are directly related to electricity generation in which the Company will select EPC Contractor, which has expertise in power plant construction including stipulating conditions in the EPC Contract to ensure the quality and efficiency of power generation. As well as the selection of an O&M Contractor that has extensive expertise to service operating and maintenance of the equipment in the future. The details of the equipment can be classified as follows:

Main Equipment for Solar Power Plant	Example of Suppliers
1. PV Panel	Canadian Solar, JA Solar, First Solar
2. Type of solar cell	Polycrystalline, Thin Film, Mono Crystalline Double Glass
3. Inverter	Schneider XC680
4. Transformer	Chareonchai 1500KvA

## (b) Location Selection

The Company has a strategy in choosing the location of solar power plant projects in Thailand, considering from 3 main factors as follows:

- 1) Located in an area with a high average annual solar intensity by using the solar intensity data to enable solar power plants to generate electricity efficiently
- 2) Located in an area that has been verified to be able to manage risks from natural disasters within an appropriate cost. In particular, the Company has conducted a study of the flooding risk and the 100-year flood record in order to design the flood prevention system and plan the project to be most effective. (Dyke). In addition, the Company has insurance at a comparable level on par with peers in the industry which will provide the highest insurance coverage under the appropriate insurance premiums
- 3) Located near the grid connection of the electricity (Grid) to reduce the investment cost of the installation of the transmission line that will be connected to the electricity system and reduce energy loss (Transmission Loss) that occurs during the transmission of electricity into the system.

**Table showing the solar intensity of each project location of the Company in Thailand**

Project	Location	Solar Irradiation (MJ/m2)
BSS	Kampangpet	17.8
NAS	Kampangpet	17.8
NWS	Kampangpet	17.8
STE	Kampangpet	17.8
KPA05	Kampangpet	17.8
CRE	Tak	17.2
IAC	Tak	17.2
ESPP 1	Ubonratchathani	18.3
ESPP 2	Ubonratchathani	18.3
ESPP 3	Ubonratchathani	18.3
GLS	Sukhothai	18.0
BSA01	Ayutthaya	18.1
LBL05	Ayutthaya	18.1
BSA08	Ayutthaya	18.1
LAK09	Pathumthani	17.8

Project	Location	Solar Irradiation (MJ/m2)
5AMATA	Ratchburi	18.0
LRA02	Trang	18.3
KTM07	Krabi	17.2

source: Annual average solar intensity from the Thailand Renewable Energy Report 2016 by the Department of Alternative Energy Development and Efficiency Ministry of Energy

The Company considers the investment in solar power plant projects in foreign countries based on important factors similar to the projects in Thailand. By investing, the Company will consider from the following key criteria

- 1) In the case of being an investor, a developer with experience in reliable development credential and a solid financial status
- 2) Located in an area with a high average annual solar intensity by using the solar intensity data in such country
- 3) Located in an area with suitable geographical conditions and can do site preparation for a solar power plant at a reasonable cost
- 4) Located in an area where there is no limit on the ability of the electrical network system to receive the amount of generated electrical energy
- 5) Located in an area with an acceptable level of natural disaster risk. The Company has hired a technical consultant to study the risk of the area around the project site to various types of natural disasters such as earthquakes, tsunamis, volcanic eruptions, landslides, etc., especially in Japan where often natural disasters happened. To the extent, the Company is also engage in insurance policies that are comparable on par with peers in the industry which will provide the highest insurance coverage under the appropriate insurance premiums

**Table showing the solar intensity of each project location of the Company in Japan**

Project	Location	Solar Irradiation (MJ/m2)
Nari Aizu	Fukushima	12.7
Yabuki	Fukushima	12.7
Onami	Fukushima	12.7
Hino	Shiga <sup>(1)</sup>	14.7
Awaji	Hyogo <sup>(2)</sup>	14.6

source: Japan Meteorological Agency ([www.data.jma.go.jp](http://www.data.jma.go.jp))

remarks:

(1) Refer to the solar intensity from the weather station in Nagoya Prefecture.

(2) Refer to the solar intensity from the weather station in Osaka Prefecture

### (c) Selection of Suitable EPC Contractor

To invest in solar power plant projects in Thailand and abroad, it is necessary to consider in extensive detail with the EPC Contractor regarding the cost and warranty of project so that the Company can generate a high return (IRR). The Company has selecting criteria for solar panel manufacturers and design contractors with extensive credential and strong financial status

The solar power business operations in Thailand, Japan and Taiwan of the Company in past years follows the strategy laid out above. Hence the Company can therefore increase the ability to compete including the efficiency improvement of the power plant

In addition, the Company has a continuous growth target in the renewable energy business. and ready to participate in new bidding or submitting requests for permission to sell new electricity projects which will be in accordance with Thailand Power Development Plan 2018-2037 (PDP 2018 Plan) and Renewable and Alternative Energy Development Plan 2015-2036 (AEDP 2015 Plan)

Aside from investing in renewable energy power plants in Thailand, the Company has conducted feasibility studies and due diligence for possibility of investing in renewable energy power plants in other countries that are in line with the government support such as solar power plant projects in Japan that was very much supported after the Fukushima Daiichi nuclear disaster caused by the earthquake and tsunami during 2011. In addition to Japan, the Company is still studying the feasibility of power plant projects from renewable energy in Taiwan and Vietnam.

### *Target Customer*

In operating renewable energy businesses in Thailand according to the structure of the electricity industry in Thailand, the Electricity Generating Authority of Thailand (EGAT) and the Provincial Electricity Authority (PEA) will be the purchaser of electricity from private power producers through the 3 main types of power purchase agreements, namely power purchase agreements with electricity producers. Independent Power Producers ("IPP"), Small Power Producers ("SPP") and Very Small Power Producers ("VSPP"). As of now, the Company is a very small private power producer. In this regard, the Company has the goal of entering into long-term power purchase agreements with the Provincial Electricity Authority (PEA) further to ensure that the Company has a stable cash flow in the long run.

In expanding the renewable energy business of the Company in foreign countries, the Company has the same target customers as the domestic target customers by focusing on power purchaser that will enter into medium to long-term power purchase agreements with stable financial status such as the electricity authority in such country or private utility companies that have received concessions from the government in that country. For example, in Japan, both KEPCO and TEPCO are either government-granted concessions in Japan or in Taiwan, which is Taipower, a state-owned enterprise.

### *Distribution Channel*

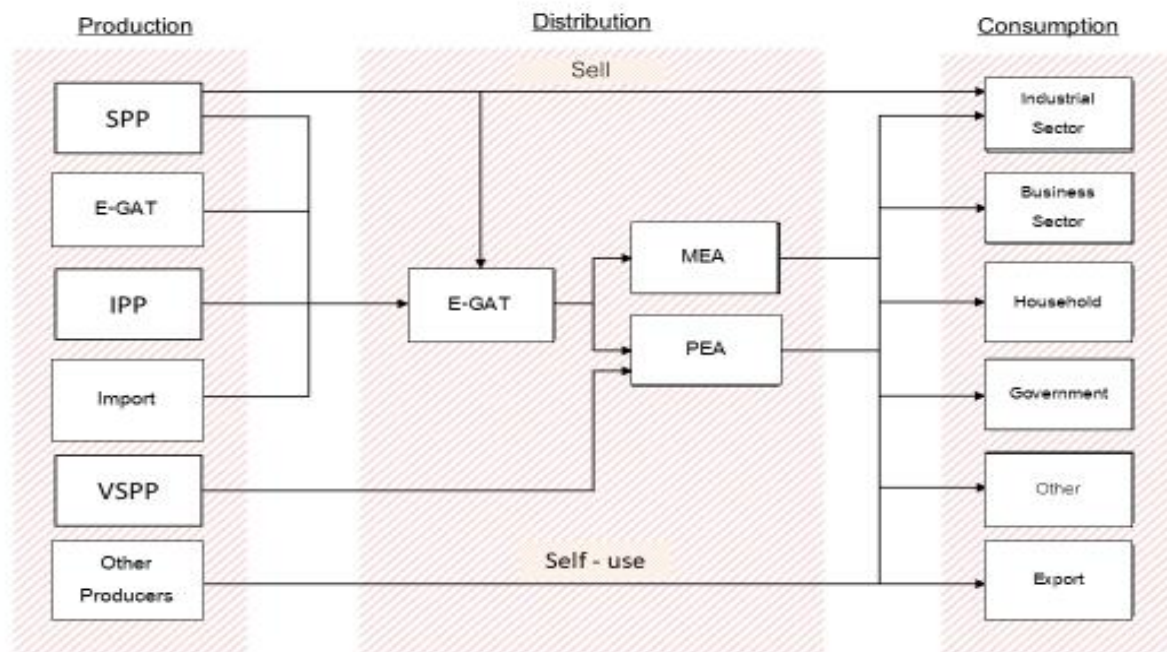
In operating renewable energy businesses in Thailand, the Company sells electricity by connecting electricity from each solar power plant project to the transmission line system. The amount of electricity sold to Provincial Electricity Authority (PEA) will be measured from the number of electricity units that pass the electricity meter at the electricity distribution point of each project. After that, electricity will be transmitted along the power grid for distribution into the electricity distribution system of the Metropolitan Electricity Authority (MEA), the Provincial Electricity Authority (PEA), and the Electricity Generating Authority of Thailand (EGAT).

In operating renewable energy businesses in Japan and Taiwan, the Company sells electricity by connecting electricity from each solar power plant to the transmission line of private power operators that have received concessions from governments in each region where each power plant is located or linked to the state enterprise which has been assigned to purchase the said electricity. The electricity distribution is measured by the number of electricity units that are passed through the electricity meter at the electricity distribution points of each project.

## Industry and competition in the renewable energy industry

### Industry and Competition in Thailand

#### (1) Structure of the electricity industry in Thailand



source: Office of Energy Policy and Planning Ministry of Energy (<http://www.eppo.go.th>)

The electricity industry structure in Thailand can be divided into 3 main groups as follows:

#### (a) Production

The electricity production in Thailand can be divided into 5 groups which are

##### Electricity Generating Authority of Thailand (EGAT)

The Electricity Generating Authority of Thailand (EGAT) is the largest power producer in Thailand. As of February 2019 with a total contract power of 14,566 megawatts or equivalent to 31.5 percent of the total production capacity of the system.

##### Independent Power Producer (IPP)

Independent power producer is a private power producer that uses commercial energy for electricity generation with a total production capacity of not less than 90 megawatts. As of February 2019, there are a total of 12 IPP power plants with a total contracted power capacity of 14,949 megawatts, or 32.3 percent of the total production capacity of the system.



### **Small Power Producer (SPP)**

Small power producer is a private power producer that has electricity generating power sold to the system from 10-90 megawatts. In February 2019, there are 146 SPP power plants with a total contract power capacity of 8,958 megawatts or equivalent to 19.4 percent of total production capacity of the system which can be divided into Firm Contract power plants of 6,540 megawatts and Non-Firm contract of 2,418 megawatts.

As of February 2019, a small private power producer that produces electricity from solar energy has a total contract power of 436 megawatts.

### **Very Small Power Producer (VSPP)**

Very small power producers are private power producers whose power generating capacity is less than 10 megawatts. As of February 2019, there are 953 VSPP power plants with a total contracted capacity of 3,877 megawatts or 8.4% of the total capacity of the system.

As of February 2019, very small private power producers that produce electricity from solar energy a total of 554 projects with a contracted capacity of 2,275 megawatts.

### **Electricity imported from abroad**

In addition to purchasing electricity from the electricity producers 4 groups above, as of February 2019, the Electricity Generating Authority of Thailand (EGAT) also purchases electricity from neighboring power producers such as Laos and Malaysia. Total contracted capacity of 3,877 megawatts or equivalent to 8.4 percent of the total production capacity of the system.

source: EGAT ([www.egat.co.th](http://www.egat.co.th))

ERC ([www.erc.or.th](http://www.erc.or.th))

### **(b) Distribution**

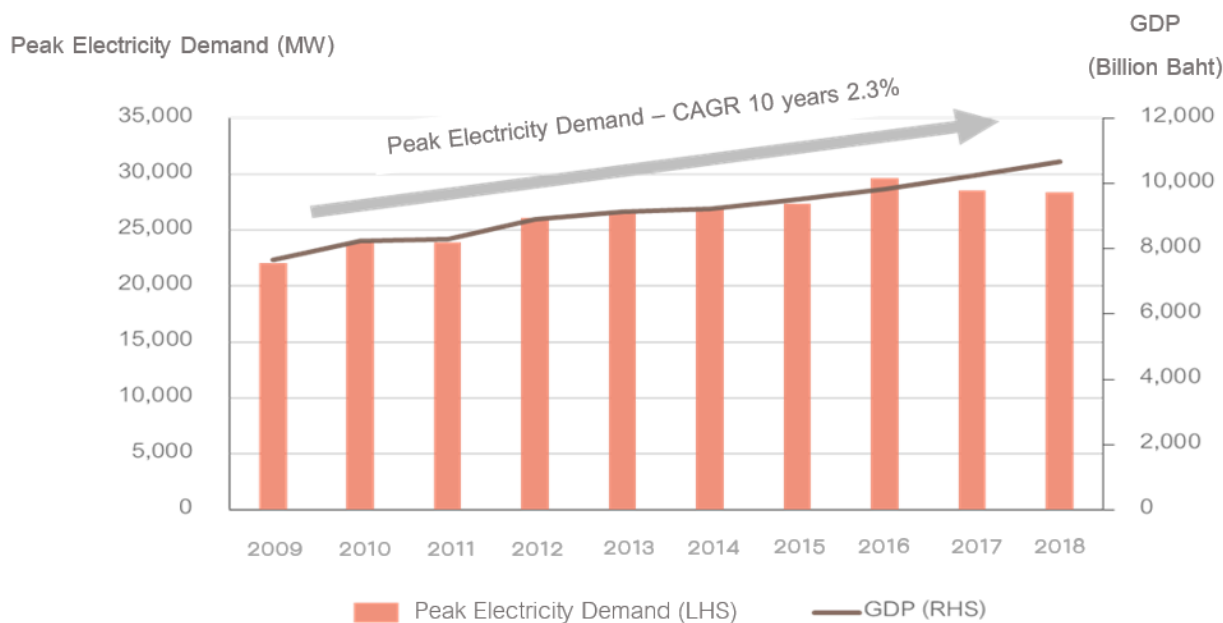
As the current electricity industry structure in Thailand is an Enhanced Single-Buyer Model (ESB), with the Electricity Generating Authority of Thailand (EGAT) being the electricity producer and delivering the electricity and also being the only buyer (Single Buyer). The Electricity Generating Authority of Thailand (EGAT) will distribute electricity through the electricity transmission system to the Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA), which the Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA) have the duty to distribute electricity to the retail. The Metropolitan Electricity Authority (MEA) is responsible for distributing electricity to power users in Bangkok, Nonthaburi and Samut Prakan and the Provincial Electricity Authority (PEA) is responsible for distributing electricity to the electricity users in the rest of the country. In addition, the Electricity Generating Authority of Thailand (EGAT) also sells some electricity to the electricity users according to laws and nearby countries.

(c) Consumer

Electricity consumer groups can be divided into 6 groups consisting of industrial sectors, household businesses, government agencies, exports and others. The groups with the highest electricity consumption are Industrial and household sectors.

(2) Electricity Peak Demand in Thailand

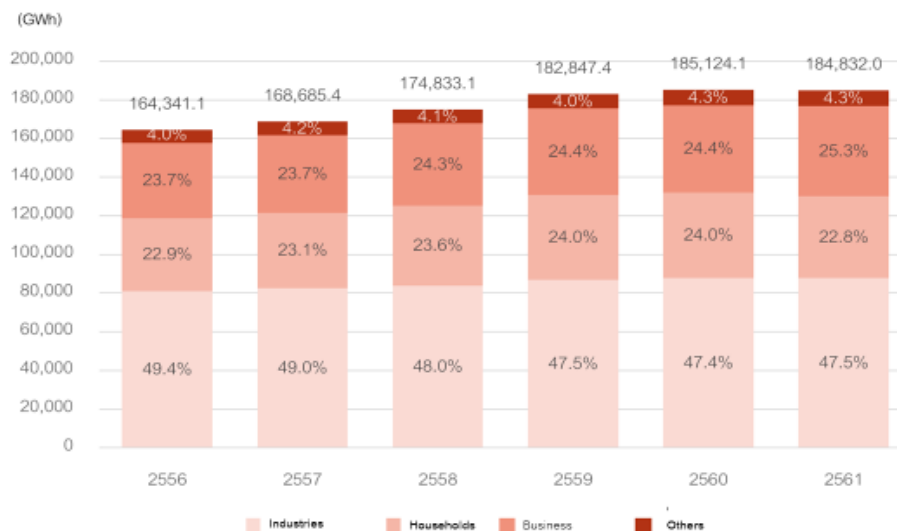
Diagram showing the demand for electricity of the system and gross domestic product in the year 2009-2018



source: EGAT ([www.egat.co.th](http://www.egat.co.th)) and Bank of Thailand ([www.bot.or.th](http://www.bot.or.th))

According to the Electricity Generating Authority of Thailand (EGAT) data, it is shown that electricity demand in Thailand continuously increases in accordance with the increase in the Gross Domestic Product (GDP). During the year 2009 - 2018, the electricity demand of the system increased from 22,045 megawatts to 28,338 megawatts, representing an average annual growth rate of 2.3 percent while the value of Gross Domestic Product increased from 7,657 billion baht to 10,657 baht billion, representing an average annual growth rate of 3.3 percent.

Diagram showing the proportion of electricity usage by type of users in the year 2013-2018



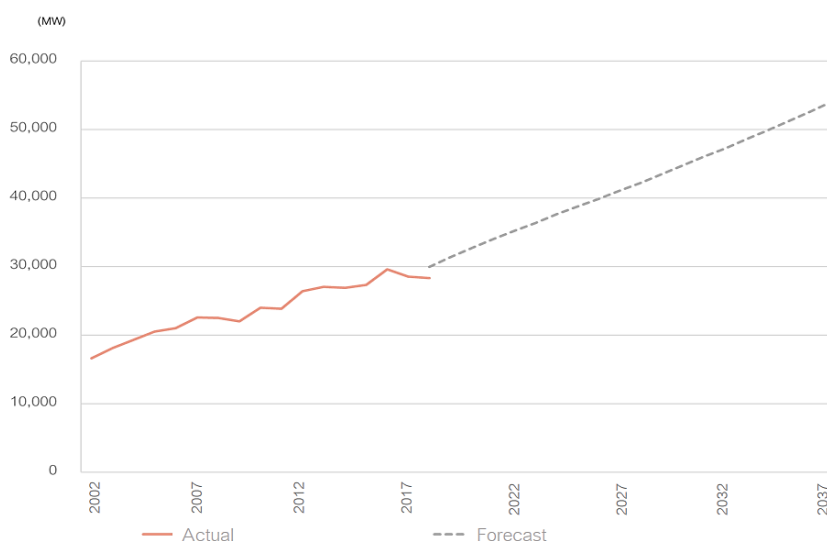
source: Energy data center Ministry of Energy ([www.energy.go.th](http://www.energy.go.th))

In the year 2013-2018, the industrial sector has the highest electricity usage. In the year 2018, the industrial sector consumed 47.5% of the total electricity usage. While the household sector, business, trade, and others, electricity consumption accounted for 22.8 percent, 25.3 percent, and 4.3 percent, respectively.

### (3) Trends in the electricity production industry in Thailand

Thailand Power Development Plan 2018-2037 (PDP 2018 Plan) prepared by the Energy Policy and Planning Office (EPPO), Ministry of Energy addressed great importance to energy security. The electricity development plan must be consistent with the rate of economic growth, population growth rate and the rate of urban expansion including the distribution of fuel proportion that is used to produce electricity appropriately to meet the electricity demand according to the National Economic and Social Development Plan.

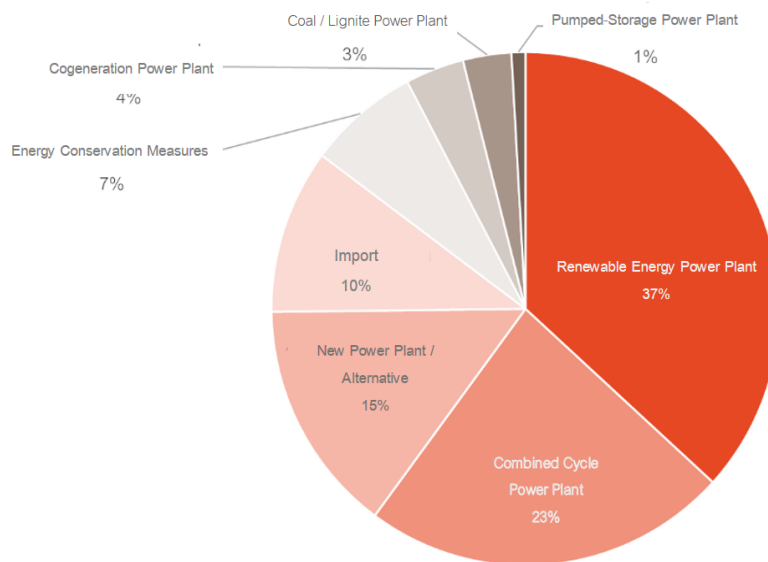
Diagram showing the estimated peak electricity demand from 2002-2037



source: EPPO and PDP 2018 Plan

During 2002-2018, the highest electricity demand increased with a cumulative average annual growth rate of 3.7 percent. The maximum electricity demand has increased from 16,681 megawatts in 2002 to 29,969 megawatts in 2018. PDP 2018 has preparation of the country's electricity demand forecast under the assumption of long-term economic growth trend between 2017-2037 at 3.8 percent per year according to the estimates of the office of the National Economic and Social Development Board and the average population growth rate of -0.02 percent per year, including considering the implementation of the Energy Efficiency Plan (EEP) and the Alternative Energy Development Plan (AEDP). The average growth rate of net electricity demand of the country at 2.9 percent per year between the years 2018-2037 with the expected maximum demand for electricity in the future will continuously increase from 29,969 megawatts in 2018 to 53,997 megawatts in the year 2037.

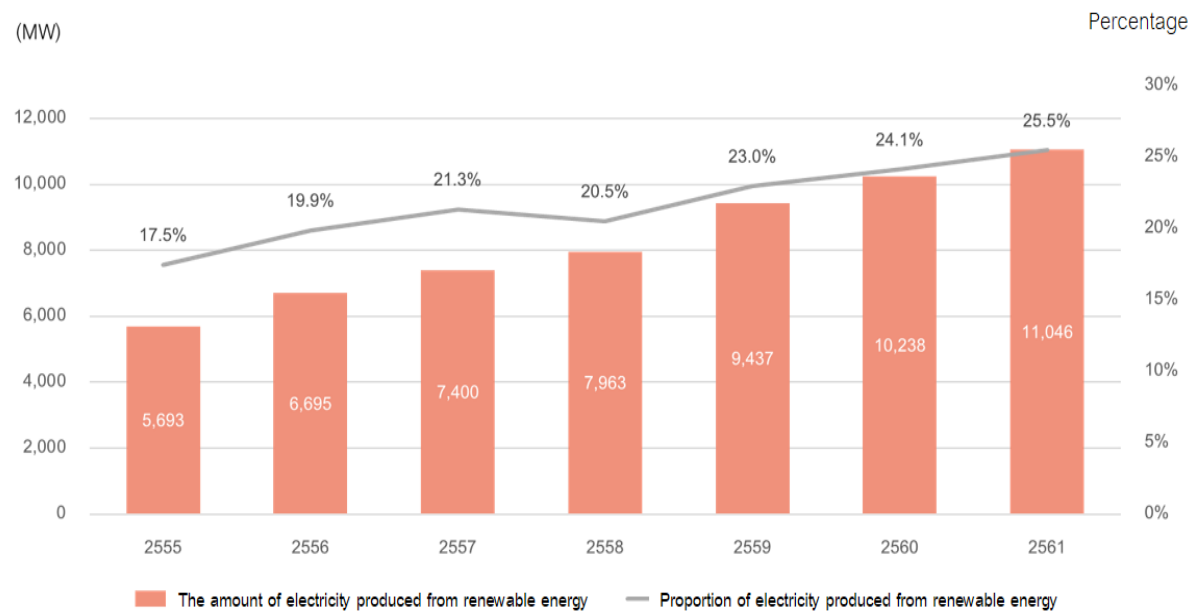
Diagram showing the proportion of new electricity generating capacity classified by power plant type



source: PDP 2018

By the end of the PDP 2018 plan in 2037, total electricity under the Metropolitan Electricity Authority, Provincial Electricity Authority and the Electricity Generating Department collectively net total was 77,211 megawatts, consisting of 46,090 megawatts of electricity at the end of 2017, and a total additional capacity of 56,431 megawatts. Of which, total capacity of 25,310 megawatts during the year 2018 – 2037 discontinued. While the renewable energy power plants account for 36.8 percent of the total new production capacity.

Diagram showing the amount of electrical energy produced from renewable energy for the year 2012-2018



source: Department of Alternative Energy Development and Efficiency (DEDE)

Since the year 1989, the Ministry of Energy has a policy to encourage the private sector to take a role in electricity production especially the production of electricity from renewable energy and gave chance to remote areas to participate in electricity generation, reduce losses in electrical systems and reduce the burden of government investment in the construction of large power plants to distribute electricity.

As a result of the said support measure, the electricity production from renewable energy has increased every year, as of December 2018, the total installed power from renewable energy is 11,046 megawatts, of which 25.5 percent is the installed capacity from solar energy and other types of renewable energy 74.5 percent.

Renewable and alternative energy development plan 2015 - 2036 (AEDP 2015 plan) prepared by the Department of Alternative Energy Development and Efficiency set target to increase the proportion of electricity production from renewable energy from 9.9 percent of the total electricity generating capacity in 2014 to 28.0 percent of the total electricity generating capacity in 2036, which is from the installed power capacity of 4,494 megawatts to 19,684 megawatts or representing an average annual growth rate of 6.94 percent, which is in line with the PDP 2018 plan that targets the proportion of electricity production from renewable energy by 30.0 percent of the total electricity generation by the year 2037.

In this regard, the contracted power production capacity and the target of electricity production from each type of renewable energy as according to the AEDP 2015 plan is as follows:

Fuel Type	2018 (MW)	Target 2036 (MW)	Capacity increase (decrease) (MW)
1. Waste	318	550	232
2. Biomass	3,290	5,570	2,280
3. Biogas	500	1,280	780
4. Mini Hydro	188	376	188
5. Wind	1,018	3,002	1,984
6. Solar	2,813	6,000	3,187
7. Large Scale Hydro	2,920	2,906 <sup>(1)</sup>	(13)
8. Other Renewable Energy	0.3	-	(0.3)
<b>Total (MW)</b>	<b>11,046</b>	<b>19,684</b>	<b>8,638</b>

source: AEDP 2015 and DEDE ([www.dede.go.th](http://www.dede.go.th))

remark:

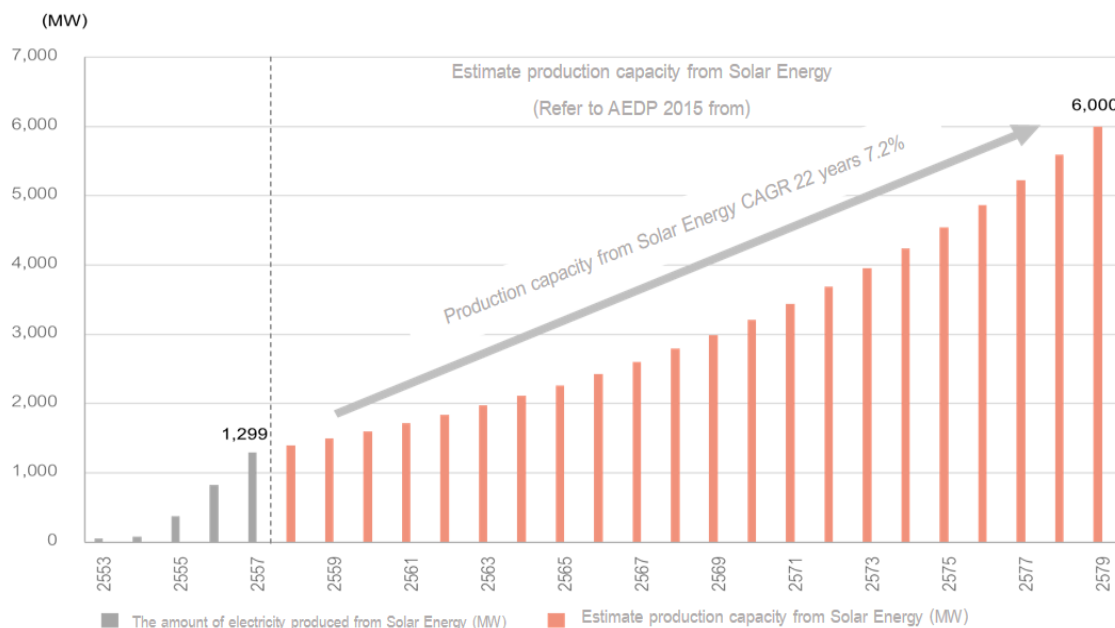
(1) an existing installed capacity in 2014, with large hydropower being included as a target for electricity production from renewable energy in the AEDP 2015 plan

According to the goal of increasing the proportion of electricity production from renewable energy as specified in the AEDP 2015 plan, it can be seen that solar power plants have the highest increase in installed capacity of 3,187 megawatts, followed by biomass power plants and wind power plants which have an installed capacity of 2,280 megawatts and 1,984 megawatts respectively.

#### (4) Trends of solar power generation industry in Thailand

As the government encourages the private sector to invest in electricity production from solar energy with the policy of purchasing electricity under Adder scheme and changed to the Feed-in Tariff (FiT) scheme at present, the said policy has caused the electricity production from solar energy to increase dramatically.

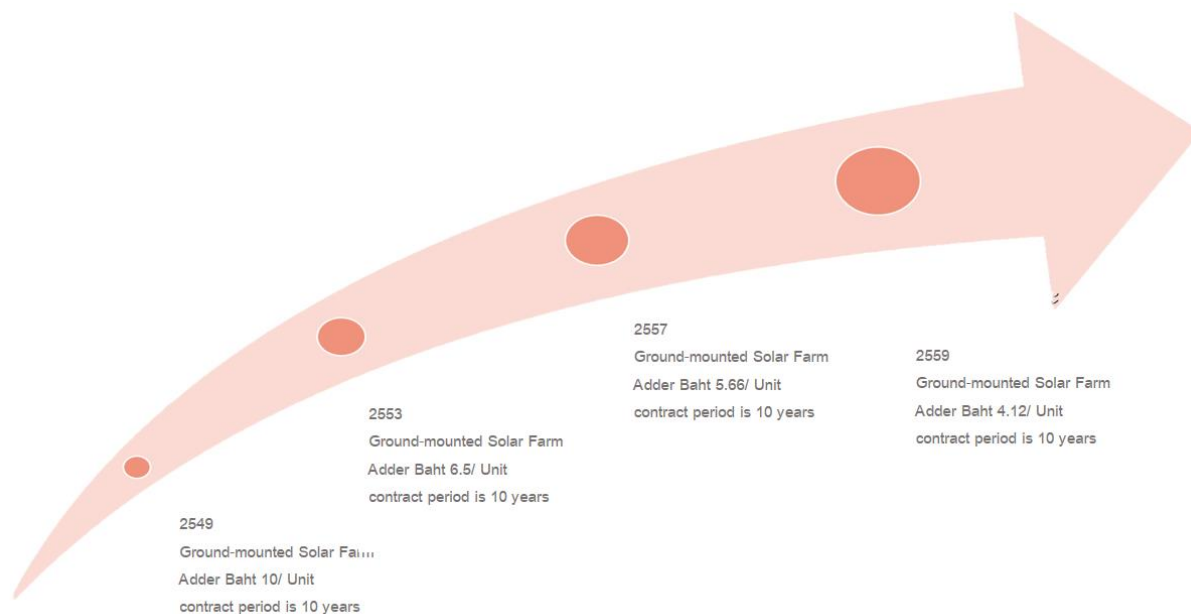
Diagram showing the amount of electrical energy produced from solar energy for the year 2010-2036



source: AEDP 2015

Renewable and alternative energy development plan 2015 - 2036 (AEDP 2015 plan) prepared by the Department of Alternative Energy Development and Efficiency set target to increase the production of electricity from solar power to 6,000 MW by 2036, representing a 7.2% annual increase within 22 years.

Diagram showing the policy of supporting electricity production from solar energy

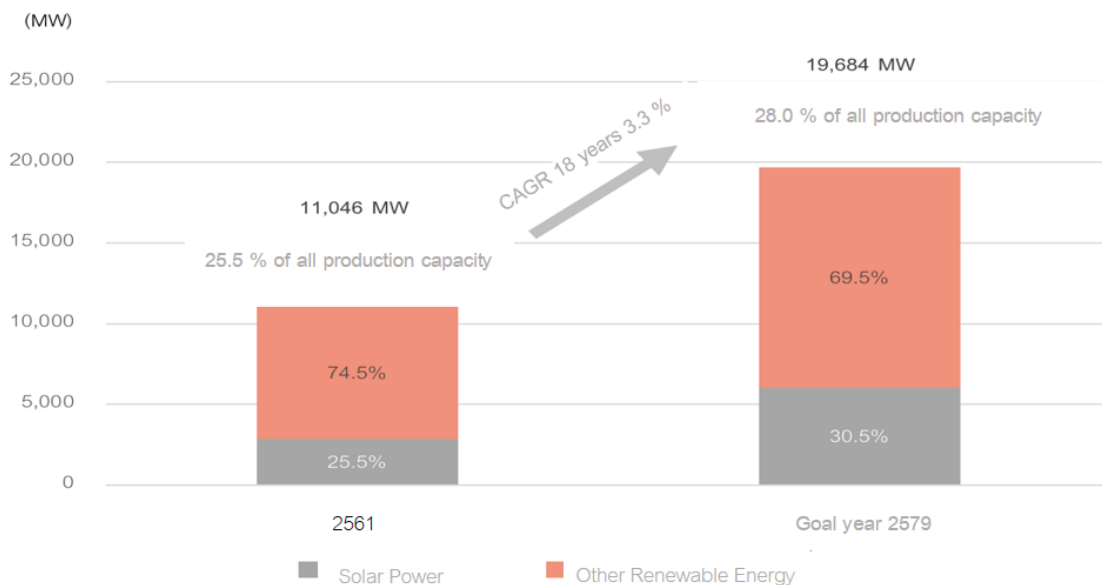


source: ERC ([www.erc.or.th](http://www.erc.or.th))



The government began to encourage the private sector to invest in electricity production from solar energy in 2006 by stipulating the policy to purchase electricity under Adder 8 baht per unit for a period of 10 years. The 8-baht Adder scheme has been changed to 6.5 baht per unit for a period of 10 years. In 2014, the government halted the purchase of Adder and changed to the Feed-in Tariff (FiT) scheme, which is a constant buying rate throughout the contract period at FiT 5.66 baht per unit for 25 years and was reduced FiT 4.12 baht per unit for 25 years in 2016.

**Diagram showing the proportion of the contracted capacity from renewable energy in 2018 compared to the target in 2036 according to the AEDP 2015 plan**



source: AEDP 2015

Renewable and alternative energy development plan 2015 - 2036 (AEDP 2015 plan) prepared by the Department of Alternative Energy Development and Efficiency set target to increase the proportion of electricity production from solar energy from 25.5 percent of the electricity production from renewable energy in 2018 to 30.5 percent of the electricity production from renewable energy in 2036, from the contracted capacity of 11,046 megawatts to 19,684 megawatts, representing an average annual growth rate of 3.3 percent.

#### (5) Trends of competition in the industry

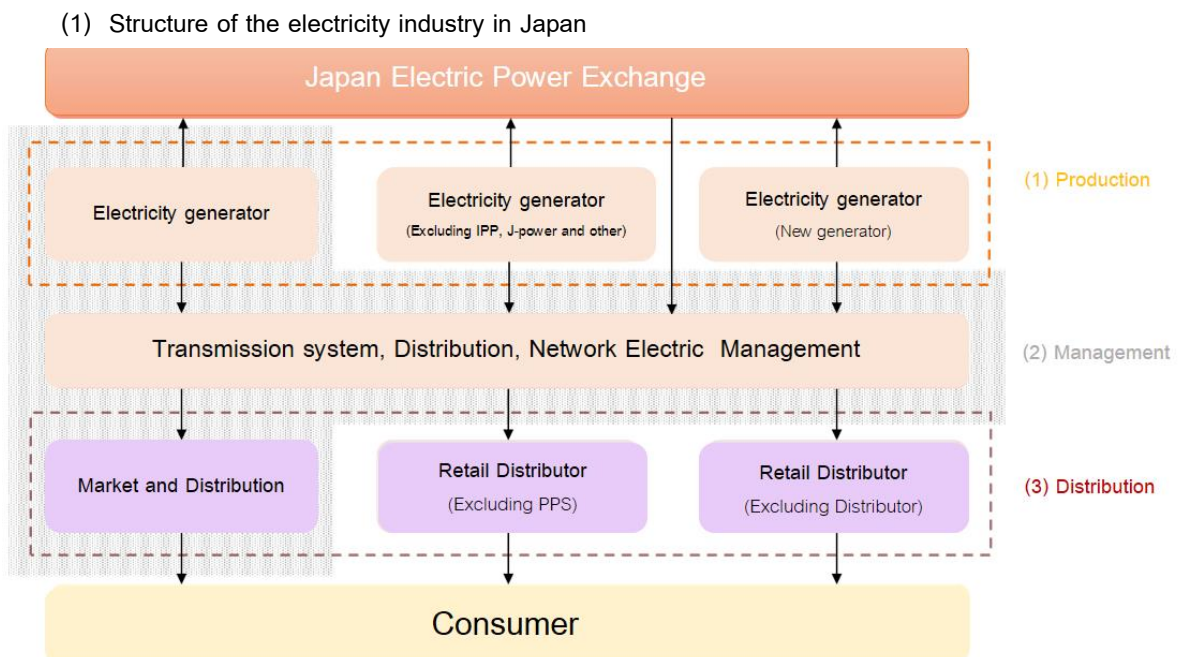
By the fact that the National Energy Policy Council (NEPC) approved to change Adder scheme to Feed-in Tariff (FiT) scheme, which is a constant purchase rate throughout the contract period, is one of the most important factors affecting the trend of the electricity generating industry from renewable energy. Each type of renewable energy has different Feed-in Tariff (FiT) purchase rates. At present, all ground mounted solar power plants have a purchase rate of 4.12 baht per unit throughout the 25-year project life period.

Another important factor affecting the trend of the power generation industry from renewable energy is the competition within the industry that is more promising due to the government's policy to promote for the increase production of electricity from renewable energy which causes the private sector to be more interested to invest in the renewable energy industry. Therefore, the development of a new power plant project may have to face increased competition in bidding or submitting an application to sell electricity and procuring large land plots in suitable locations for doing business etc.

However, the Company has both solar power plant projects that have started commercial operations and many projects that are under construction which may be regarded as having no direct competition with other operators since the operation of the said power plant has a power purchase agreement with the Provincial Electricity Authority (PEA) with specific purchase rate and capacity.

Overall, the electricity production industry from renewable energy tends to grow continuously due to the increase of domestic electricity demand. However, the competition in the industry will also increase from the support from the government to the private sector, including new manufacturers, to play a greater role in the solar power plant business.

#### Industry and Competition in Japan



source: Electricity Review Japan 2016, The Federation of Electric Power Companies of Japan ([www.fepc.or.jp](http://www.fepc.or.jp))

The structure of the electricity industry in Japan has 3 main stakeholders, which are (1) production (2) management and (3) distribution. There are 10 private utilities who have received concessions as the 3 main structural service providers in each region. Each private electricity provider is an electricity procurement provider and is responsible for transmission systems from the production system and distribution electricity to the users in the

regions that each company is responsible for. These private companies have set conditions such as electricity tariff to be a general condition for supplying electricity to consumers in regulated markets. In addition, in the event that consumers in a liberalized market are unable to agree to a power purchase agreement with the producer, these private utilities companies are also responsible for supplying electricity to these consumers as the final source of electricity. Moreover, all 10 private utility operators work closely together to improve the stability of electricity supply for electricity users across the country.

## **(2) Electricity demand in Japan**

Demand for electricity in Japan can be divided into two groups: trade and industry and households. In the past the estimated proportion of electricity demand for business and trade groups is two-thirds of the household groups. However, the proportion of household electricity demand has decreased from 289.0 billion kWh in 2011 to only 266.9 billion kWh in 2015. The key factors affecting the decrease are the incidents the Fukushima Daiichi nuclear power plant accident in 2011 caused all the remaining nuclear power plants to shut down for awaiting safety inspections. Resulting in the need to import more fossil fuels to replace nuclear fuel. Thus, the cost of generating electricity increases resulted in shift in electricity tariffs causing in the Japanese government issuing measures to promote electricity saving in households and decrease in electricity usage in the said household group.

## **(3) Trends in the electricity production industry from renewable energy in Japan**

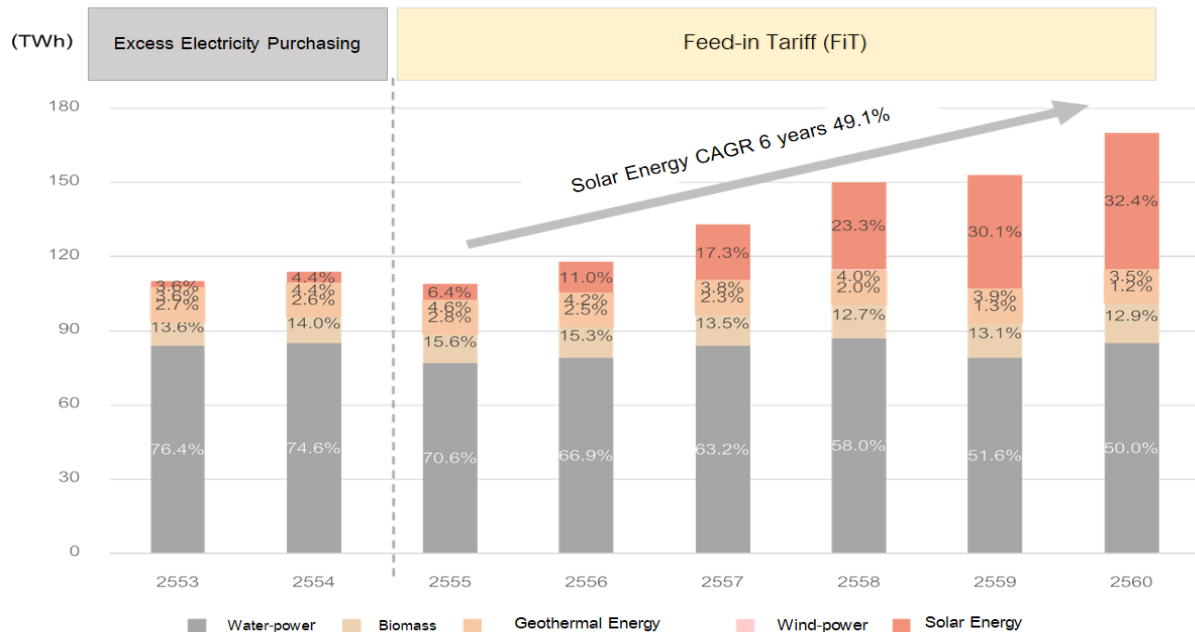
The Japanese government is promoting the use of renewable energy by developing electrical system networks, regulatory support and research and development to reduce operating costs to solve the problem of energy self-sufficiency rate, which is the ratio between the amount of energy produced in the country and the consumption of based energy in the country in the calculated year (1). The reduction from 20.2 percent in 2010 to only 8.3 percent in 2016 (2) The main reason is due to the import of fossil fuels to replace nuclear fuel because all nuclear power plant was shut down after the nuclear power plant Fukushima Daiichi accident in 2011.

In addition, the Japanese Legislative Assembly promulgated the Act on purchase of Renewable Energy Sourced Electricity by Electric Utilities on July 1, 2012. The Act sets out the framework for accepting electricity from renewable energy under Feed-in Tariff (FiT) scheme for renewable energy which requires the electricity business operator to purchase electricity from renewable energy at the price and time specified by METI. METI will determine the Feed-in Tariff (FiT) annually of which the capacity of energy produced by renewable energy in each year is one factor that affects the determination of the Feed-in Tariff (FiT).

source: (1) National Institute of Statistics and Economic Studies (INSEE), [www.insee.fr](http://www.insee.fr)

(2) FY2018 Annual Report on Energy, (Energy White Paper 2018), Agency for Natural Resources and Energy

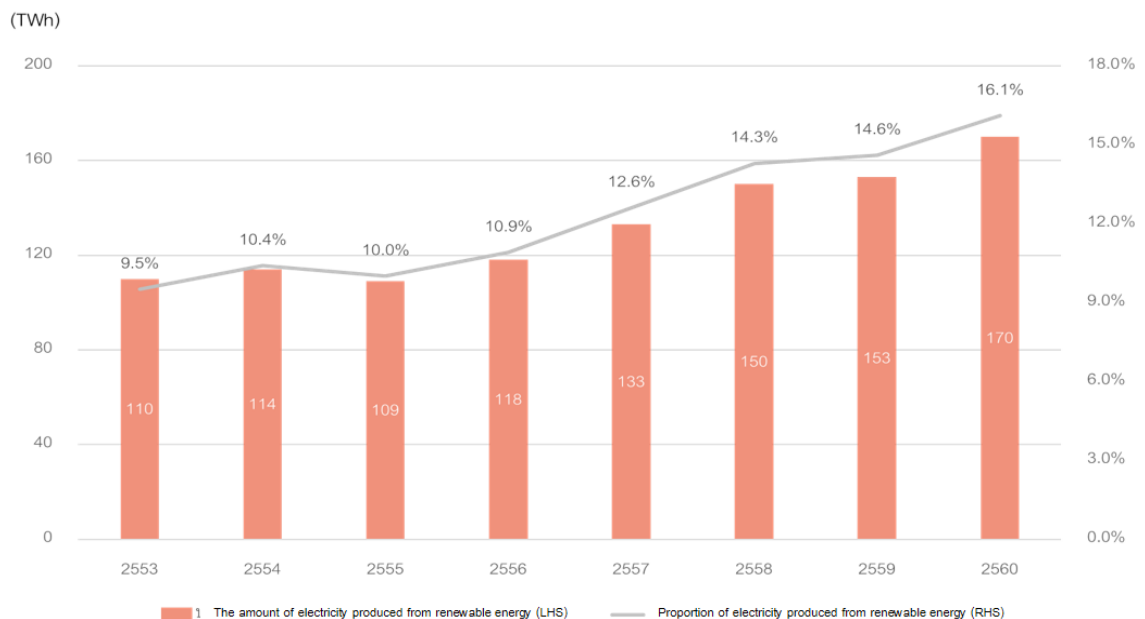
Diagram showing the production capacity of renewable energy in 2010 to 2017



source: Renewable Energy Institute ([www.renewable-ei.org](http://www.renewable-ei.org))

After the announcement of the framework for the Feed-in Tariff (FiT) in 2012, the proportion of electricity produced from solar energy has changed markedly. The proportion of electricity produced from solar energy to total electricity production from other source increased from 6.4 percent in 2012 to 32.4 percent in 2017, or representing an average annual growth rate of up to 49.1 percent.

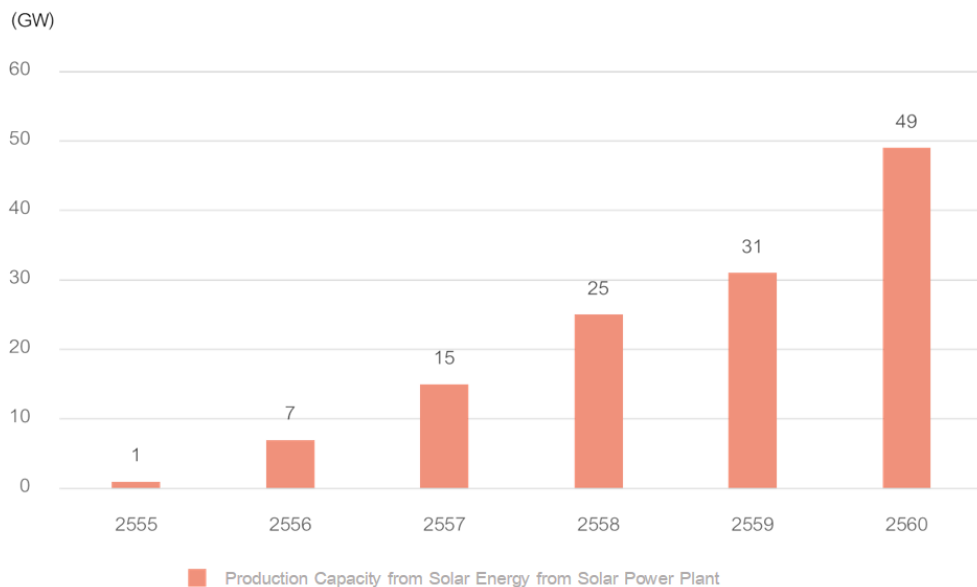
Diagram showing the proportion of electricity production from renewable energy in 2010 to 2017



source: Renewable Energy Institute ([www.renewable-ei.org](http://www.renewable-ei.org))

The announcement of the framework of the Feed-in Tariff (FiT) in 2012 also resulted in the proportion of electricity production from renewable energy increased from 9.5 percent in 2010 to 16.1 percent in 2017. METI set a preliminary goal to increase the proportion of electricity production from renewable energy to 22.0-24.0 percent of the total electricity capacity in 2030 to adjust the proportion of fuel used in electricity generation to be appropriate with consideration of security, Economic efficiency, Environmental impact, energy security and to reduce dependence on nuclear energy to the extent that it can be done.

Diagram showing the electricity production capacity from solar energy under the power purchase framework in the form of Feed-in Tariff (FiT) in the years 2012 – 2017



source: Renewable Energy Institute, ([www.renewable-ei.org](http://www.renewable-ei.org))

After the announcement of the framework for purchasing power in the form of Feed-in Tariff (FiT) in 2012, the electricity production capacity from solar energy has continuously increased. The electricity production capacity from solar energy from the power plants that have already commercialized has increased from 1.0 gigawatts in 2012 to 49.0 gigawatts or an increase of 4,800.0 percent.

However, the rapid increase in electricity production from solar energy has caused some private utility operators to begin to face the limitations of the power network system to receive the amount of electrical energy and unable to balance the amount of electricity and electricity demand in the region that they are responsible for which affects the stability of the electricity network system.

In the beginning of 2015, Japan's Natural Resources and Energy Agency Announced the Royal Decree and relevant operational guidelines to amend the guidelines for the purchase of electricity from renewable energy by the electricity provider company regarding the limitation of electricity purchases ( Curtailment) from power plants of all sizes, including solar power plants with a capacity of 10 kilowatts or more by limiting the amount of the said

purchase of electricity on an hourly basis without compensation and limit purchases up to 360 hours per year for solar power plants.

In December 2018, the Ministry of Economy, Trade and Industry (METI) issued a draft amendment to the electricity purchase rate (FIT Amendment Act Ordinance) with the following material points:

- 1) Entity who has received electricity sales license from year 2012 - 2014 must submit documents showing the readiness for the construction of the Grid Connection Work Application to the Utility by the end of August 2019
- 2) The Utility will consider the documents and notify the result by the end of September 2019

2.1) If the Utility is of the opinion that the licensed operator is ready to begin construction of the project, then the Commercial Operation Date (COD) will be determined by counting 1 year from the date of notification of approval. If the construction is completed later than the date specified, METI will consider taking further measures such as shortening the PPA period in accordance with the actual time delay

2.2) If the Utility is of the opinion that the licensed operator is not yet ready to begin construction of the project, the purchase rate of electricity may be adjusted to 21.0 yen per unit from the original power purchase rate at 36.0 yen per unit and determining the date of commercial operation 1 year from the approval date

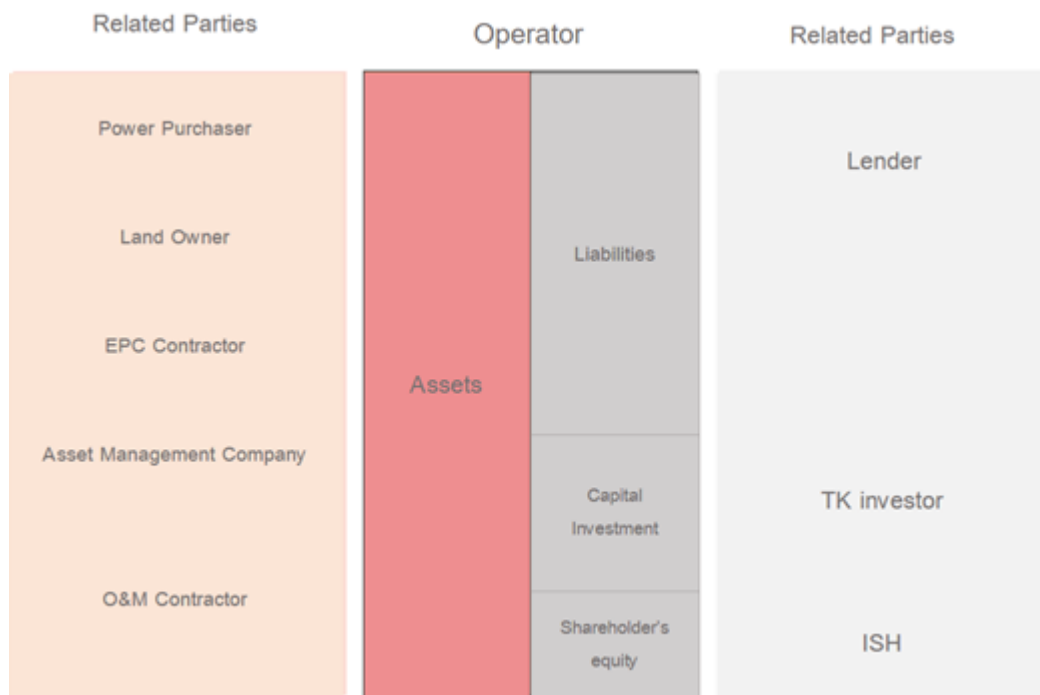
For the Company's project, there are 2 projects under this draft which are Yabuki Project and Onami Project. However, Yabuki Project has already been under construction, therefore has been exempt from the said draft law.

The Onami project is in the process of applying for a forestry permit and after completion the Company will submit a document showing the readiness for construction. At the present, the Company is not yet to be able to submit a document showing the readiness for construction of the Grid Connection Work Application by the end of September 2019. Onami Project therefore meets the new electricity purchase rate conditions at 21.0 yen per unit and will start commercial operations (SCOD) 1 year from the date of approval.

In spite of the advances in technology and the continuous decrease in cost of construction of solar power plants however the cost of construction of power plants in Japan has not decrease in the same proportion compared to the reduction in rate of power purchase under METI's Feed-in Tariff (FiT) framework. However, the government still has a policy to push for renewable energy. Important factors affecting the trend of the electricity generating industry from renewable energy in Japan is the ability to invest in large-scale renewable energy power plants that generate more cost-effective (Economies of Scale). Therefore, the development of new power plants in Japan may face increased competition with a large power producer in the industry in bidding or filing a new request

to develop new project using renewable energy even if the number of entities that are capable enough to compete are reduced.

Diagram showing relevant persons of the solar power plant business operation in Japan under the TK-GK investment structure



The related parties in the operation of solar power plants in Japan under the TK-GK investment structure can be divided into 2 groups: asset related parties and debt/investment related parties. Asset related parties consist of Power Purchaser, Land owner, EPC Contractor, Asset Management Company and O&M Contractor. While those who involved in debt and investment consists of Lenders, TK investors and trustees (ISH).

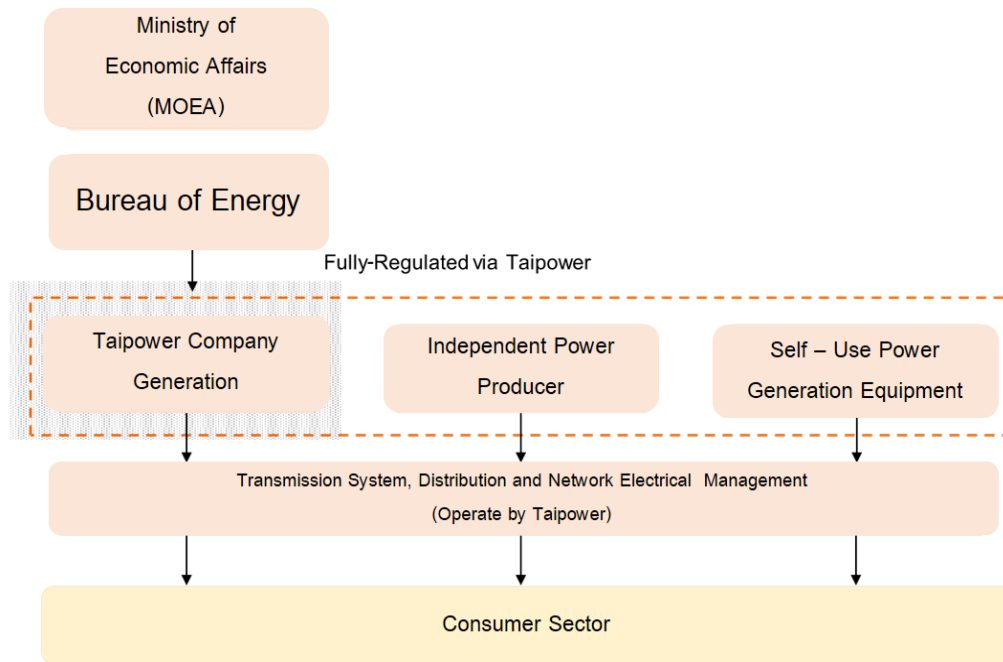
Summary Table of Related Persons and Contract Types of Solar Power Plant Business in Japan under the TK-GK Investment Structure

Related Parties	Type of contract
Asset Related	
Power Purchaser	Power Purchase Agreement
Land Owner	Land purchase agreement, Land lease agreement, Surface Rights
EPC Contractor	EPC Contract

Related Parties	Type of contract
Asset Management Company	Asset Management Contract
O&M Contractor	O&M Contract
Debt and Investment Related	
Lender	Loan Agreement
TK Investor	TK Agreement
Trustee (ISH)	Shareholder and Trustee Agreement

## Industry and Competition in Taiwan

### (1) Structure of the electricity business in Taiwan



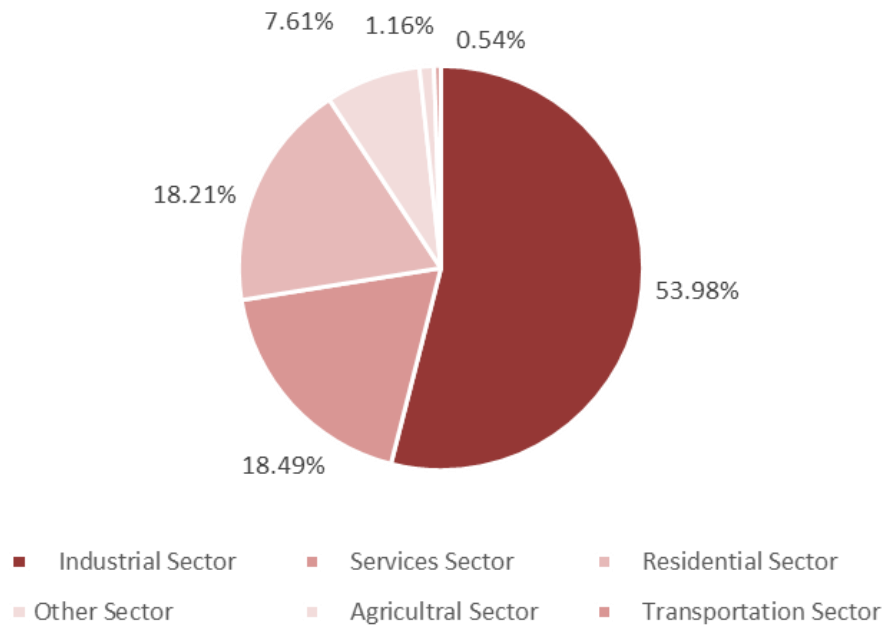
Source: Bureau of Energy, MOEA

In Taiwan's electricity business, Taipower, the state-owned enterprise of Taiwan, is the power producer and the owner of the transmission and distribution system of the electrical network before proceeding to distribute electricity to the responsible electricity users in the region. Conditions for purchasing or control measures will be made through Taipower. In addition, Taipower will be the only electricity purchaser in Taiwan. And the government agencies that will oversee the energy business is the Bureau of Energy under the Ministry of Economic Affairs ("MOEA").



(2) Electricity demand in Taiwan

Diagram showing the proportion of electricity usage by regions of use in 2010-2017



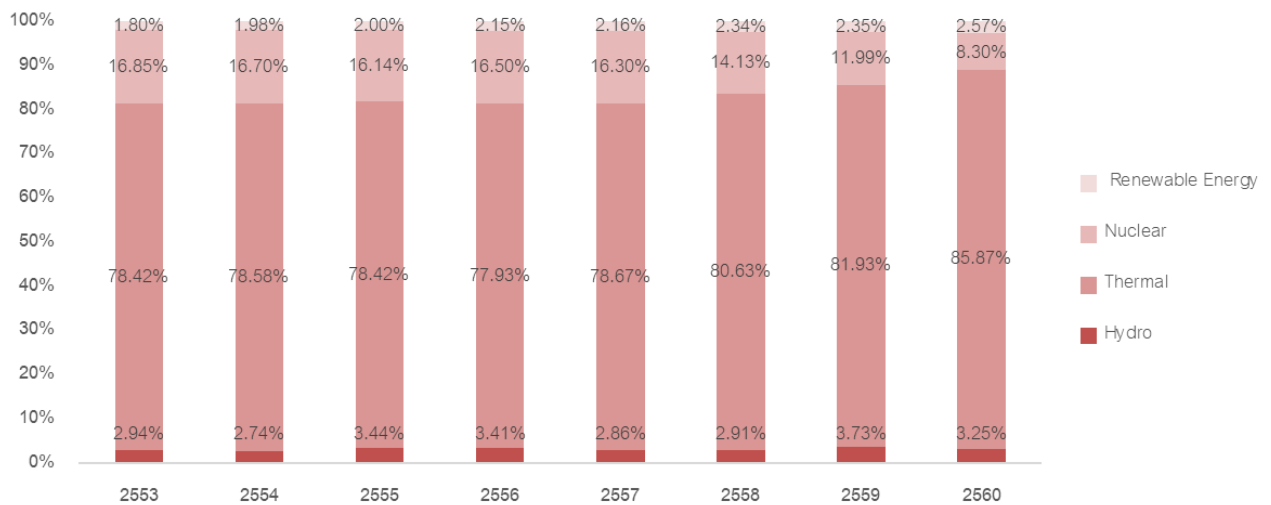
The growth of electric power consumption in Taiwan



source: Bureau of Energy, MOEA

Electricity demand in Taiwan derives mainly from the industrial sector, representing more than half of the electricity demand or 54.0 percent of the country's total electricity demand and the industrial sector is the sector that affects Taiwan's economic activities the most. The electricity demand from service sector and household sector are the second and third highest demand, with similar proportions. As for the overall electrical demand Taiwan has a continuous growing demand, representing an average growth of 1.38 percent in 2010-2017 while the demand for electricity in the latest year is 261,393 gigawatts-hour.

## (3) Trends in the electricity production industry from renewable energy in Taiwan

Types of electricity production in Taiwan

Over two-thirds of Taiwan is covered by mountainous area. In addition to space limitations, natural resources are also limited. The Taiwanese government therefore address importance to electricity generation to meet the increasing domestic demand every year and demand a source of energy that can be maintained for a long time (Sustainability). Nuclear energy is an alternative way to produce electricity that does not consume natural resources of the country while the proportion of nuclear energy between 2010-2014 is higher than 16 percent of the total electricity production. However, after the disaster of the nuclear power plant Fukushima Daiichi in 2011, Taiwan is aware of the potential risks to nuclear power plants combined with the terrain that is located in the crevice crust like in Japan therefore the government began to promote the use of renewable energy to replace nuclear power and announcing the reform of domestic electricity production so that Taiwan is free from nuclear power generation in the year 2025. In addition to replacing the said nuclear energy Taiwan intends to increase the production of renewable energy to 25 GW, consisting of 20 GW solar energy, 4.3 GW wind power, 200 megawatts of geothermal energy and 200 megawatts of hydro power. Including an announcement of plan for the development of the electrical system network, related regulatory support and research and development to reduce the operating costs of the electricity production from the renewable energy.

source: BOE, MOEA and Taiwan's Solar Energy Development, Energy Information Platform (2017)

Diagram showing the production capacity of renewable energy in 2010 to 2017

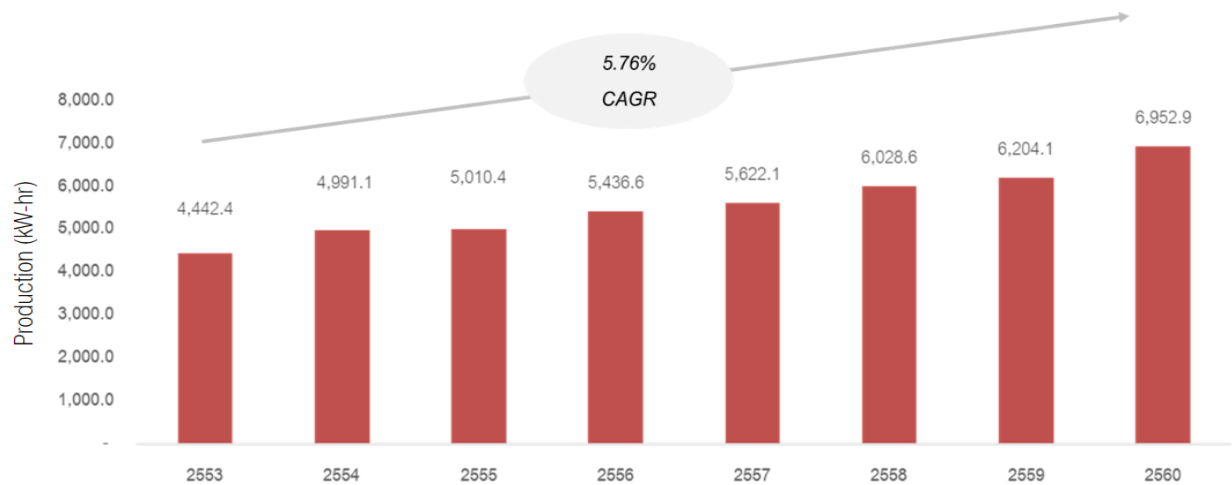
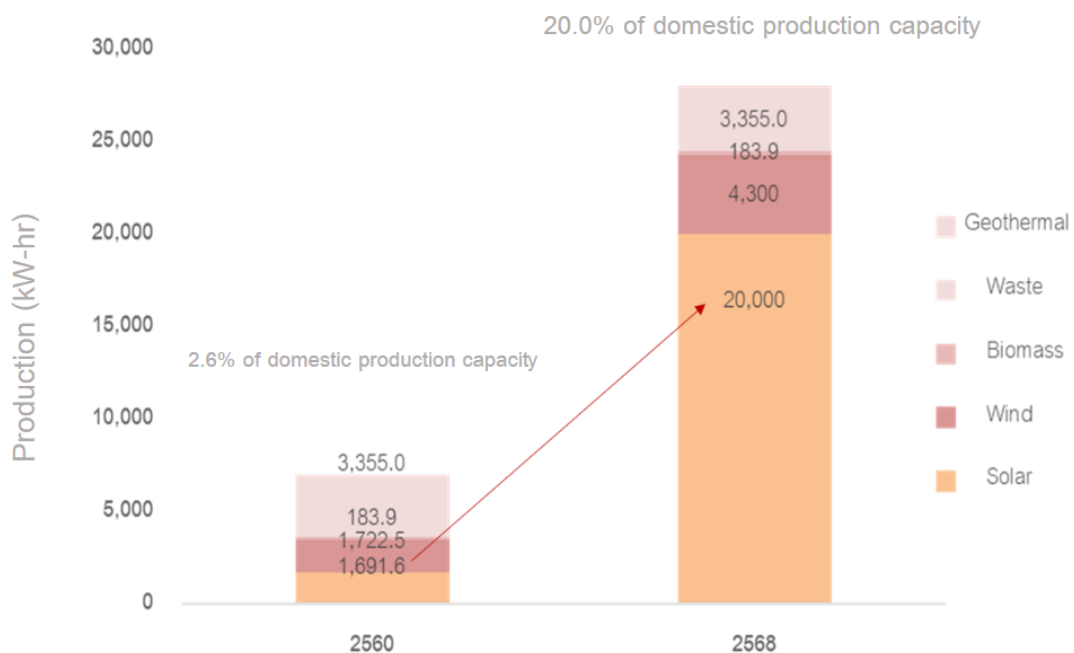


Diagram showing the generation capacity of renewable energy in 2017 and target year 2025



source: BOE, MOEA

After increasing importance of electricity generation from renewable energy, the Taiwanese government has adopted a feed-in Tariff power purchase rate specification to support the development of solar and renewable power plants under the 2009 Renewable Energy Act. With such support, the development of renewable energy has become thriving especially the solar power plant project that increased from 25.6 megawatts in 2010 to 1,691.6 megawatts in 2017. The Taiwanese government has announced a reform to support the production of electricity from

renewable energy in 2025 for production to make electricity from renewable energy represents 20 percent of the total production in the country.

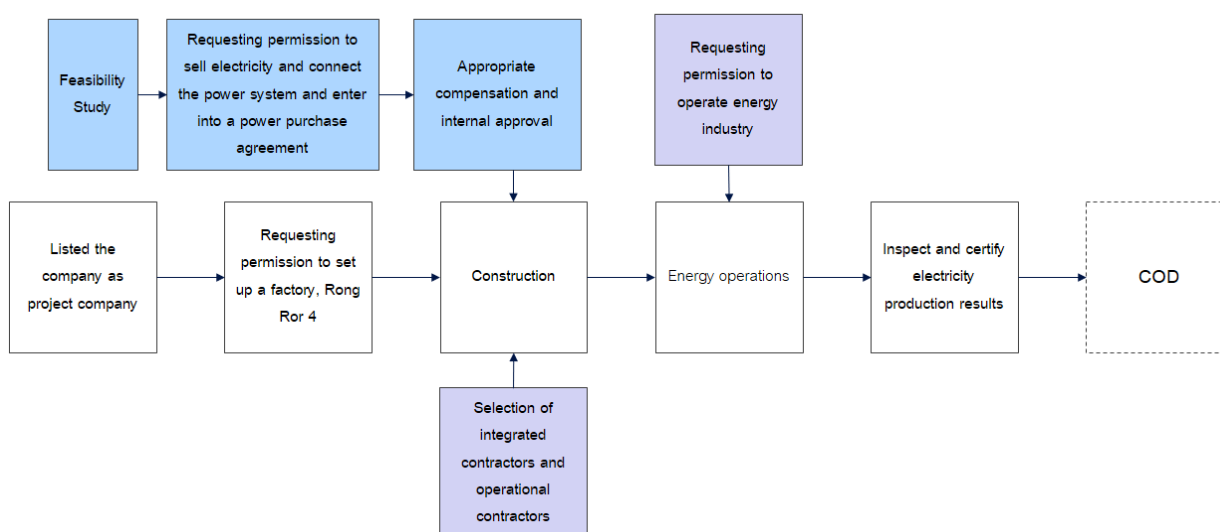
With the limited space and natural resources of Taiwan, the Company has therefore collaborated with the Yunlin Water Irrigation Association, which has a development policy to utilize idle area which is not for agricultural use to develop into a power plant from solar energy. This is in line with the main policy of the country that wants to push to increase the production of electricity from renewable energy by 2025. For this project, the Company pays annual land rental to the Royal Irrigation Department of Taiwan for the land use right on a period of 20-year lease period in accordance with the power purchase agreement. This development begins with the proactive business development strategy of the Company through the study of new ways to develop solar power plants. As this kind of cooperation with government agencies is quite new, by entering into this cooperation agreement creating the first advantage for the Company to develop projects in Taiwan.

#### Procurement of products and services

The Company has a policy to procure products and services by investing in the renewable energy business that is in accordance with the competitive strategy of the Company by developing or investing in renewable energy power plant projects. The Board of Directors will approve the investment project, analyze the feasibility and return of the project commencing from the business development department of the Company, then after the approval to invest, the subsidiary company can proceed with the related operations under the Company's internal control policy framework.

##### a) Solar Power Plant in Thailand

#### Framework for the development of solar power plant projects in Thailand



Procurement of products and services for the development of the solar power plant project of the Company consists of the following main steps: (1) procuring the project location (2) application for permission to construct a solar power plant (3) environmental impact measures (4) Selection and soliciting an EPC Contractor and O&M Contractor with details as follows:

**(1) Procuring the project location**

When considering the area to build a solar power plant, the following criteria are company's main selective criteria:

- (1.) Check the intensity of solar energy data, which is a crucial factor that will affect the amount of electricity that can be produced. The data will be from reliable sources including the engaging a professional technical consultant to study the feasibility of the investment project
- (2.) The location must be in an area that can mitigate and manage natural disaster risks within an appropriate cost and must be near the connection point of the electricity authority

**(2) Application for permission to construct a solar power plant**

Prior to the commencement of construction of solar power plants, the Company will proceed and apply for requisite licenses from relevant departments, such as requesting to establish a factory (Ror Ngor 4) , entering into a power purchase agreement, apply for Construction permit, Environmental impact survey, etc. The Company has established strict operational procedures so that personnel operating in connection with the license can follow to ensure all permits are obtained.

**(3) Procurement of EPC Contractor**

EPC Contractor procurement process has detail as following:

- The Company announced the Terms of Reference (TOR) for interested contractors (EPC Contractor) to be selected, taking into consideration the qualifications and the credentials as per below
  - (1) Check the Price Proposal of the Tenderer who has passed the technical qualification selection to ensure that the Company engagement of an EPC Contractor is with qualifications and reasonable prices
  - (2) Examine the qualifications of the proposers together with the consideration of the Technical Proposal of each EPC candidate to shortlisted the proposals
- The Company negotiated with the shortlisted contractor to get the benefits as specified.
- EPC Contractor selection

**(4) Procurement of O&M Contractor**

The Company engages EPC Contractor to also provide operating and maintenance services under the O&M Contract to maintenance the solar power plant project to ensure the operating efficiency as the EPC contractor is best suit for the work.

**(5) Consideration measures of environmental impact**

The Company has strictly implemented the practices regarding environmental issue in accordance with relevant laws in order to apply for the construction and operation of the solar power plant permit. The solar power plant must comply with the terms and conditions of the permit with details as follows.

	Code of Practice (CoP) as measures to prevent, correct, and monitor the environmental impact	Environmental & Safety Assessment (ESA)
<b>Relevant laws</b>	Regulation of the Energy Regulatory Commission regarding measures to prevent, correct, and monitor the environmental impact for those exempted from the need to prepare an environmental impact assessment report in accordance with the law on promotion and conservation of environmental quality 2012	Notification of the Ministry of Industry: Report on the study of preventive and corrective measures against environmental quality and safety 2009
<b>For permit</b>	Electricity business license	Factory License (Ror Ngor 4)
<b>Technology</b>	All technologies	All technologies
<b>Fuel type</b>	All fuel types	All fuel types
<b>Capacity criteria</b>	<ul style="list-style-type: none"> <li>- From 1000 kV but less than 10 MW (in the case of thermal power plants that are not eligible for EIA reporting)</li> <li>- From 1,000 kV or more (In the case of power plants without fuel combustion, such as solar, wind, water)</li> </ul>	From 5MW but less than 10 MW
<b>Purposes</b>	<p>Operator must:</p> <ul style="list-style-type: none"> <li>- Comply with the preventive, corrective and monitoring measures which the ERC has set out to be the same minimum standard for every project.</li> <li>- Carry out public hearing in order to give the opportunity to the stakeholders of the project to express their opinions since the beginning of the project including the issues, comments and concerns that have been considered as additional measures to be included in the attachment of the environmental inspection list.</li> </ul>	<p>Operator must:</p> <ul style="list-style-type: none"> <li>- study the environmental impact and analyze the risks that may arise from the business operation</li> <li>- propose preventive and corrective measures to reduce the effect and have a safety management system approved by the Department of Industrial Works' ESA working group. The results and measures of each project may be different on a case-by-case basis.</li> </ul>

	Code of Practice (CoP) as measures to prevent, correct, and monitor the environmental impact	Environmental & Safety Assessment (ESA)
	Operators are able to identify the minimum measures in CoP as a preliminary proposal in the ESA report by specifying additional measures specific to the project or activity based on the results of the study and hearing.	
Exemption	None	The factory is located in an industrial estate or in the investment promotion area that has prepared the environmental impact assessment report
Period	The operation is divided into 3 phases, namely before submitting a request for a license, Environmental impact monitoring during operation and rehabilitation of the area when discontinuing operations	Before submitting a request for a license

source: A Guide for obtaining Electricity Business License - Electricity Production License, Electrical distribution system and distribute electricity by the Energy Regulatory Commission and Code of Practice: CoP for solar PV operator

#### b) Development of solar power plant projects in Japan

Currently, though the Company is only a joint investor, the Company has also considered the investment and feasibility analysis of the solar power plant operation with care, includes prudent product and service procurement processes. In the future, the Company intends to be the project developer as well. The development of a solar power plant project in Japan consists of the same procedure nature as the development of a solar power plant project in Thailand. The development of solar power plant project in Japan has the following procedures:

##### (1) Site Selection

For the criteria of determining the area for the construction of the solar power plant, the Company will focus primarily on the site feasibility. In general, the location of power plants in Japan is quite different from Thailand due to the geography of the location. However, the main selection criteria are still similar, such as in areas with average solar power intensity, a natural disasters risk management measures at reasonable costs and locate near the connection point with the electricity business operator's transmission line, etc.

##### (2) Application for METI Facility Approval

The project developer must submit a request for approval to operate a solar power plant project with METI in order to be able to sell electricity to utility company in that region with a Feed-in Tariff (FIT) purchase price structure at the rate specified by METI. In the process of requesting permission, the supporting documents must contain information of the site location and specifications of the equipment to be chosen.

**(3) Request to connect to the electricity network (Grid Connection)**

The developer must submit a request to the utility company in the region. If the request is approved, the respective utility company will issue a letter confirming the request to connect to the electricity grid (Grid Connection). And after the Company has negotiated and confirmed the costs related to the grid connection, the Company has to lodge a Power Grid Connection Agreement ("GCA") and Power Purchase Agreement ("PPA") with utility company in the region.

**(4) Application for a license involved in the electricity generation business**

Prior to the commencement of the construction of solar power plants, the developer must proceed with application to request relevant permits from various departments such as site preparation, construction permit, etc., which must be coordinated with the relevant authorities in Japan.

**(5) Procurement of EPC Contractor**

The Company announced the Terms of Reference (TOR) for interested contractors (EPC Contractor) to be selected, taking into consideration the qualifications and the credentials as per below

- Check the Price Proposal of the Tenderer who has passed the technical qualification selection to ensure that the Company engagement of an EPC Contractor is with qualifications and reasonable prices
- Examine the qualifications of the proposers together with the consideration of the Technical Proposal of each EPC candidate to shortlisted the proposals
- The Company negotiated with the shortlisted contractor to get the benefits as specified.
- EPC Contractor selection

**(6) Procurement of loan sources for project development**

In negotiations with financial institutions in Japan, the operator must have a credential and track record to the satisfactory of the potential lender

**c) Development of solar power plants in Taiwan**

The Company has invested and developed a solar power plant project in Taiwan, through the development or acquisition. In which the Company takes prudent due diligence process including financial and legal feasibility analysis. The development of power plant projects in Taiwan has the following procedures



**(1) Site Selection**

Taiwan has great limitations for land use. Therefore, after the announcement of the reform of electricity production into renewable energy, it is necessary to have collaboration among the relevant agencies which own under-utilization land. Hence, the site selection would need to bring along an alliance with the Federation of Farmers or agencies that are ready to support. In most cases, the site selection must take into account the solar intensity and grid connection with Taipower.

**(2) Foreign Investment Approval (FIA)**

Investing in Taiwan, it is necessary to obtain permission from the relevant authorities to invest which must be approved before the capital injection in a company in Taiwan.

**(3) Recordation Approval**

Recordation Approval is a license request prior to a Power Purchase Agreement which can be executed during the construction of the project and in addition, the commercial operations timeline will be stipulated in the Recordation Approval.

**(4) Request to connect to the electricity network (Grid Connection)**

All project must ensure that the grid connection is obtained, in which the progress or the clear plan to develop the project is required, such as project funding, project development capability, the performance guarantee.

**(5) Application for a license involved in the electricity generation business**

Developer must apply for a power generation license, including the EIA, with the relevant authorities such as the Environmental Protection Administration, MOEA, BOE and Taipower.

**(6) Procurement of EPC Contractor**

The Company announced the Terms of Reference (TOR) for interested contractors (EPC Contractor) to be selected, taking into consideration the qualifications and the credentials as per below

- Check the Price Proposal of the Tenderer who has passed the technical qualification selection to ensure that the Company engagement of an EPC Contractor is with qualifications and reasonable prices
- Examine the qualifications of the proposers together with the consideration of the Technical Proposal of each EPC candidate to shortlisted the proposals

- The Company negotiated with the shortlisted contractor to get the benefits as specified.
- EPC Contractor selection

(7) Procurement of loan sources for project development

In negotiations with financial institutions in Taiwan, the operator must have a credential and track record to the satisfactory of the potential lender.

Undelivered Works

-None-

Future Projects

The Company has expanded the investment and development of solar power projects both domestically and internationally, the development is aimed to increase the production capacity by inorganic growth strategy by the Company and the collaboration with other strategic partners.

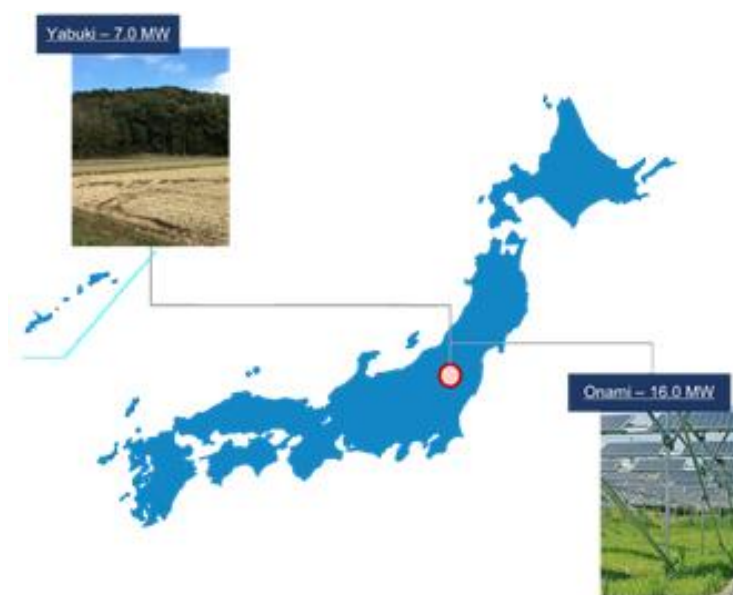
**Solar Projects in Japan**

At present, the Company has 1 solar power plant project in Japan which is under construction and 1 project is under development, with the contracted power production capacity for the solar power plant project under development in Japan specified in the license issued by METI and is in the process of entering into the power purchase agreement with Tohoku Electric Power Company (TEPCO) with the contract duration of 20 years details as follows:

Project	Shareholding (%)	Location	Installed Capacity	Equity portion installed capacity	Contracted capacity	Equity portion contracted capacity	FIT	Investment	Scheduled COD
Yabuki	25.0	Fukushima	9.8 MW	2.5 MW	6.9 MW	1.8 MW	FiT 36 yen / kWh	357 million yen / MW	Q4 2020
Onami	25.0	Fukushima	17.7 MW	4.4 MW	16.0 MW	4.0 MW	FiT 21 yen / kWh	626 million yen / MW	Q2 2021 <sup>(1)</sup>

Remark: (1) The Commercial Operation Date may be changed. As the Company is conducting an investigation and feasibility study

Location of the developing solar power projects in Japan



The current status of the important licenses are as follows:

Project	PPA	Solar Power Plant License from METI	Grid Connection	Land Lease	Environmental Impact Assessment	Construction Permit
Yabuki	✓	✓	✓	✓	Exempted	✓
Onami	pending	✓	pending	pending	Exempted	pending

## Solar Power Projects in Taiwan

Sub-project Name	Shareholding (%)	Location	FIT	Installed Capacity (MW)	Contracted Capacity (MW)	Period (years)	Investment	Scheduled COD
He Wu 2	100.0	Yunlin	FiT 4.108	1.0	1.0	20	54 million	Q4 2020
Shin Shi 2			NTD / kWh	1.5	1.5		NTD / MW	
Total				2.5	2.5			

Location of the developing solar power projects in TaiwanResearch and Development

-None-

## Securites and Shareholders Informantion

### Registered and paid-up capital

As of December 31, 2019, the Company has registered capital of 25,514,280,600 baht, of which being ordinary shares in the amount of 25,514,280,600 shares at par value of 1.00 baht per share and the paid-up capital of 17,017,941,757 baht, being ordinary shares in the amount of 17,017,941,757 shares at a par value of 1.00 baht per share.

The company has 2 sets of warrants which are listed securities, with details as follows:

Warrant information	PRIME-W1
Security type	Warrant
Underlying securities	PRIME
Exercise price	1.0752 Baht
Exercise ratio (Warrant : Common share)	1: 1.3946
Number of remaining shares reserved	483,926,155 Shares
Expiration date	22 Dec 2020

Warrant information	PRIME-W2
Security type	Warrant
Underlying securities	PRIME
Exercise price	1.5273 Baht
Exercise ratio (Warrant : Common share)	1: 1.3095
Number of remaining shares reserved	342,757,292 Shares
Expiration date	22 Dec 2020

## Shareholders

### Major Shareholders

List of top 10 major shareholders as of 9 October 2019 detail as follows:

List of shareholders		Number of shares	Shares (%)
1	PRG Development Company Limited <sup>(1)</sup>	14,881,481,481	87.45%
2	Srichawla Group <sup>(2)</sup>	792,138,046	4.65%
	2.1 Mr. Akaradej Srichawla	214,601,200	1.26%
	2.2 Mr. Krit Srichawla	170,602,000	1.00%
	2.3 Fico Corporation Co. Ltd.	152,183,533	0.89%
	2.4 Mr. Theprit Srichawla	108,814,533	0.64%
	2.5 Mr. Amorn Srichawla	106,481,200	0.63%
	2.6 Fenix Thonglor Co., Ltd.	15,000,000	0.09%
	2.7 Mr. Sanjay Kumar Singh	13,155,580	0.08%
	2.8 Mrs. Winita Srichawla	11,300,000	0.07%
3	CGS-CIMB SECURITIES (SINGAPORE) PTE.LTD.	212,829,263	1.25%
4	Thai NVDR Company Limited	126,255,154	0.74%
5	Mr. Winn Santipongchai	40,140,833	0.24%
6	Mr. Somsak Juengteerapanich	31,456,000	0.18%
7	Mr. Kajorn Panarat	29,499,900	0.17%
8	Mr. Vicharn Kedia	21,080,391	0.12%
9	Mr. Pong Niwetpathomwat	20,797,000	0.12%
10	Mrs. Benyapa Deevongkit	18,000,000	0.11%
Total		16,173,678,068	95.03%

#### Remarks:

(1) PRGD has Mr. Somprasong and Mr. Surachet as the Ultimate Shareholder, with Mr. Somprasong directly and indirectly holding 89.05 percent of the paid-up capital and Mr. Surachet directly holds 10.95 percent of the paid-up capital.

(2) Mr. Krit Srichawla, Mr. Theprit Srichawla, Mr. Akaradej Srichawla, Mr. Amorn Srichawla, Mrs. Winita Srichawla, Mr. Sanjay Kumar Singh, Fico Corporation Co. Ltd., and Fenix Thonglor Co., Ltd. are considered as acting in concert Re: Acting in concert as a result of the nature of a relationship or behavior and requirements under Sections 246 and 247

(3) Fico Corporation Company Limited has shareholders which are Mr. Krit Srichawla, Mr. Theprit Srichawla, Mr. Akaradej Srichawla, and Mr. Amorn Srichawla, holding a combined total of 340,000 shares or 85.00% of the paid up capital.

### Number of Shareholders

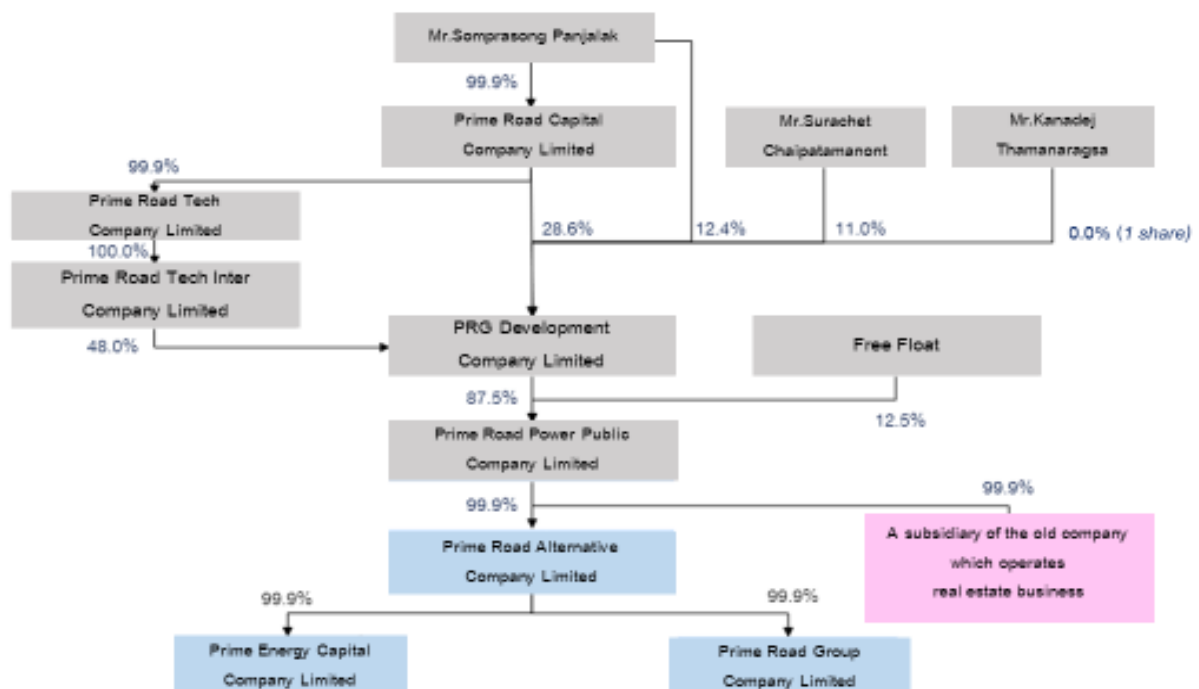
	No. of shareholders	No. of shares	% of paid-up capital
1 Strategic shareholders			
1.1 Directors, manager, and executive management including related persons and associated persons	3 <sup>(1)</sup>	14,881,481,481	87.45
1.2 Shareholders who have a holding of above 5%	-	-	-
1.3 Controlling shareholders	-	-	-
2 Non-Strategic shareholders hold > 1 trading unit	3,668	2,135,751,691	12.55
3 Non-Strategic shareholders hold < 1 trading unit	-	-	-
Total	3,671	17,017,941,75	100.0

### Remark:

(1) Comprising of PRGD in the amount of 14,881,481,481 shares or equal to 87.45%, Air Chief Marshal Surasak Meemanee (holding the position of independent director and the audit committee of the company) in the amount of 65,000 shares or equivalent to 0.00004% and Mr. Poomchairat Chairat, the son of Mrs. Wipaporn Chairat (holding the position of independent director and the audit committee) in the amount of 10,000,000 shares or equivalent to 0.06%

### Information about PRG Development Company Limited (PRGD), the major shareholder of the company

#### Shareholding Structure of PRGD



On 26 July 2019, the Company offered to sell the newly issued ordinary shares to PRGD, the former shareholders of PRA, to pay as considerations in the entire business transfer transaction of PRA at the par price of 1.00 baht per share and offering price at 0.27 baht per share, total of 14,881,481,481 shares. This was considered an offer for sale at a price lower than 90 percent of the average market price over the past 15 working days. Therefore,

PRGD must deposit all the newly issued ordinary shares for 1-year period, and after 6 months, it can periodically sell up to 25 percent of total shares deposited.

In addition, PRGD must deposit 55% of PRA's newly issued ordinary shares allocated to specific investors in accordance with the Silent Period condition for a period of 3 years from the date of SET listed securities. By the end of the 1-year period, it can periodically sell up to 20 percent of total Silent Period shares and after every 6 months, it can periodically further sell up to 20 percent of total Silent Period shares.

In this regard, PRGD has taken all of the additional shares of 14,881,481,481 shares to deposit in accordance to the above conditions. The company will ultimately have a number of shares of 3-year Silent Period from October 30, 2019, as follows:

The table shows the number of PRGD's shares after silent period

Unit: million shares

Period from the listing date with SET	6 months	1 year	1.5 year	2 year	2.5 year	3 year
Number of shares under silent period in each 6 month period	3,720.37	4,613.26	1,636.96	1,636.96	1,636.96	1,636.96
Cumulative number of share after silent period	3,720.37	8,333.63	9,970.59	11,607.55	13,244.51	14,881.48
% of total shares after silent period to total newly issued shares	25.00%	56.00%	67.00%	78.00%	89.00%	100.00%

Moreover, in order to comply with the conditions under the revenue code on entire business transfers, PRGD must register the dissolution of the company within the same accounting period as the entire business transfer of PRGD, with the end date of PRGD corresponding to 31 December 2019. For this reason, the liquidator of PRGD must transfer the shares of the company back to the shareholders of PRGD in proportion to the shareholding held by the shareholders of PRGD to complete the liquidation process. The shareholders of PRGD are therefore prohibited from selling the shares of the company on behalf of PRGD for the remaining period under the above conditions. The details of the transfer of the company's shares back to the shareholders of PRGD during the liquidation process are as follows:

- 1) Prime Road Tech Inter Limited ("PRTI") will receive 7,143,107,555 shares of the company, equal to 41.97 percent of the company, of which PRTI has Mr. Somprasong being the ultimate shareholder of 99% of PRTI, and therefore Mr. Somprasong indirectly holds through PRTI 41.97 percent of the company.
- 2) Prime Road Capital Company Limited ("PRC") will receive 4,256,105,289 shares of the company, equivalent to 25.01 percent of the company, of which PRC has Mr. Somprasong being the ultimate shareholder of 99.99% of PRC, and therefore Mr. Somprasong Indirect holds through PRC 25.01 percent of the company
- 3) Mr. Somprasong Panjalak will receive 1,852,743,522 shares of the company, equivalent to 10.89 percent of the company



- 4) Mr. Surachet Chaipatamanont will receive 1,629,521,411 shares of the company, equivalent to 9.58 percent of the company
- 5) Mr. Kanadej Thamanoonragasa will receive 3,704 shares of the company, equivalent to 0.00002 percent of the company

However, PRGD registered the dissolution of the company on December 20, 2019.

**Share transfer restrictions**

Under Article 8 of the Company's Articles of Association, it states that its shares are transferable without restrictions, unless the transfer of shares causes a non-Thai person to hold more than 49% of the total shares. The company therefore has the right to refuse to transfer the shares that will cause the shareholding ratio of non-Thai nationals to exceed the above ratio.

## Dividend Policy

### The Company

The Company has a policy to pay dividends to shareholders at least 50 % of the net profit in the financial statements after deduction of all reserves in accordance with the articles of association of the Company and according to the laws, depending on the economic conditions, cash flow of the Company, investment plans and other considerations as the board of directors deems appropriate.

### Operating companies from renewable energy

#### a) The power plant project company from renewable energy in Thailand

Project companies in Thailand have a policy to pay dividends of not less than 50 percent of the net profit according to the separate financial statements after deduction of all reserves in accordance with the articles of association of the Company and according to the laws which the Company will receive according to the proportion of shareholding in the project company. In this regard, the subsidiary's board of directors will consider dividends payment by taking into consideration various factors for the benefit of shareholders, such as the financial status of the subsidiary company, reserve money for future investment, reserve for debt repayment (Debt Service Reserve Account) according to the terms of the Project Finance Agreement or working capital within the subsidiary and such dividend payment does not have any significant impact on the normal operations of the subsidiary company as the subsidiary company's board deems appropriate after board's approval.

#### b) Power plant project from renewable energy that the Company invested in foreign countries

The offshore project company has a policy to pay dividends of at least 50 percent of the net profit according to the separate financial statements after deduction of all reserves in accordance with the articles of association of the Company and according to the laws which the Company will receive according to the proportion of shareholding in the project company. In this regard, the subsidiary's board of directors will consider dividends payment by taking into consideration various factors for the benefit of shareholders, such as the financial status of the subsidiary company, reserve money for future investment, reserve for debt repayment (Debt Service Reserve Account) according to the terms of the Project Finance Agreement or working capital within the subsidiary and such dividend payment does not have any significant impact on the normal operations of the subsidiary company as the subsidiary company's board deems appropriate after board's approval.

Nevertheless, the payment of dividends from subsidiaries established in foreign countries to the Company may associate with other costs, such as, withholding tax (in the case of allocating profit sharing to TK investors, withholding tax in accordance with Japanese law equals 20.42%), other related taxes, fees related to the transaction, and foreign exchange gains or losses.

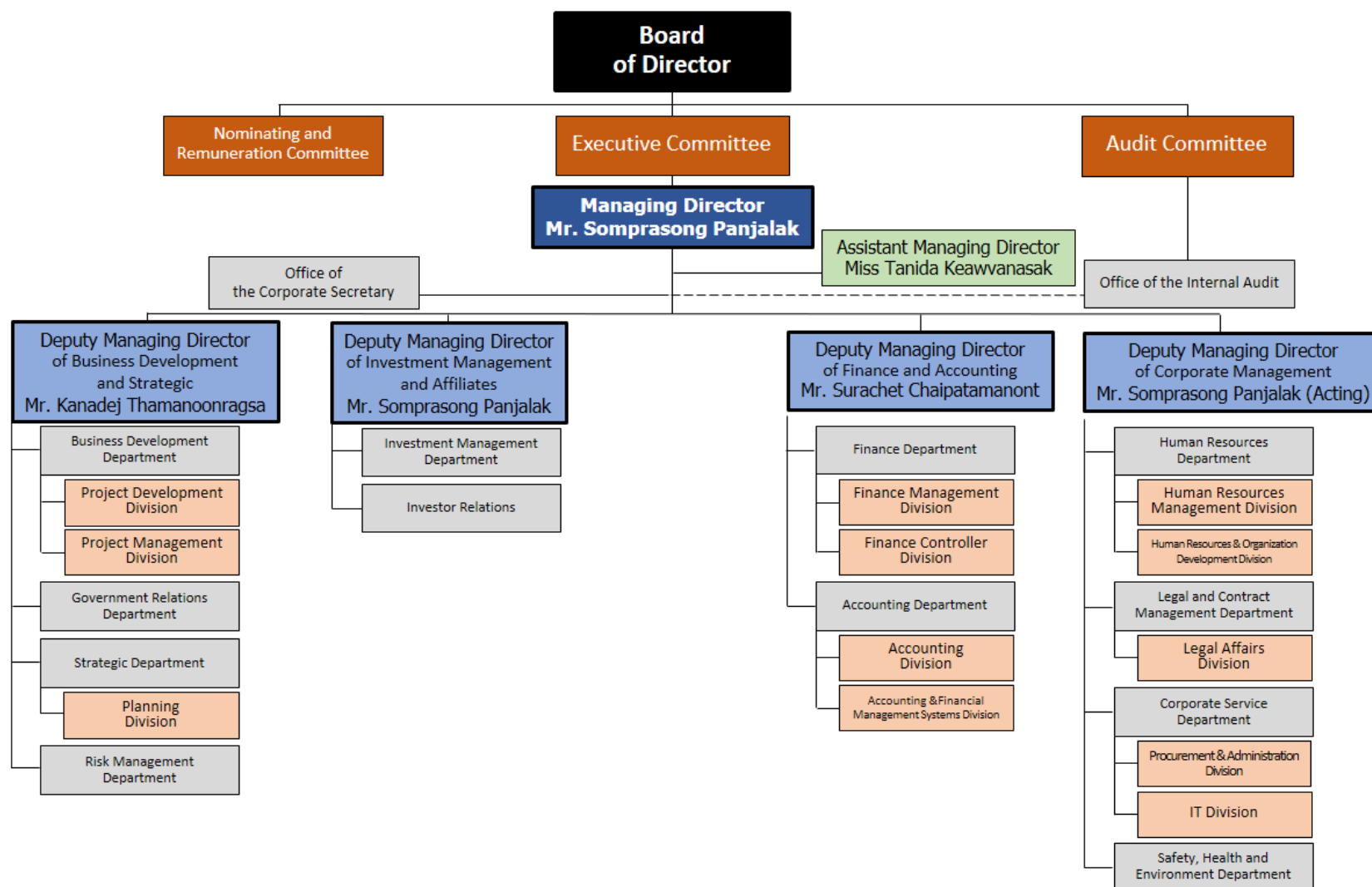
**Company which is a subsidiary company that is not the project operator (Project Company)**

A company that is a subsidiary company that is not a project company has a policy to pay dividends of not less than 50 percent of the net profit according to the separate financial statements after deduction of all reserves in accordance with the articles of association of the Company and according to the laws which the Company will receive according to the proportion of shareholding in the project company.

After the internal restructuring of the group to prepare for indirect listing on the Stock Exchange of Thailand in December 2017 until June 30, 2019, PRA has never paid dividends to PRGD, a former shareholder of PRA. The dividend PEC received from operating companies and dividend that PRG received from the subsidiary were used to invest in the development of new renewable energy power plants under PRG in order to continue to generate profits for the group and its shareholders.

However, on July 19, 2019, PRA paid dividends to PRGD with the objective of restructuring the loan so that there is no loan item to persons who may have conflicts before the Company enters into the entire business transfer transaction.

## Organization Structure



## Management Structure

The management structure of the Company consists of the Board of Directors and 3 sub -committees, namely the Audit Committee, Nomination and Remuneration Committee and Executive Committee according to the management structure as follows:

### Board of Directors

As of December 31, 2019, the Board of Directors consists of seven directors. In this regard, two of such are executive directors, namely Mr. Somprasong Panjalak and Mr. Surachet Chaipatamanont. and the rest (five of them) are non-executive directors. However, Mr. Somprasong Panjalak, a managing director is also holding the position of chairman, as a result, the chairman of the board is not an independent director. Against this background, the Company therefore has set up a board structure, consisting of independent directors more than half of the total board members in order to possess independent directors who are able to give independent opinions about the work of the management. Thus, the Board of Directors consists of five independent directors out of all directors, the detail is as follows:

Name list as of 31 December 2019	Position
1. Mr. Somprasong Panjalak	Chairperson
2. Mr. Surachet Chaipatamanont	Vice Chairperson
3. Mr. Nuttawut Phowborom	Independent Director
4. Mr. Apichart Pumsook	Independent Director
5. Mrs. Wipaporn Chairatana	Independent Director / Chairman of the Audit Committee / Nomination and Remuneration Committee
6. Air Chief Marshal Surasak Meemanee	Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee
7. Mr. Kamphol Panyagometh	Independent Director / Audit Committee / Nomination and Remuneration Committee

In 2018 and 2019, the total attendance and the number of meetings of the Board of Directors details as following:

Director	Total attendances / total meetings <sup>(2)</sup>	
	2018	2019
1. Mr. Somprasong Panjalak <sup>(1)</sup>	-/-	6/6
2. Mr. Surachet Chaipatamanont <sup>(1)</sup>	-/-	3/6
3. Mr. Nuttawut Phowborom <sup>(3)</sup>	8/20	11/20
4. Mrs. Wipaporn Chairatana <sup>(1)</sup>	-/-	5/5
5. Air Chief Marshal Surasak Meemanee <sup>(1)</sup>	-/-	6/6
6. Mr. Kamphol Panyagometh <sup>(1)</sup>	-/-	6/6
7. Mr. Apichart Pumsook <sup>(1)</sup>	-/-	3/5

**Remark:**

- (1) The Board of Directors Meeting No. 14/2019 and No. 15/2562 resolved to approve the appointment of 6 new directors in accordance with the resolution of the Extraordinary General Meeting of the Company No.1 / 2018 on 21 December 2018, which has approved the allocation of the newly issued ordinary shares of the Company to PRGD. After the subscription of the newly issued ordinary shares of the Company, PRGD will be a major shareholder of the Company holding a stake of 87.45 percent of the total voting rights of the Company, and PRGD has the right to nominate 6 out of the total 7 directors. In addition, the representatives of the PRGD will be nominated as management or the Company's controlling person
- (2) Show the number of times the Board of Directors has joined the previous Board of Directors' meeting before the appointment of 6 new directors in accordance with the rights of PRGD to nominate a person to be appointed as a director of the Company
- (3) Mr. Natthawut Phowborom has been appointed as an independent director in place of Mr. Wuttichai Duangrat, whom his resignation of director became effective from 31 August 2017

As of 31 December 2019, the Board of Directors of PRA consists of 2 directors, namely Mr. Somprasong Panjalak and Mr. Surachet Chaipatamanont. In 2018 and 2019, the number of the meeting of the Board of Directors of the PRA and the number of times each director attended the meeting as follows:

Director of PRA	Total attendances / total meetings	
	2018	2019
1. Mr. Somprasong Panjalak	7/7	16/16
2. Mr. Surachet Chaipatamanont	7/7	16/16

Miss Nuntanut Sungkawang was appointed at the meeting of the Board of Directors No. 15/2019 on 2 August 2019 as a company secretary in place of the vacant position of Mr. A Sachdev, who has resigned.

The Company has a total of 5 independent directors and 3 audit committee members. As a result, the Company has a structure of the Board of Directors with at least 3 independent directors and not less than one-third

of the total number of directors of the Company and there are not less than 3 audit committee members. All independent directors and audit committee members meet all the criteria of the Capital Market Supervisory Board Announcement No. Tor Chor. 39/2016 regarding the request and permission to sell newly issued shares.

#### Authorized directors

After the entire business transfer, the authorized directors who has the authority to sign on behalf of the Company are Mr. Somprasong Panjalak, chairman and managing director, sign jointly with Mr. Surachet Chaipatamanont, vice chairman of the board, and with the Company seal.

#### Sub-Committee

##### 1. Audit Committee

Board of directors recognizes the importance of good corporate governance and therefore have the audit committee as key mechanisms for good corporate governance to build confidence for shareholders and all stakeholders in order to have an internal audit system and an efficient internal control system as well as prevent conflicts of interest by preserving the interests of the Company and the shareholders as the key.

As of 31 December 2019, the Audit Committee consists of 3 independent directors as follows:

Name list as of 31 December 2019	Position
1. Mrs. Wipaporn Chairatana <sup>(1)</sup>	Chairman of the Audit Committee
2. Air Chief Marshal Surasak Meemanee	Audit Committee
3. Mr. Kamphol Panyagometh	Audit Committee

#### Remark:

(1) Mrs. Wipaporn Chairatana is a knowledgeable and experienced person to audit and review the financial statements. Mrs. Wipaporn Chairat holds a Bachelor's degree in Accounting, Thammasat University and Master's degrees in Accounting, Thammasat University with past work experiences as follows:

- Deputy Director, Risk Management Group of Government Savings Bank (2015 - 2018)
- Assistant Director of Finance and International Division, Investment and Cash Management Section, Government Savings Bank (2010 - 2015)

##### 2. Nomination and Remuneration Committee

The Board of Directors recognizes the importance of good corporate governance principles and builds trust among shareholders and all stakeholders and to protect the interests of the shareholders and the Company therefore structures Nomination and Remuneration Committee as a part of good practice in the principles of good corporate governance, which are responsible for screening and reviewing criteria, policies, and the process of nomination and

remuneration for the Board of Directors to be appropriate, transparent, fair and complies with rules, regulations and relevant laws in order to build trust for shareholders including all stakeholders.

As of 31 December 2019, the Nomination and Remuneration Committee consists of 3 independent directors as follows:

Name list as of 31 December 2019	Position
1. Air Chief Marshal Surasak Meemanee	Chairperson of Nomination and Remuneration Committee
2. Mrs. Wipaporn Chairatana	Nomination and Remuneration Committee
3. Mr. Kamphol Panyagometh	Nomination and Remuneration Committee

### 3. Executives and the Executive Committee

#### 3.1 Executives

At present, there are 5 executives of the Company as follows:

Name	Position
1. Mr. Somprasong Panjalak	Managing Director and Senior Executive Vice President of Investment and Affiliates
2. Mr. Surachet Chaipatamanont	Deputy Managing Director Finance and Accounting Department
3. Mr. Kanadej Thamanoonragsa	Deputy Managing Director Business Development and Strategy Department
4. Mr. Pongsarit Rodruangdej <sup>(2)</sup>	Deputy Managing Director Corporate Administration Department
5. Ms. Tanida Keawwanasak	Assistant Managing Director

#### Remark:

(1) The chief person in the accounting and finance field is Mr. Surachet Chaipatamanont, graduated with a bachelor's degree in electrical engineering, Columbia University, United States of America and master degree in Industrial Engineering, Columbia University, United States of America with past work experiences as follows:

- Senior Vice President, Finance and Accounting Department, Prime Road Group Company Limited, Thailand (2015 - present)
- Managing Partner, Tuas Capital Partners MGF I General Partner Ltd (Labuan), Malaysia (2012 - 2016)
- Managing Partner, Tuas Capital Partners Malaysia Growth Funds (Labuan), Malaysia (2012 - 2016)
- Executive Director, Redone Networks Berhad, Malaysia (2013 - Present)
- Chief Executive Officer, Maybank Investment Bank, Malaysia (2006 - 2009)
- Head of Corporate Investment Bank, Maybank, Malaysia (2006 - 2009)
- Head of Head Financial Institution Group (Southeast Asia), J.P. Morgan, Hong Kong / Singapore (1996 - 2004)



Mr. Surachet Chaipatamanont passed the CFO's orientation course on 4-5 September 2018 for a total of 16 hours of training  
The person assigned to be the Company's accountant under Mr. Surachet Chaipatamanon is Mrs. Amporn Fangchianghean  
Bachelor's degree Accounting from Kasem Bundit University with past work experiences as follows:

- Manager of Accounting and Finance System Department Finance and Accounting Department, Prime Road Group Company Limited, Thailand (2017 - present)
- Accounting Department Manager, Thai Smile Airways Company Limited (2014 - 2016)
- Manager of Accounting Department, Swiss Hotel Park Nai Lert (2013 - 2014)

Mrs. Amporn Fangchianghean passed the training for accounting knowledge with a total of 6 hours in the calendar year 2019

- (2) Mr. Pongsarit Rodruangdej has resigned from a company since 31 October 2019

### 3.2 Executive Committee

At present, there are 5 executive committees of the Company as follows:

Name	Position
1. Mr. Somprasong Panjalak	Executive Chairman
2. Mr. Surachet Chaipatamanont	Executive Committee
3. Mr. Kanadej Thamanoonragasa	Executive Committee
4. Mr. Pongsarit Rodruangdej <sup>(1)</sup>	Executive Committee
5. Mr. Nipitjade Siriladajindalert	Executive Committee

**Remark:**

- (1) Mr. Pongsarit Rodruangdej has resigned from a company since 31 October 2019

## Directors and executive's remuneration

## Director Remuneration

## (a) Monetary compensation

The 2019 Annual General Meeting of Shareholders on 29 April 2019 resolved to determine the remuneration of directors as follows:

Title	Monthly compensation (Baht / Month)	Attendance Fee (Baht / Time)
<u>Board of director</u>		
Chairperson	25,000	12,500
Vice Chairman	10,000	12,500
Director	10,000	12,500
<u>Audit Committee</u>		
Chairperson	27,500	12,500
Director	15,000	12,500
<u>Nomination and Remuneration Committee</u>		
Chairperson	12,500	12,500
Director	12,500	12,500

## (b) Other Compensations

- None -

## (c) Directors' remuneration

The Company has compensation for directors as follows:

Name list as of 31 December 2019	Position	Total directors' remuneration (baht)	
		Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019
1. Mr. Somprasong Panjalak <sup>(1)</sup>	Chairperson	-	75,000
2. Mr. Surachet Chaipatanont <sup>(2)</sup>	Vice Chairperson	-	37,500
3. Mr. Nuttawut Phowborom <sup>(3)</sup>	Independent Director	220,000	235,000
4. Mr. Apichart Pumsook <sup>(1)</sup>	Independent Director	-	87,500
5. Mrs. Wipaporn Chairatana <sup>(2)</sup>	Independent Director / Chairman of the Audit Committee / Nomination and Remuneration Committee	-	300,000
6. Air Chief Marshal Surasak Meemanee <sup>(1)</sup>	Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee	-	237,500
7. Mr. Kamphol Panyagometh <sup>(2)</sup>	Independent Director / Audit Committee / Nomination and Remuneration Committee	-	237,500

**Remark:**

- (1) Appointed as a company's director effective from 30 July 2019
- (2) Appointed as a company director effective from 2 August 2019
- (3) Appointed as a company director effective from 31 August 2017

Before Mr. Somprasong Panjalak and Mr. Surachet Chaipatamanont will be appointed as directors of both companies, they were directors of PRA, PRA's subsidiaries and PRA's associated companies. However, in the past, both of them have not received remuneration from the director positions in subsidiaries and associates under the PRA in form of monetary or other compensation. However, the Company has a policy to pay remuneration to its directors in monetary form in accordance with the resolution of the annual general meeting of the shareholders in 2019 on 29 April 2019, without a policy to compensate the directors of the subsidiary and the associated companies both in monetary form or other compensation.

**Executive remuneration****(a) Policy and procedures for determining remuneration for executive directors**

The Company has set the criteria for remuneration for executive directors (ED) to be appropriate in terms of duties, responsibilities, and motivation to lead the organization and carry out both short-term and long-term goals as well as to allow the compensation to be comparable with the level of practice in the industry, experience, duties, scope of work and responsibilities (Accountability and Responsibility).

Definition and meaning

- Executive director (ED) means a director who is executives or are involved in the routine management of the Company
- Executives means the managing director and the first four executive positions second to the managing director, those holding the position are compared with all the fourth management positions and shall also include management positions in accounting or finance that are department managers level or higher or equivalent)
- Monthly remuneration means salary and other remuneration paid by the Company to the executive director (ED) on a monthly basis in order to compensate for the regular management of the Company.

Monthly salary

In determining the monthly compensation rate for executive directors (ED), the Company uses the information from the survey report of directors and executives of listed companies which is the information disseminated (only the top management remuneration in energy business group) and survey data by using the average data for the energy business group at 75th percentile to be able to attract and retain personnel in positions that are important to the organization.

In addition, the criteria for monthly remuneration for executive directors (ED) are based on only duties and responsibilities as executives. Therefore, executive directors are still eligible to receive remuneration as directors in order to reflect duties and responsibilities as another director or according to what the Company may determine in the future.

**(b) Monetary compensation**

Monetary remuneration of the Company consists of salary, bonus and allowances as follows:

	2018	2019
Executives (people)	5	5
Compensation (million baht)	3.93	11.24

The Company considers paying bonuses from the operating results and new projects that the Company acquired in such year

**(c) Other compensation**

Executive director (ED) is entitled to receive other remuneration and benefits in accordance with the Company's policy same as the employees, such as group health insurance benefits, accident insurance, annual health check-up, various loan benefits, provident fund, development and training etc.

The Company has registered to establish a provident fund by registered under the relevant law on provident fund. At present, TISCO Securities Company Limited is the provident fund manager of the Company which all employees and executives can apply to become members. The members will pay contributions to the fund, which the employer deducted from salary and then passed to the fund at the rate of 5 - 7 percent of the wage and the employer is obliged to pay contributions to the fund on the same day that members contribute money into the fund at the percentage of wages as follows:

Years of working	Employer Contribution Rate (%)
Less than 5 years	5
More than 5 years but less than 10 years	6
More than 10 years	7

Prime Road Power Public Company Limited is the only company with management structure by management. The management will have scope of work as a subsidiary's director and make decisions on various matters in subsidiary companies as well.

## Board of Directors of the Subsidiaries and Associated Companies

### Board of Directors of a subsidiary of renewable energy business

		Mr. Somprasong Panjalak	Mr. Surachet Chaipatananont	Air Chief Marshal Surasak Meemane	Mrs. Wipaporn Chairatana	Mr. Kamphol Panyagometh	Mr. Apichart Pumsook	Mr. Kanadej Thamanoonragsa	Mrs. Chuenjai Ketruangrot	Ms. Wichuda Pradit	Mrs. Jutamee Panjalak	Ms. Thitima Tangaramwong
Prime Road Power Public Company Limited		XY/	/ //	/	/	/	/	//				
Prime Road Alternative Company Limited		/	/									
Prime Energy Capital Company Limited		/					/					
Prime Road Group Company Limited		Y //	/ //				//					
Smart Solar Company Limited							/		/			
Star Solar Company Limited		/	/				/					
Power Energy Development Company Limited							/			/		
Ideal Solar Company Limited		/					/					
Prime Renewable Energy Company Limited		/	/									
Prime Alternative Energy Company Limited		/	/				/					
Prime Renewable Development Company Limited		/	/				/					
Prime Road Solar Company Limited							/	/				
5 Amata Company Limited	Subsidiary company	/										/
Smart Solar Power Company Limited		/	/				/					
Prime Green Solar Company Limited		/	/				/					
Prime Solar Energy Corporation Limited			/									
He Wu Co., Ltd (He Wu)			/									
Sheng Jiu Co., Ltd (Sheng Jiu)							/					
Shin Shi Co., Ltd (Shin Shi)		/										
Prime Esco Company Limited		/	/									
Prime Alternative Vision Company Limited		/	/				/					
Prime Road Rooftop Company Limited		/	/				/					
Prime Road Alternative (Cambodia) Company Limited		/	/				/					

## Executives and employees of subsidiaries of renewable energy business

A subsidiary of the renewable energy business is a project company or a company that invests in the power plant business without carrying out any other operations (holding company), hiring executives and employees of the Company to operate without hiring executives or full-time employees in each subsidiary company.

### Personnel

#### Number of personnel and compensation

As of 31 December 2019, the Company has a total of personnel (excluding executives) of 58 people, with details of the Company's personnel as follows:

Department	Number of personnel (people)	
	As of 31 December 2018	As of 31 December 2019
1. Business Development Department	16	17
2. Public Relations Department	1	2
3. Strategy Department	0	2
4. Financial Department	2	2
5. Accounting Department	8	11
6. Information Technology Department	1	1
7. Human Resources Department	1	3
8. Legal and Contract Management Department	3	6
9. Corporate Services Department	11	11
10. Safety, Occupational Health and Environment Department	1	1
11. Company Secretary Office	0	2
<b>Total</b>	<b>43</b>	<b>58</b>
<b>Total Compensation</b>	<b>26,452,565 baht per year</b>	<b>32,647,152 baht per year</b>

## Employee benefits

### Health benefits and medical treatment

The Company arranges for annual health check-up once a year, excluding new employees who have already had a physical examination before starting work within that year and provide a group health insurance for employees which the employees have the right to claim the actual medical expenses but not more than the maximum coverage as specified by the health insurance company which is a contract party with the Company.

### Other Benefits:

- Social Security Fund and compensation as required by laws
- Life insurance and accident insurance for company employees in the specific positions. The sum insured amount must be in accordance with the criteria specified by the Company
- Annual bonus and performance incentive as determined by the Board of Directors
- Training and human resource development
- Shuttle bus service
- Uniform for employees in departments that have job characteristics that need to wear uniforms in which the employees must dress appropriate uniform as determined by the Company
- Loan benefits from banks that have agreements with the Company at special interest rates
- Welfare of discounts on goods and services from the organization or various stores that have agreements with the Company
- Recreational activities such as occasional field trips to various locations in other provinces with the objective of allowing employees to have a chance to meet and socialize, engage activities together and to strengthen the unity among the employees
- Financial support in case of employee death. The Company will deliver a wreath on behalf of the Company in an amount not exceeding 1,000 baht and supporting funeral arrangements in the amount of 20,000 baht
- In the event that an employee dies overseas due to traveling to work for the Company, the Company will assist and facilitate to bring the body back to Thailand. If there is a need to hold a funeral abroad, which costs more than the subsidy under the aforementioned, the Company will consider assistance as appropriate to the case.
- In the event of the death of the father, mother, wife / husband, children of the employee, the Company will deliver a wreath on behalf of the Company in an amount not exceeding 1,000 baht

**Labor disputes in the last 3 years**

- None

**Human resource development policy**

The Company recognizes the importance of employees which is the most important factor in driving the business of the Company to achieve its objectives and goals. The Company is therefore committed to continually recruiting and promoting staff development to have knowledge, potential and professional skills, enhance the work atmosphere and organizational culture as well as taking care of proper compensation and providing various benefits as required by law in order to maintain and create employee engagement in the Company as follows:

- Recruitment of personnel by considering the appropriateness of knowledge, ability, experience and appropriate behavior as in consistent with the corporate culture of the Company
- Determination of wage rates as specified by law including consideration based on job values, knowledge, ability and experience which is a competitive wage rate with other businesses in the same category
- Continuously promote the development of employees at all levels to have knowledge and ability to advance their career
- Promoting staff to use knowledge, skills and competency development of individual employees through various development methods for employees at all levels in order to expand one's potential
- Providing good employment conditions and working conditions to be safe and hygienic by complying with labor laws and other relevant laws
- Providing incentive compensation management systems and compensation according to the value of the work's success
- Providing welfare and activities among employees to build relationships, unity and corporate culture in the organization
- Treating employees with fairness, equality, transparency and mutual respect.
- Respect and consideration for basic employment rights which is complied with the laws

The Company focuses on the knowledge and ability development of employees at all levels to be consistently appropriate by combining skills development and knowledge development, including cultivating culture and ethics of the organization concurrently to be consistent with the strategy guidelines for the Company's business operations and business expansion, both now and in the future.



### Auditor's remuneration

The Company has paid compensation from the audit of the Company and its subsidiaries with details as follows:

Auditor Fees	Fiscal year ended	Fiscal year ended
	31 December 2018	31 December 2019
Company and subsidiaries	13,570,000.0 baht	15,070,640.0 baht

**Remark:** For the fiscal year ending December 31, 2018, the audit fee was for PRA and its subsidiaries

## Corporate Governance

The Company is aware of the importance of adhering to the good corporate governance in business operations. Therefore, the Board of Directors establishing a good corporate governance policy to be considered as the following guidelines.

### Principles and Corporate Governance

The Company believes that good corporate governance result in efficient and effective management, transparent, concise, enhance the Company's operations, create confidence for shareholders, interested parties as well as aim to maximize shareholders' value. The Company has set a corporate governance policy in order to use as a framework for the Company's operations in accordance with the guidelines from Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and the governing agencies

### Policies of corporate governance

The Company is aware of the importance of good corporate governance, which is the main factor in creating fairness for all stakeholders and strengthen the Company's operations to be effective. In addition, good corporate governance also adds value to shareholders, resulting in the Company to grow steadily and sustainably. The Company therefore aims to promote business operations in accordance with the principles of good corporate governance by using the guideline and guidance in accordance with the principles of good corporate governance for listed companies in 2017 (Corporate Governance Code for listed companies 2017) of the SEC in order to enhance the business of the Company to be better. Additionally, the Company uses guideline and guidance in accordance with the principles of good corporate governance in order to have clear and standard practice guidelines, strengthen knowledge and understanding, and promoting a good corporate culture in organizations and groups for having good corporate governance which will enable the business to continue to operate sustainably. In this regard, the corporate governance policy of the Company Consists of eight categories of practices which can be summarized as follows:

#### **Principle 1      The role and responsibility of the Board of Directors as an organization leader that creates sustainable value for the business**

- 1.1      The Board of Directors understands and recognizes the role of responsibility as a leader, which must supervise the Company and have good management which covers:
- Defining objectives and goals
  - Strategizing operational policy including allocating the important resources to achieve objectives and goals and;
  - Monitoring, evaluating, and overseeing performance report

- 1.2 The Board of Directors has a policy on corporate governance in order to create sustainable value for the business in order to achieve the success of the Company's business operations.
- 1.3 The Board of Directors is responsible for supervising all directors and executives to perform their duties with Accountability and Responsibility, Duty of Care, Duty of Loyalty for the most benefit of the Company, including to comply with the laws, objectives, regulations, resolutions of the Board of Directors' meeting and the resolution of the shareholders' meeting as well as company policy. In addition, the Board of Directors must provide sufficient mechanisms to ensure that the Company's operations complying with relevant laws, objectives, regulations, resolutions of the Board of Directors' meeting, Shareholders meeting's resolution and various policies of the Company such as related party transaction policy.
- 1.4 The Board of Directors have to understand the scope of duties and responsibilities of the Board of Directors, and clearly specify the scope of duties and responsibilities for the sub-committee, managing director and management team, as well as following up and supervising managing director and management team to perform their assigned duties.

**Principle 2**      **Setting the objectives and main goals of the business that is sustainable**

- 2.1 The Board of Directors substantially gives importance to set business objectives for sustainability, consistent with creating value for business, trading partners, employees, shareholders, and stakeholders and society.
- 2.2 The Board of Directors ensures that both the annual and medium-term business objectives, goals and strategies are consistent with the achievement of the main objectives and objectives of the business, as well as the innovation and technology applied appropriately and safely.

**Principle 3**      **Strengthen the Board of Directors with effectiveness**

- 3.1 The Board of Directors has duties and responsibilities in determining and reviewing the structure of the Board of Directors in terms of number of directors, composition, qualifications, expertise, experience, proportion of independent directors in order to be appropriate and necessary to achieve the specified objectives and key objectives.
- 3.2 The Board of Directors will appoint the appropriate person to be the chairman of the board, and will ensure that the components and operations of the Board of Directors facilitating the exercise of independent discretion. In the case that the chairman of the board is not an independent director, the Board of Directors will appoint an independent director to jointly determine the agenda of the Board of Directors meeting with the Chairman, which will promote a balance of power between the Board of Directors and the management.
- 3.3 The Board of Directors will supervise on the selection, and select each committee based on a transparent and clear process in order to get the Board of Directors and sub-committees that have qualifications consistent with the specified components.
- 3.4 Before proposing remuneration to the Board of Directors, the shareholders' meeting shall reach the resolution to approve on such proposal first. The Board of Directors shall consider on the structure and compensation

rate to be appropriate with the responsibility. In addition, the Board of Directors shall motivate the Board of Directors to lead the organization to carry out both short-term and long-term goals.

- 3.5 The Board of Directors will oversee all directors to be responsible for their duties and allocate time sufficiently.
- 3.6 The Board of Directors has established a framework and mechanism for overseeing policies, and operations of subsidiaries and other significant businesses that the Company invested at the level that is appropriate for each business. This also includes subsidiaries and associates have the same correct understanding.
- 3.7 The Board of Directors has a policy to evaluate the annual performance of the Board of Directors, sub-committee and individual directors. The evaluation results will be used for further development.
- 3.8 The Board of Directors will supervise each director to have knowledge and understanding about roles, nature of business and laws related to business operations, as well as to support all directors to acquire skills and knowledge for performing their duties regularly.
- 3.9 The Board of Directors will ensure that the operations of the Board of Directors are orderly, and can be accessed on the necessary information. Also, the Board of Directors will appoint a company secretary with knowledge and experience which is appropriate to support the operations of the Board of Directors.

**Principle 4**      **Recruiting and developing senior management and personnel management**

- 4.1 The Board of Directors will ensure that, on the recruitment and development process, the managing director and senior executives has the knowledge, skills, experience, and characteristics in line with the necessity to drive the organization to its goals.
- 4.2 The Board of Directors will oversee the structure of remuneration and suitable evaluation.
- 4.3 The Board of Directors is required to understand the structure and relationships of shareholders that may affect the management and operations of the business.
- 4.4 The Board of Directors will monitor, manage and develop the personnel to have the appropriate knowledge, skills, experience and motivation.

**Principle 5**      **Promote innovation and responsible business practices, including**

- 5.1 The Board of Directors gives importance and supports the creation of innovations that result in business value, simultaneously, creating benefits for all involved stakeholders and responsible to society and the environment.
- 5.2 The Board of Directors will monitor the management to conduct business with social and environmental responsibility, and be reflected in the Operational Plan to ensure that all departments of the organization operate in accordance with the objectives and the main goals and strategic plans of the business. In this regard, the Board of Directors will provide a mechanism to ensure that the business operates ethically have social and environmental responsibility, not violating the rights of stakeholders and in order to be a guideline for all parts of the organization to achieve the main objectives and goals that are sustainable.

- 5.3 The Board of Directors will monitor the management to allocate and manage resources to be efficient and effective by considering the impact and the development of resources throughout the Value Chain in order to achieve the main objectives and goals sustainably.
- 5.4 The Board of Directors will provide a framework for governance and management of information technology at the organizational level that is in line with the needs of the business. This includes supervising the use of information technology to increase business opportunities and develop operations, risk management in order to enable the business to achieve the objectives and main objectives of the organization.

**Principle 6**      **Risk management and appropriate internal control systems**

- 6.1 The Board of Directors will ensure that the Company has a risk management system and internal control to achieve the objectives effectively. Also, the Company shall comply with relevant laws and standards in which the Company intends to have good corporate governance by applying the ERM: Enterprise Risk Management, in accordance with guidelines of Enterprise Risk Management of the COSO : The Committee of Sponsoring Organizations of the Treadway Commission used as a guideline for managing the Company's risk. In this regard, the Board of Directors, executives and staff of all levels must apply the mentioned practices appropriately, and realize the responsibility to comply with risk management policies in order to successfully manage risk and with maximum efficiency. The guidelines are as follows.
- The Board of Directors have a direct responsibility to supervise the risk management, is required to understand the risks that may have a crucial impact on the Company, and ensure that the Company has implemented appropriate risk management procedures.
  - The Board of Directors has to approved a risk management policy that is consistent with the objectives, key goals, strategies, and acceptable risks of the business as a framework for the risk management process of everyone in the organization in the same direction. Also, the Board of Directors has to communicate risk management policies to all executives and employees to comply.
  - The Board of Directors has supervised the Company to specify the risk in the annually risk management report which specifies all types of risks that affect business operations in both the Company level, business unit, department, and various job duties, by considering both external and internal factors that may result in the Company not being able to achieve its objectives. This includes strategic operational risk, compliance reporting and information technology.
  - The Board of Directors is responsible to ensure that the business assesses the impact and likelihood of the identified risks in order to prioritize the risks, and have appropriate risk management methods.
  - The Board of Directors is responsible for regularly monitoring and evaluating the effectiveness of risk management.
  - The board is responsible for ensuring that the business is operating in accordance with the law and related standards in both locally and internationally.

- 6.2 The Board of Directors has appointed an Audit Committee that can perform duties efficiently and independently
- 6.3 The Board of Directors will monitor and manage any potential conflicts of interest between the companies and management, the Board of Directors or shareholders, including prevention of undue use of the Company's property, information and opportunities, and also conducting transactions with persons who are connected with the Company in an inappropriate manner.
- 6.4 The Board of Directors supervises the establishment of a clear anti-corruption policy, as well as communicating at all levels of the organization and outsiders for real implementation
- 6.5 The Board of Directors has supervised the mechanism for receiving complaints and taking action in clues. The clear guidelines have been specified in the Whistle Blowing Policy, which includes (1) Scope of complaints and whistleblowing (2) Guidelines for making complaints and whistleblowing (3) Protection for whistleblowers or witnesses and relevant parties (4) Appointment of an investigation and investigation committee and (5) Channels for complaints and clues Which has more than one channel

**Principle 7      Maintain financial reliability and information disclosure**

- 7.1 The Board of Directors is responsible for ensuring that the financial report preparation and disclosure of important information is accurate, sufficient, timely, in accordance with relevant rules, standards and guideline.
- 7.2 The Board of Directors will follow up to ensure that the group sufficiency of financial liquidity and ability to pay off debt.
- 7.3 In the event that the business encounters financial problems or is likely to encounter a problem, the Board of Directors can ensure that the business has a plan to solve problems or there are other mechanisms that can solve financial problems, under consideration of the rights of stakeholders.
- 7.4 The Board of Directors has a policy to prepare sustainability reports as appropriate.
- 7.5 The Board of Directors will supervise the management to set up an investor relations department to communicate and publicize information that is beneficial to shareholders, and other interested parties appropriately, equitably, and in time.
- 7.6 The Board of Directors encourages the use of information technology in the dissemination of information. In addition to the dissemination of information in accordance with the established criteria and via the Stock Exchange of Thailand, the Board of Directors will also provide information disclosure in both Thai and English through other channels, such as the Company's website

**Principle 8      Supporting participation and communication with shareholders.**

- 8.1 The Board of Directors will ensure that shareholders are involved in making important company decisions.
- 8.2 The Board of Directors will ensure that the proceedings on the shareholders' meeting proceed with transparency, efficiency and efficiency, and allow shareholders to exercise their rights.

8.3 The Board of Directors will oversee the disclosure of resolutions of the shareholders' meeting and the preparation of the minutes of the shareholders' meeting correctly and completely.

## Board of Directors structure

Board of Directors Structure consists of the Board of Directors and three sub-committees, namely the Audit Committee, Executive Committee and the Nomination and Remuneration Committee

### 1. Board of Directors

The Board of Directors plays an important role in corporate governance for the best interest of the Company and responsible for the performance of duties to shareholders with care and prudence. In this regard, the Company has set the principles and guidelines as follows:

- The Board of Directors should have leadership, vision, and independence in making decision for the best interest of the Company and shareholders as a whole
- The Board of Directors will provide a clear separation of roles, duties and responsibilities between the board and management
- The Board of Directors will ensure that the Company has a system that ensures that various activities The Company operates in a lawful and ethical manner
- The Board of Directors consists of directors with diverse qualifications in terms of skills, experience, and talents that are beneficial to the Company, including the dedication of time and effort in performing duties to strengthen the Company to have a strong board of directors
- The process of recruiting persons to hold the position of directors shall be conducted by the shareholders' meeting for the purpose of transparency, without influence of the controlling shareholder or management team and build confidence for outsiders
- The Board of Directors will set up various sub-committees to assist on studying and filtering work as needed. In particular, the case of requiring a neutral diagnosis and set policies, roles, responsibilities, work processes such as meeting operations and reporting to the board clearly etc.
- The Board of Directors should understand the responsibilities of the directors and the nature of the business of the Company, also ready to freely express their own thoughts
- The Board of Directors should update itself in order to have modern knowledge through time
- The Board of Directors should perform duties with honesty, being carefully by taking into account the best interests of the Company and fairness to shareholders by receiving accurate and complete information
- The Board of Directors should devote sufficiently time to perform their duties thoroughly, and it is the duty of the committee to attend the board meeting every time except for special reasons
- The Board of Directors will not approve the remuneration of the directors themselves. But there will be a transparent remuneration determination process and approval from shareholders with the level and

composition of remuneration suitable enough to motivate and maintain quality directors as desired, and will avoid paying unreasonable compensation

#### 1.1 Scope of duties and responsibilities of the Board of Directors

The Board of Directors, as a shareholder representative, has a duty to oversee the business in accordance with the laws, objectives and regulations of the Company. This includes the principles of good corporate governance by defining the goals, policies and operational directions of the organization in order to create value for the business and return on investment for shareholders under expertise and ethics in conducting business as the core Including for the best benefit of all stakeholders.

- Perform duties in accordance with the laws, objectives and regulations of the Company. as well as the resolution of the shareholders' meeting with honesty and carefulness to protect the interests of the Company
- Specify the Company's vision, policy and direction of operation and supervise the service department to operate in accordance with the specified policies with efficiency and effectiveness to maximize the value for the Company and shareholders
- Establish policies, strategies, business operations, plans, and annual budgets of the Company for monitoring and supervision management and management of the management, including the Company's performance and quarterly results compared to plans and budgets and considering the trend for the next phase of the year
- Carry out various matters relating to business plans, budgets and significant transactions in accordance with the Board of Directors' approval authority which the committee can approve the expense item more than 10 million baht
- Providing an internal control system risk assessment including providing risk management measures, and with regular follow-up as well as supervision, control, monitoring and evaluation of risk management covering all systems of the entire organization to prevent the occurrence that may cause corruption in the operation of the Company
- Evaluate the work of management regularly and maintain the appropriate compensation mechanism for senior management
- Set the framework and policy for salary determination, salary increase, bonus determination, compensation and gratuity of the Company staff
- Performed in management, provide an accounting system, financial reporting and reliable auditing as well as ensuring that there is an adequate and appropriate internal control system
- Consider and approve the acquisition or disposition of assets Investments in new businesses, establishing, merging or dissolving subsidiaries and to proceed in accordance with the laws, announcements, regulations and other relevant regulations



- Consider and / or provide opinions on connected transactions and / or entering into the transaction (In the case that the size of the transaction does not need to be approved by the shareholders' meeting) of the Company and its subsidiaries to be in accordance with the laws, announcements, relevant rules and regulations
- Ensure that there is no conflict of interest between the Company's stakeholders
- To consider and approve the payment of interim dividends to shareholders by reporting to the shareholders' meeting in the next meeting
- Considering various matters with due regard for the benefit of the shareholders and all groups of stakeholders of the Company fairly, If having an interest in a contract made with the Company or holding more or less shares in the Company or subsidiaries, for transactions with directors or persons that may have conflicts or interests or may have conflicts of interest with other companies or subsidiary, Directors with vested interests have no right to vote in approving transactions on that matter
- Supervise the business with business ethics and review the corporate governance policy of the Company and evaluate the implementation of the mentioned policy regularly at least 1 time per year
- Report of their responsibility in the preparation of financial reports, presenting together with the auditor's report in the annual report and covers important issues in accordance with the policy on good practice for directors of listed companies of the Stock Exchange of Thailand
- Assign one or more directors or others to perform any act on behalf of the committee, the power of attorney to the mentioned director shall not be a power of attorney or a power of attorney which causes the director or the attorney from the director to be able to approve transactions that oneself or persons who may have conflicts, have a vested interest or any other form of interest, to conflict with the interests of the Company or subsidiary
- Appoint sub-committees to help manage the administration and internal control systems in accordance with the established policies, such as Executive Committee, Audit Committee, Nomination and Compensation Committee and Risk Management Committee, etc.
- Provide company secretary in order to ensure that the Board and the Company to comply with the relevant laws and regulations, by considering persons with knowledge, ability and experience in their work. This includes independence in performing duties to fully assist the Board of Directors

In this regard, the scope of duties and responsibilities of the Board of Directors stipulates that the Board of Directors of the Thai Institute of Directors Association (IOD) has received a training program for at least one course for directors to increase their operational skills. Currently, all directors have attended at least 1 course of the Thai Institute of Directors Association (IOD).

In addition, in order to allow the Company to specify both direct and indirect measures and mechanisms for the management of the business of the subsidiary and / or the associated company (if any), including monitoring the subsidiaries and / or associated companies (if any) to comply with measures, mechanisms and control policies, the

Company is defined as a department of the Company itself. Including Public Company Law, Civil and Commercial Code Securities law and relevant laws, as well as Notifications, Regulations and criteria relevant to the Capital Market Supervisory Board Securities and Exchange Commission and the Stock Exchange of Thailand to the extent that it is not contrary to other laws, in order to protect the investment interest of the Company in the subsidiary and / or associated companies (if any) as mentioned. The Board of Directors is also responsible for overseeing and managing the subsidiaries and / or associated companies (if any), which must be approved by the Board of Directors meeting or the shareholders' meeting of the Company (As the case may be) before being approved by the Board of Directors of the subsidiaries and / or associated companies (if any) and / or the shareholders' meeting of the subsidiaries and / or associated companies (if any) (as the case may be) as follows:

**(1) Matters that must be approved by the Board of Directors**

- (a) Appointment or nominating a person as a director or executive in a subsidiary and / or an associate (if any), at least according to the shareholding proportion of the Company in the subsidiary and / or an associate (if any) nominated or appointed by the Company, with the discretion to vote at the board meetings of the subsidiaries and / or associated companies (if any) in matters relating to general management and normal business operations of subsidiaries and / or associated companies (if any) as the director and the management of the subsidiaries and / or associated companies (if any) deem appropriate for the best interests of the subsidiaries and / or associated companies (if any) except for matters that require approval from the Board of Directors 'meeting or the shareholders' meeting or holding company shares (Depending on the case) before the subsidiary and / or the associated company (if any) will enter the transaction

In this regard, the nominated director or executive under the above paragraph must be a person listed in the list of directors and executives of the issuing company (White List) and have qualifications, roles, duties and responsibilities, as well as having no characteristics lacking credibility in accordance with the announcement of the Securities and Exchange Commission and the Stock Exchange of Thailand regarding the characterization of the lack of distrust of the directors and company executives

- (b) Consideration and approval of the annual dividend payment and interim dividends (if any) of subsidiaries and / or associated companies (if any)
- (c) Amendments to the regulations of the subsidiary and / or associated companies (if any) except the amendment of the regulations in significant matters under (2) (d)
- (d) Consideration and approval of the annual budget of subsidiaries and / or associated companies (if any)
- (e) Appointing auditors of subsidiaries and / or associated companies (if any) only if the mentioned auditors are not affiliated with the auditing office that is a full member in the same network of auditors

of the Company, which does not comply with the Company's auditor appointment guidelines that the auditor of the subsidiary and / or the associated company (if any) must be under the audit office in the same network as the auditor of the Company

This items from item (f) to item (i) are considered as substantial items, and if entering into the transaction, it will have a significant impact on the financial status and operating results of the subsidiary. Therefore, before the Board of Directors' meeting of the subsidiary company and the directors appointed by the Company to hold positions in subsidiaries will vote in the following matters, such director must first get approval from the Board of Directors. This is the case when calculating the size of the transaction that the subsidiary company will enter into the transaction to compare with the size of the Company must be approved by the Board of Directors (by using the calculation criteria for transactions as specified in the notification of the Capital Market Supervisory Board And the Stock Exchange of Thailand Board regarding the acquisition or disposition of assets and / or the connected transaction (as the case may be) to apply mutatis mutandis) in the criteria that must be considered and approved by the Board of Directors Which includes the following items:

- (f) In the event that the subsidiary company enters into the transaction with the connected person of the subsidiary or transactions relating to the acquisition or disposition of assets of subsidiaries which includes, but is not limited to, the following cases
  - 1) Transfer or waive of benefits including the waiver of claims against the person who caused damage to the subsidiary company
  - 2) The sale or transfer of the business of a subsidiary in whole or in part to a third party
  - 3) Purchase or acceptance of transfer of business of other companies to subsidiaries
  - 4) Entering, amending or terminating the contract regarding the leasing of all or some important subsidiaries' businesses assignment to other persons to manage the subsidiary's business or the consolidation of the subsidiary company with other parties
  - 5) Rental or hire-purchase of business or assets of all subsidiaries or significant parts
- (g) Borrowing Lending Credit granting, guarantees and legal acts bind the subsidiary company to have an increased financial burden with other persons or other juristic persons or providing financial assistance in any other way to other people and not a normal business of the subsidiary
- (h) Dissolution of a subsidiary company
- (i) Any other transaction that is not a normal business transaction of the subsidiary company and that will have a significant impact on the subsidiary company.

**(2) Matters that must be approved by the Company shareholders' meeting Before the subsidiary company enter into the transaction**

- (a) In the event that the subsidiary company enters into the transaction with the connected person of the subsidiary or the transaction relating to the acquisition or disposition of assets of the subsidiary company. This must be the case when calculating the size of the transaction that the subsidiary company will enter into the transaction comparing with the size of the Company must be approved by the shareholders' meeting of the Company (by taking the rules on the calculation of items as specified in the relevant announcement of the Capital Market Supervisory Board and the Stock Exchange of Thailand Committee mutatis mutandis)
- (b) Capital increase through the issuance of shares in subsidiaries and allocation of shares Including the reduction of registered capital which is not in accordance with the existing shareholders' proportion or any other action, as a result, the proportion of voting rights of the Company, both directly and / or indirectly, at the shareholders' meeting of the subsidiary company in any form Reduced to less than the proportion stipulated in the law applicable to the Company. Resulting in the Company Does not have control over the subsidiary company. This must be the case when calculating the size of the transaction compared to the size of the Company Must be approved by the shareholders' meeting of the Company (by taking the calculation criteria for transactions as specified in the relevant notifications of the Capital Market Supervisory Board and the notification of the Stock Exchange of Thailand enforced mutatis mutandis)
- (c) The dissolution of a subsidiary company, however, must be the case when calculating the size of the subsidiary company to be dissolved in comparison with the size of the Company must be approved by the shareholders' meeting of the Company (by taking the calculation criteria for transactions as specified in the relevant notifications of the Capital Market Supervisory Board and the notification of the Stock Exchange of Thailand enforced mutatis mutandis)
- (d) Any other transaction that is not a normal business transaction of the subsidiary company and the transaction that will have a significant impact on the subsidiary company, this must be the case when calculating the size of that transaction compared to the size of the Company must be approved by the shareholders' meeting of the Company (by taking the calculation criteria for transactions as specified in the relevant notifications of the Capital Market Supervisory Board And the notification of the Stock Exchange of Thailand enforced mutatis mutandis)

The amendment of the regulations of the subsidiary company in matters that may have a significant impact on the subsidiary's financial status and operations, including but is not limited to the amendment of the regulations of the subsidiary company which affects the voting rights of the Company at the meeting of the subsidiary company's board and / or the shareholders' meeting of the subsidiary company or dividend payment of subsidiaries etc.

In addition, the Board of Directors must proceed with the subsidiary company to have an internal control system, risk management system and fraud prevention system Including establishing appropriate measures to monitor the operations of subsidiaries and associated companies to be effective and concise enough to ensure that the operations of the subsidiaries and / or the associated company will follow the plan, company policy budget, company regulations including laws and announcements on good corporate governance of listed companies, including announcements, regulations, and rules related to the Capital Market Supervisory Board Securities and Exchange Commission and the Stock Exchange of Thailand and can truly monitor the subsidiaries and / or associated companies to disclose the connected transaction information and / or the acquisition or disposition of assets and / or any other significant transactions to the Company. Also, this includes to perform various operations, to be in accordance with the work plan, budget, policy and regulations for supervision and management of subsidiaries and associates as stipulated in the articles of association of the Company, completely and correctly.

The Board of Directors can authorize and / or assign others to perform specific tasks on their behalf by authorization or the mentioned delegation of authority within the scope of authorization under the power of attorney provided and / or in accordance with the rules, regulations, or orders that the Board of Directors and / or the Company specified. In this regard, the delegation of duties and responsibilities of the Board of Directors will not have the nature of authorization or the delegation of authority which allows the Board of Directors or the delegate from the Board of Directors to approve the transactions that they or persons who may have conflicts of interest (According to the definition of the Securities and Exchange Commission announcement and / or the Capital Market Supervisory Board announcement And / or the Stock Exchange of Thailand and / or related agencies specified) may have interests or may receive benefits in any manner or may have conflicts of interest with the Company or subsidiary of the Company, excepting that the approval is in accordance with the policy and criteria approved by the meeting of shareholders or the Board of Directors and is an approval for transactions that are in accordance with normal business and normal trading conditions which is in accordance with the announcement of the Securities and Exchange Commission and / or announcements of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or related agencies.

In addition, directors and executives of the Company and / or its subsidiaries have the following duties:

- 1) Must disclose information about financial status and operating results, related party transactions of the Company and / or its subsidiaries, including the acquisition or disposition of significant assets to the Company and / or its subsidiaries, are complete, accurate, and within a reasonable time specified by the Company. In addition, the Board of Directors and / or subsidiaries shall consider the connected transaction, the acquisition or disposal of significant assets of the Company and / or its subsidiaries by using relevant notifications of the Capital Market Supervisory Board and the announcement of the Stock Exchange of Thailand.
- 2) Must disclose and deliver information of one's own interests and those of related parties to the Board of Directors and / or subsidiaries of the relationship and transactions with the Company and / or subsidiaries in

a manner that may cause conflicts of interest, and avoid transactions that may cause conflicts of interest with the Company and / or subsidiaries. In this regard, the Board of Directors and / or its subsidiaries have a duty to notify the Board of Directors and / or its subsidiaries within the time specified by the Company in order to support any decision or approval which will consider the Company's overall benefits and its subsidiaries.

In this respect, the directors and executives of the Company and / or its subsidiaries must not have a majority in approving the matters that they have interests or conflicts of interest, both directly and / or indirectly.

In addition, the following acts which result in the directors, executives, or related persons of the Company and / or its subsidiaries receiving financial benefits other than those that are normally expected or causing damage to the Company and / or subsidiaries shall be presumed to be a conflict of interest with the Company significantly.

- (a) Transactions between companies and / or subsidiaries with directors, executives, or related parties that do not comply with the rules of the connected transaction
  - (b) The use of information of the Company and / or subsidiaries that have been known, except for information that has been disclosed to the public
  - (c) The use of assets or business opportunities of the Company and / or its subsidiaries in the same way that the Company and / or its subsidiaries (as the case may be) acted in violation of the rules or general practice as specified by the Capital Market Supervisory Board
- 3) Must report business plan, business expansion, large investment projects, as well as participation in investing with other operators to the Company through regular performance reports as determined by the Company's directors and to explain and / or deliver documents for consideration of the said case in case the Company requests
  - 4) Must deliver information or documents related to operations to the Company when requested as appropriate
  - 5) Must clarify and / or deliver relevant documents to the Company In the event that the Company Detecting any significant issues
  - 6) Must have a suitable and concise internal control system in order to prevent fraud that may occur to the Company and / or its subsidiaries. There should also be a clear system to show that the Company has sufficient systems for disclosing information, continuous and credible transactions with significant rules and regulations and provide channels for the directors and executives of the Company and / or subsidiaries, able to receive information of subsidiary companies in monitoring operations and financial status, transactions between the Company and the Company's directors and executives, transactions between subsidiaries and directors and executives of subsidiaries and significant transactions of the Company and / or its subsidiaries efficiently. In addition, there must be a mechanism to inspect the mentioned system in the subsidiary company by having the internal auditors and independent directors of the Company, be able to access the data directly and

reporting the results of the said system inspection to the directors and executives of the Company and / or its subsidiaries to ensure that the Company and / or its subsidiaries have consistently complied with the established work systems

- 7) Prevent directors, management, staff, employees, or authorized persons of the Company and / or its subsidiaries, including their spouses and children who are not sui juris of such persons to use the internal information of the Company and / or its subsidiaries, whether obtained from performing their duties or in any other way that have or may have a significant impact on the Company and / or subsidiaries for the benefit of themselves or others, both directly and / or indirectly and whether or not you receive the reward
- 8) Directors, executives, or related parties of the Company and / or its subsidiaries may conduct transactions with the Company and / or its subsidiaries only when the mentioned transactions approved by the Board of Directors and / or the subsidiaries' board and / or the shareholders' meeting of the Company and / or the shareholders' meeting of the subsidiaries (as the case may be) depending on the calculated item size by taking the rules specified in the announcement of connected transactions and relevant rules and regulations of the Securities and Exchange Commission And the Stock Exchange of Thailand set forth mutatis mutandis, unless it is a transaction that is a trade agreement in the same way that a reasonable person should do with a general contractor in the same situation with bargaining power without influence in the status of a director, executive or related person (as the case may be) and is a trade agreement that has been approved by the Board of Directors or in accordance with the principles approved by the Board of Directors
- 9) Comply with the Company's policies by nominating directors or appointed by the Company must be undertaken to ensure that the subsidiaries comply with the various policies of the Company

In this regard, the performance of duties of the board of subsidiaries and / or associated companies of the Company shall not be contrary to or inconsistent with any foreign laws, rules or regulations and / or the regulations of that company, and to the extent that it will not cause or may not result in the overseas subsidiaries and associates of the Company. Also, the performance of duties of the board of subsidiaries and / or associated companies of the Company shall have a duty to perform or perform any additional actions other than those required by law or relevant regulations and to the extent that it does not cause the subsidiary company and the foreign associated companies of the Company may lose any rights and benefits that should be granted according to foreign laws.

However, in the case that the Company is unable to proceed with the subsidiary and / or associated companies of the Company to perform the duties and responsibilities, as specified in this document, due to the legal limitation of the country in which the subsidiary company and / or associated companies of the Company located as mentioned above, the Company will implement other measures that are equivalent to ensure that the Company has a regulatory mechanism that allows the Company to control the management, and responsible for the operations of the subsidiary company and / or associates that operate the Company's core business as if being a part of the Company. This includes having measures to monitor the management of the mentioned company in order to protect

the interests in the Company's investment. The subsidiaries and / or associated companies, which has main business of the Company, shall have the meaning according to the definition as specified in the Notification of the Capital Market Supervisory Board No. ThorJor. 39/2016 and the revised version.

## 1.2 Composition and appointment of the Board of Directors

### 1.2.1 Composition of the Board of Directors

- 1) The Board of Directors Comprising of not less than 5 but not more than 15 directors, with an independent committee of not less than 1 in 3 of the total number of directors but must not be less than 3 people; however, not less than half of the total number of directors must have residence in Thailand
- 2) The Board of Directors consists of not less than 3 independent non-executive / independent directors in order to be independent in performing their duties and express sufficient opinions. The qualifications must be specified at least 1 Audit Committee should be knowledgeable, expertise and experience in accounting and finance
- 3) The Board of directors may be a shareholder or not being a shareholder of the Company

### 1.2.2 Appointment of the Board of Directors There are rules and methods as follows

- 1) The shareholders considered and approved the appointment of the Board of Directors. In which a shareholder has a vote equal to 1 share per 1 vote
- 2) Each shareholder may use all their votes according to 1), to elect one or many persons to be a director. In the event that many persons are to be selected as directors, the votes may not be divided into any number of persons
- 3) The person who receives the most votes in descending order shall be elected as directors equal to the number of directors to be filled or will be elected at that time. In the event that person elected in descending order has equal votes among the directors as it should be or to be elected at that time, the chairman of the meeting shall have the casting vote
- 4) The Board of Directors shall select one director to be the chairman of the Board of Directors, and in the event that the committee deems appropriate, one or many directors can be selected as vice chairman. The vice chairman has duties according to the regulations of the business entrusted by the chairman

### 1.2.3 Term of the Board of Directors

The term of each director is 3 years. At every annual general meeting, one-third of the directors must vacate at that time. If the number of directors cannot be divided into 3 portions, then the directors shall vacate in the number which is closest to 1 out of 3. The directors who vacate the office may be re-elected.

Directors who must retire in the first and second years after the registration of the Company. In the following years, the directors with the longest position shall be retired.



Notwithstanding to vacate at the expiration of term, the directors will vacate when:

- 1) Dead
- 2) Resign
- 3) Disqualifications or being under any of the prohibitions under the law on public companies and the law on securities and stock exchange
- 4) The meeting of shareholders resolved to vacate
- 5) The court issued to vacate

The meeting of shareholders may pass a resolution to dismiss any committee member before the expiration of the term, with a vote of not less than 3 out of 4 of the number of shareholders who attend the meeting and have the right to vote, and have a total of not less than half of the shares held by the shareholders attending the meeting and having voting rights.

In the case that the position of a director is vacant for reasons other than the expiration of the term, the Board of Directors shall select a person with full qualifications, and has no prohibited characteristics under the law on public limited companies and the law on securities and stock exchange to take place in the next committee meeting, unless the term of that director is less than 2 months. The person who is replaced the director can be in the position of director only for the remaining term of the director he replaced.

## 2. Audit Committee

The Audit Committee is an important mechanism for good corporate governance to build confidence for shareholders and all stakeholders in helping to have an internal audit system and an efficient internal control system, preventing conflicts of interest Check the disclosure of completeness of the information and the significant matters to the disclosure of financial information to the public. This includes considering transactions which may cause conflicts by preserving the interests of the Company and the shareholders as the key.

### 2.1 Scope of duties and responsibilities of the Audit Committee

- Review to ensure that the Company and its subsidiaries have accurate and complete financial reports and sufficiently disclose
- Review to ensure that the Company and its subsidiaries have internal control and internal audit systems that are appropriate and effective, and consider the independence of the internal audit department as well as to approve the appointment, transfer, dismissal of the chief of internal audit or any other department responsible for internal auditing
- Review the Company to comply with the law on securities and the stock market, requirements of the Stock Exchange of Thailand and laws relating to the business of the Company
- Consider, select, and appoint an independent person to act as the Company's auditor and propose the remuneration of the mentioned person Including attending meetings with auditors without the attendance of management at least once a year

- Consider the connected transaction or transactions that may have conflicts of interest including the acquisition or distribution of the Company and its subsidiaries in accordance with the laws and regulations of the Stock Exchange to ensure that the mentioned transaction is reasonable and for the best interest of the Company
- Prepare the report of the Audit Committee in the Company's annual report, and such report must be signed by the chairman of the Audit Committee and must contain at least the following information
  1. Comments on the accuracy, completeness, and credibility of the Company's financial reports
  2. Comment on the sufficiency of the Company's internal control system
  3. Comments on compliance with the Securities and Exchange Act SET requirements or laws related to the Company's business
  4. Comment on the suitability of the auditor
  5. Comments on transactions that may have conflicts of interest
  6. The number of the Audit Committee meetings and attendance of each member of the audit committee
  7. Overall opinions or observations that the Audit Committee received from performing its duties under the charter
  8. Other transactions that shareholders and general investors should know within the scope of duties and responsibilities assigned by the Board of Directors
- Review the accuracy of the references and self-assessment form regarding anti-corruption measures of the Company in the case that the Company participates in the Private Sector Collective Action Coalition Against Corruption Project
- Perform other duties as assigned by the Board of Directors and the Audit Committee agrees
- In the performance of duties of the audit committee, if found or suspect that there are transactions or actions that may have a significant impact on the Company's financial status and operating results, the Audit Committee shall report to the Board of Directors for corrections within the time that the Audit Committee deems appropriate. In this respect, the types of items or actions that must be reported have the following topics:
  1. Transactions that cause conflict of interest
  2. Fraud, unusual or there are significant defects in the internal control system
  3. Violation of the law on securities and exchange, the regulations of the stock exchange or laws related to the Company's business in case the Audit Committee has reported to the Board of Directors of the matter that has a significant impact on the financial status, performance and discussions with the Board of Directors and executives that have to take correctively actions when the specified time limit expired. If the Audit Committee finds that such corrections are ignored without reasonable grounds, one of the Audit Committee members may report the

findings to the Securities and Exchange Commission ("SEC") and / or the Stock Exchange of Thailand. (The "Stock Exchange")

## 2.2 The composition of the Audit Committee

### 2.2.1 The composition of the Audit Committee

- 1) Audit Committee no less than 3 people
- 2) At least 1 Audit Committee has sufficient accounting and financial knowledge and experience to review the reliability of financial statements.

### 2.2.2 Appointment of the Audit Committee

- 1) Board of directors or the shareholders' meeting shall appoint the audit committee, in this regard, the Audit Committee must be a director of the Company
- 2) Audit Committee or the Board of Directors shall select 1 member of the Audit Committee to be the chairman of the audit committee
- 3) When the Audit Committee completes their positions or there are reasons why the Audit Committee is unable to perform duties until the end of the term and resulting in fewer than 3 members, the Board of Directors shall appoint a replacement Audit Committee within 3 months from the date the number of members is not complete to ensure continuity in the work of the audit committee
- 4) The Company Secretary shall be the secretary of the audit committee

### 2.2.3 Term of the Audit Committee

The Audit Committee has a 3-year term, each of which has a tenure in accordance with the term of the Company's director. Upon completion of their tenure, they may be reappointed as the Board of Directors deems appropriate.

The Audit Committee shall be vacated upon

- 1) Due in accordance with the term of office of the director
- 2) Lacking qualifications as an Audit Committee
- 3) Resign
- 4) Death
- 5) Remove

The resignation of the Audit Committee in the event that the position of the Board of Directors still remains in the position, the resignation shall be made by submitting a letter of absence to the chairman of the Audit Committee at least 1 month in advance, together with the reasons, and the chairman of the Audit Committee will present to the Board of Directors for approval. In addition, the resignation has to be made together with sending a copy of the

resignation letter to the Stock Exchange of Thailand and in order for the Board of Directors to consider appointing other persons with complete qualifications to replace the resigned persons.

In the case of the resignation of the Audit Committee or vacate before the end of the tenure, the Company must notify the Stock Exchange immediately. However, the Audit Committee that resigned or was removed can explain the cause to the Office of the Securities and Exchange Commission.

### **3. Nomination and Compensation Committee**

Nomination and Remuneration committee are part of good practice in the principles of good corporate governance, which are responsible for screening and reviewing forms, criteria, policies, and the process of recruitment and remuneration for the Board of Directors to be appropriate, transparent, fair, consistent with rules, regulations, regulations, and relevant laws, in order to build trust for shareholders Including all stakeholders.

#### **3.1 Scope of duties and responsibilities of the Nomination and Remuneration Committee**

- Specify the qualifications of the directors to be selected in accordance with the structure, size and composition of the Board of Directors as specified by the Board of Directors which should proceed as follows
- Considering the appropriateness of the knowledge, experience and expertise of the overall directors of the committee whether the Board of Directors has what qualifications, in purpose for the Board of Directors to have the expected elements
- Consider the independence of each independent director to consider that any independent director has all the qualifications or any one does not have the qualifications to be an independent director, including considering whether it is necessary to select a new independent director or not if there are no independent directors in accordance with the policy of the Board of Directors
- Consider the dedication of the directors, if being a former director, it should rely on the assessment from the Board Self-Assessment in support of the consideration of nominating the same directors for another term. Person who is nominated as a new director should consider the number of companies that that person holds before being a director

The selection and nomination of suitable persons for the position of the director shall be made by the Board of Directors to be nominated by the shareholders' meeting, which should proceed as follows:

- 1) Specify methods for recruiting new directors to be in line with the Company's unique characteristics, such as considering additional directors to propose to the Board of Directors for further positions, accepting nominations from shareholders, using an outside company to help with recruiting, considering of persons from the occupational committee's houses or having each committee nominate suitable candidates
- 2) To consider the names of the nominated persons and select those who meet the eligibility criteria

- 3) Double check that the nominated person has legal qualifications and the requirements of the authorities.
- 4) Proceed with approving qualified persons in accordance with the eligibility criteria in order to be confident that the mentioned person is pleased to be appointed to be the director of the Company, in case of appointed by shareholders
- 5) Nominate the board to consider and add names in the notice of the shareholders' meeting in order for the shareholders' meeting to continue to appoint
- 6) The Nomination and Remuneration Committee may be assigned to select high-level executives, especially managing directors.

### 3.2 Scope of duties and responsibilities regarding remuneration determination as follows

Consideration of forms and criteria for remuneration of directors and the managing director, so that the form and criteria of compensation is appropriate, should proceed as follows:

- 1) Review the appropriateness of current criteria (if any)
- 2) Consider information on the criteria for compensation of other companies in the same industry as the Company
- 3) Set criteria to be appropriate in order to achieve the expected result and, to be fair and in return for the person who helped the Company's work succeed instance
- 4) Review all forms of compensation criteria by considering the amount and proportion of compensation for each type of appropriateness. The main principles for determining each type of compensation are retainer fee. For instance, monthly compensation, annual compensation, etc. Incentive remuneration such as company profits or dividends paid to shareholders, etc. In addition, directors may receive an additional meeting fee (Attendance Fee) and compensation according to the Company's performance in order to motivate directors to perform their duties by regularly attending the meeting.
- 5) Consider the payment of remuneration as according to the criteria specified by the Company or related suggestions
- 6) Consideration of the managing director's evaluation criteria
- 7) Consider the annual remuneration of directors and managing directors which should proceed as follows:
  - (a) Determine the annual remuneration of directors and managing directors in accordance with the payment criteria considered
  - (b) In determining the remuneration of the managing director should evaluate the performance of the managing director as well
  - (c) Compare with the compensation of other companies in the same industry as the Company

- (d) Present the remuneration to the Board of Directors to approve the remuneration of the managing director, directors' remuneration. The Board of Directors must present to the shareholders' meeting for approval

If new securities are offered (or warrants to purchase shares) for directors and employees, the Nomination and Remuneration Committee should consider various conditions to help to motivate directors and employees to perform their duties, in order to create added value for shareholders in the long term. This includes being able to truly maintain quality personnel, but at the same time, it should not be higher than normal standard and fair to shareholders.

In addition, the Nomination and Remuneration Committee must consider the appropriateness and approve the case, if any directors or employees are allocated more than 5% of the total securities to be allocated. However, there must not have any director on the Nomination and Remuneration Committee to receive more than 5% of the shares to be eligible for such approval.

### **3.3 Composition and appointment of the Nomination and Remuneration Committee**

#### **3.3.1 Composition of the Nomination and Remuneration Committee as follows**

- 1) Directors not less than 3 people and at least 1 person must be independent director
- 2) The Chairman of the Nomination and Remuneration Committee should be independent director
- 3) Committee should be non-executive director to be able to perform duties independently, if the executive necessary to be on the Nomination and Remuneration Committee, the majority of the committee should be independent directors. However, non-executive directors should not consider the remuneration of managing director.
- 4) Chairman of the Board of Directors should not be the chairman or member of the Nomination and Remuneration Committee in order to perform duties of the Nomination and Remuneration Committee independently.

#### **3.3.2 Appointment of the Nomination and Remuneration Committee**

The Board of Directors of the Company consider and appoint the Nomination and Remuneration Committee by selecting persons with suitable qualifications.

#### **3.3.3 Term of the Nomination and Remuneration Committee**

Nomination and Compensation Committee has a term of 3 years, in which the Nomination and Remuneration Committee Who is retired by rotation may be reappointed by the Board of Directors. In this regard, the Nomination and Remuneration Committee vacated office upon

- 1) Expired by term
- 2) Resign

- 3) Death
- 4) The Board of Directors resolved to vacate

In the event that the position of the Nomination and Remuneration Committee becomes vacant due to reasons other than the expiration of the term, the Board of Directors shall appoint a person with complete qualifications to replace that position. In this respect, the person appointed as the Nomination and Remuneration Committee will be in the position for the remaining term of the Nomination and Remuneration Committee which he replaced.

#### **4. Executive Committee**

The Board of Directors has established a sub-committee consisting of the Executive Committee to specify the scope of duties, responsibility, good guideline to be used as standard in the performance of the Executive Committee. In addition, the committee will provide guidance and decisions on important operations of the Company. The Executive Board has important roles and responsibilities in operating the business in accordance with the strategy, policy, goal, or objective, including compliance with company regulations and has the authority to control and supervise the business of the Company, as well as, perform various tasks as assigned by the Board of Directors to achieve the vision and in accordance with the mission of the Company.

##### **4.1 Scope of duties and responsibilities of the Executive Committee**

- 1) Authority for managing the operations and operations of the Company and its subsidiaries, except for matters specified by the Company's regulations for approval by the Board of Directors and subject to the specific authority of the Board of Directors
- 2) Consider formulating strategies and business plans, including the management structure and various management powers of the Company to propose to the Board of Directors for further consideration
- 3) Monitor, follow and implement policies and guidelines for managing various aspects of the Company as determined by the Board of Directors with efficiency
- 4) Consider and approve the annual budget and investment of the Company before proposing to the Board of Directors for further approval
- 5) Has the authority within the scope specified in the Company's policies and procedures regarding authorization and operation which the Executive Committee can approve the expense item from items worth more than 1 million baht but less than 10 million baht
- 6) Perform other tasks as assigned by the Board of Directors.

##### **Delegation of authority**

The delegation of authority and responsibility to the Executive Committee will not have the nature of authorization or delegate power that makes the executive board or the delegated person can approve the transaction in which oneself or persons with potential conflicts of interest, have a conflict of interest or may have conflicts of

interest in any other way with the Company or its subsidiaries, except for approving transactions in accordance with the policy and criteria approved by the Board of Directors.

The approval of the above transaction must be submitted to the Board of Directors meeting and / or the shareholders' meeting to consider and approve the mentioned transaction in accordance with the regulations of the Stock Exchange of Thailand, the SEC, or relevant laws, specifying the method of recruiting persons to hold the directorship in accordance with the specific characteristics of the Company. For example, considering on additional directors to propose to take up the position, accepting nominations from shareholders, using an outside company to help with recruiting, the consideration of persons from the occupational committee's houses or having each committee nominate suitable candidates.

#### **Holding the position of executive committee**

- 1) The Executive Committee shall report directly to the Board of Directors.
- 2) The Board of Directors shall be the one who appoints the Executive Committee by selecting from the number of directors and executives of the qualified company
- 3) The managing director is the chairman of the executive committee.

#### **Managing Director**

##### **Scope of duties and responsibilities of the Managing Director**

The Board of Directors Meeting No. 3/2015 held on 14 October 2015 has approved the scope of duties and responsibilities of the Managing Director as follows:

- 1) Establish policies, visions, objectives, strategies, business plans and budgets together with the Board of Directors.
- 2) Supervise, manage, and operate in the normal course of business for the benefit of the Company in accordance with the policy, vision, objectives, strategies, business plans and budgets as approved and approved by the Board of Directors and / or the meeting of shareholders
- 3) Manage the business of the Company in accordance with the vision and mission set by the Board of Directors and in accordance with the business plan, budget, and business strategy approved and approved by the Board of Directors and / or the meeting of shareholders
- 4) Coordinate with the Audit Committee to enable business operations including the risk management of the Company in accordance with the objectives and regulations of the Company. This includes resolutions of the Board of Directors and / or the resolution of the shareholders' meeting
- 5) Supervise financial management, marketing, human resources and other overall operations, in order to be in accordance with the policy and business plan of the Company as approved and approved by the Board of Directors and / or the meeting of shareholders



- 6) Negotiate and enter into a contract and / or any transactions that is a normal business of the Company within the limit set of transactions as specified in the expenditure authorization table approved by the meeting of the Board of Directors
- 7) Ordering the issuance of regulations, rules, announcements, and internal records for the Company's operations to comply with the Company policy and for the benefit of the Company, including maintaining good regulations within the organization
- 8) Monitor and control the operations of the Company, subsidiaries and / or associated companies in order to have a good performance as targeted, and report to the Board of Directors every quarter including finding opportunities to improve and develop to have better operating results
- 9) Develop organizations to have good performance and financial results and continuous improvement and development for the organization to grow sustainably
- 10) To conduct a good study of investment opportunities in new projects by conducting appropriate and complete technical and financial studies to support decisions
- 11) Appointment, dismissal, assignment, postponement, reduction of salary or wage cuts, transfer, termination and others, except employees from the level of Vice President upwards must be approved by the Board of Directors
- 12) Transfer of staff at the level of Executive Vice President, except for the appointment, removal, appointment, promotion, reduction, salary or wage cuts, termination, etc., must be approved by the Board of Directors.
- 13) Consider and approve the normal business operations as well as the operations that support the Company's normal business operation which has general commercial conditions in which the managing director can approve the expense item for items with value less than 1 million baht
- 14) Perform in accordance with the rules of the Office of the Securities and Exchange Commission including the Stock Exchange of Thailand regarding the connected transaction and the asset disposition transaction, including the expenditure approval schedule which has been approved by the meeting of the Board of Directors
- 15) Consider the appointment of various advisors that is necessary for the Company's operations

Delegation and / or assigning other persons or groups to perform the assigned tasks of the Managing Director within the scope of power specified in the power of attorney of the Company and / or rules, regulations or resolutions of the Board of Directors and not causing a conflict of interest or conflicts of any kind with the Company or subsidiary in case of a conflict arising, must present the mentioned transaction to the Board of Directors of the Company and / or the meeting of shareholders (as the case may be) to consider and approve. Unless the mentioned transaction is a normal transaction of the Company and has the same criteria as transactions with third parties (arm's length basis).

## Company Secretary

### Scope of duties and responsibilities of the Company Secretary

According to the provisions of Section 89/15 of the Public Company Act B.E. 2535, the Board of Directors is required to have a Company Secretary responsible on behalf of the Company or the Board of Directors. After the business is completed, the Board of Directors' meeting will have a resolution to appoint Mr. Ekarat Kerdprakob to hold the position of Company Secretary, with roles and responsibilities of the Company Secretary as follows:

1. Prepare and maintain the following documents
  - (a) Director registration
  - (b) Notice of the Board of Directors Meeting, the Board meeting report and the Company's annual report
  - (c) Notice of the shareholders' meeting and the minutes of the shareholders' meeting
2. Keep the reports of interest reported by directors or executives and send a copy of the mentioned report to the Chairman and the Chairman of the Audit Committee within seven business days from the date the Company receives the report
3. Prepare a system for keeping documents and evidence relating to the following information display as well as to ensure that the aforementioned documents or evidence are kept correctly and completely, and can be inspected for a period of not less than five years from the date of the said document or information by preserving the above documents and evidence. It shall include storage by a computer system or any other system that can be viewed without changing text
  - (a) Providing information for requesting resolutions of the shareholders' meeting
  - (b) Financial statements and reports on the financial status and results of operations of the Company or any other reports that must be disclosed under Section 56, Section 57, Section 58 or Section 199 of the Securities and Exchange Act
  - (c) The opinion of the Company when there is a person who makes a general tender offer for the Company's shares from shareholders
  - (d) Providing information or other reports about the business that the Company has prepared for dissemination to shareholders or the general public as specified by the Capital Market Supervisory Board
4. Proceed with other actions as specified by the Capital Market Supervisory Board
5. Must perform duties with responsibility, be careful and honest, including to comply with the laws, objectives, regulations of the Company board resolutions, as well as shareholders' resolutions, and shall not act in any significant conflict with the interests of the Company.
6. Must perform duties with responsibility and caution as an ordinary business person would do under the same circumstances by

- (a) The decision was made in good faith and reasonable belief that it was for the best interest of the Company.
- (b) Decisions are made based on honest belief that it is sufficient and;
- (c) The decision was made without owning a stake either directly or indirectly in the matter that is decided

However, in case the Company Secretary vacates and cannot perform his duties, the Board of Directors shall appoint a new company secretary within ninety days from the date the previous company secretary vacates or is unable to perform his duties.

#### **Principles of working for Company Secretary**

The Company Secretary must perform duties with responsibility, caution and honesty, including to comply with the laws, objectives, regulations of the Company Board resolution as well as shareholders' resolutions by

1. Decisions must be made on the basis of good faith information that is sufficient
2. Decision was made without owning a stake either directly or indirectly in the matter that is decided
3. Act in good faith for the most benefit of the Company is important
4. Act with appropriate aims and not acting in a way that is a significant conflict or a conflict of interest with the Company
5. Not seeking benefits from the use of company information that is known, unless the information has been disclosed to the public or use the property or business opportunity of the Company in a manner that violates the rules or general practice as specified by the Capital Market Supervisory Board
6. Not entering into any agreements or contracts which may cause a conflict of interest with the Company or its employees or customers which is also against the practice of their duties

#### **In the case that the Company Secretary vacates or unable to perform duties**

Guidelines for action in the event that the Company Secretary vacates office or is unable to perform duties set as follows:

1. The Board of Directors shall appoint a new Company Secretary within 90 days from the date the former Company Secretary vacates office or unable to perform duties
2. The Board of Directors has the power to assign any director, perform duties during the time when the Company Secretary vacates or unable to perform duties
3. The chairman of the board shall notify the name of the Company Secretary to the Office of the Securities and Exchange Commission within 14 days from the date of arranging a person responsible for the said position
4. Notify the Office of the Securities and Exchange Commission to be known on the document storage location

## Table of Authority

The Board of Directors has the power to determine the Schedule of Authority of the Company for the efficient operation by assigning authority to the executive board and the management of the Company and / or subsidiaries to carry out various matters under the specified rules with important details as follows:

Approval scope	Chief Executive Officer	Directors Committee	Board of Directors
1. <u>Investment approval</u>			
▪ Investment / Joint Venture	-	-	✓
2. <u>General administration</u>			
▪ Approval of the general purchasing plan	Not more than 1.0 million baht	Not more than 10.0 million baht	Over 10.0 million baht
▪ Procurement approval (only those that are not in the plan)	Not more than 1.0 million baht	Not more than 10.0 million baht	Over 10.0 million baht
▪ Normal purchasing for general expenses			
- Charity and public benefit donations (per time)	Not more than 0.5 million baht	Not more than 1.0 million baht	Over 1.0 million baht
- Approval of entertainment fees (per time)	Not more than 0.05 million baht	Not more than 0.2 million baht	Over 0.2 million baht
- Advance payment approval (per time)	Not more than 0.5 million baht	Not more than 1.0 million baht	Over 1.0 million baht
- Setting up petty cash	Not more than 0.1 million baht	-	-

However, the program that is considered a connected transaction or the acquisition or disposal of significant assets of the Company and / or its subsidiaries will be in accordance with the relevant notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand announcement.

## Risk Management Policy

### Principles of risk management

The Company is committed to good governance by adopting the Enterprise Risk Management (ERM) in accordance with the COSO: The Committee of Sponsoring Organizations of the Treadway Commission, which is an international standard risk management guideline as the Company's risk management guidelines. The Board of Directors, executives and employees at all levels must commit and adopt it appropriately and realize the responsibility to comply with risk management policies in order to success and be effective in risk management.

### Risk management policy

The Company poses the importance of enterprise risk management which will help the Company achieve business objectives or goals and have good corporate governance including sustainable growth. The Company has therefore established a risk management policy in order to use as a guideline and framework for the operations of all departments of the Company as follows

### Roles, duties and responsibilities in risk management

Risk management regarded as the duty of the all personnel of the Company of every level and every other including those acting as consultants or person acting on behalf or assigned to act on behalf of the Company which has the roles and responsibilities as follows:

#### 1) Board of Directors

- Have a direct responsibility to supervise the risk management
- Understand the risks that may have a crucial impact on the Company
- Ensure that the Company has implemented appropriate risk management procedures

#### 2) Audit Committee

- Supervise and monitor risk management independently
- Ensure that the Company has internal control in order to manage the risk throughout the Company appropriately

#### 3) Senior Executives

- appropriate risk management plans
- Promote and support the implementation of risk management policies and ensure that the Company has an appropriate risk management process

- 4) **Department or responsible person for risk management / risk management working group**
  - Establishing a framework and process for risk management for the department and proposing the risk management committee for approval
  - Provide support and guide risk management processes for various departments within the agency
  - Study and provide knowledge about risks and risk factors to employees
  - Performing duties in support of the Risk Management Committee
- 5) **Supervisors and staff**
  - Identify and report operational risks to supervisors
  - Jointly formulate risk management plans and implementation which has already been approved
- 6) **Internal auditors**
  - Examining the operations of the risk management department
  - Communicate and coordinate with the risk management department in order to use the information to plan the audit according to risk (Risk Base Audition)
  - Reviewed to ensure that the Company has an appropriate risk management system. Risk management and control is conducted in accordance with the policies and regulations of the Company
- 7) **Other related parties**
  - To cooperate in risk m management

#### **Risk management procedures**

The Company has set up steps in risk management consisting of 6 steps as follows:

1. **Objective Setting**

In the operation of every department including operators, all should specify clear business objectives or work objectives in accordance with the policy, target, strategy and acceptable risk.

2. **Event Identification**

Person in charge including the operator should understand the risks, risk factors and identify potential events. This may be an event that is both positive and negative for the achievement of objectives.

3. **Risk Assessment**

Person in charge including the operator should assess the risk from 2 dimensions, namely the likelihood of events that have a negative effect on the achievement of objectives and the severity of the impact.

#### 4. Risk Response

Person in charge including operators should consider methods of risk management that has efficiency and effectiveness taking into account the acceptable risk and costs associated with the benefits received. The risk response may choose one or more combination methods as follows to reduce the likelihood of an event occurring and the severity of the impact of the event:

- Avoid
- Share / Transfer
- Reduce
- Risk Acceptance

#### 5. Control Activities

Person in charge including operators should consider risk management or controlled activities which is the policies and procedures that are implemented to ensure that the Company has managed risk according to the internal environment, business characteristics, structure and culture of the Company.

#### 6. Monitoring

Person in charge including the operators should arrange for follow-up, review and evaluation of risk management and supervisor report to ensure that risk management is applied at all levels of the Company appropriately and risks that have significant impact on the achievement of the Company's objectives are registered by those responsible.

### Nomination and Remuneration Policy

Because some directors have to vacate office according to the terms or conditions, the Company has established a recruitment and remuneration process to recruit and screen suitable and qualified persons and determine their remuneration before proposing to the shareholders for appointing which will help the shareholders' meeting Appointment is proceeded with orderly and faster. The Company did not limit the rights of shareholders to nominate other persons for the appointment of directors.

### Nomination and Remuneration Policy

The Company is aware of the importance of the roles and responsibilities of the directors which is an important person in conducting business to achieve objectives or goals with sustainable growth. The Board of Directors should consist of directors with various qualifications in terms of skills, experience, and specific knowledge that are beneficial to the Company including the dedication of time and effort in performing duties. When the position of the director is vacant, the Company has appointed the Nomination and Remuneration Committee to be responsible for the selection and determine remuneration of the new director to ensure that the persons that will be appointed as directors are qualified as required.

### Internal control and internal audit policies

Internal control and internal audit is an important basic tool to help the management to operate efficiently and effectively and achieve the specified objectives or goals which the business owners, directors, or senior management of the organization are responsible for establishing an internal control system and an internal audit system that is sufficient, appropriate, in line with the nature or size of the business and adhere to the principles of good corporate governance.

### Internal control and internal audit policies

The Company is aware of internal controls and internal audits which is considered an important basis for successful business operations and therefore having an efficient internal control and internal audit system and appropriate for the characteristics, size of the business or environment to ensure that all departments of the Company has complied with the laws, regulations and related policies and has reliable, accurate, complete and complete report with effective and effective practices. The Company will give importance to preventing loss or damage rather than investigations after the incident has occurred.

For the internal control of the Company to be effective according to the objectives therefore requiring executives and employees at all levels to responsible for internal control of the responsible work Including arranging improvement of operational processes to be efficient, effective, concise, controllable, and able to be audited. In which the Company has an independent internal auditor reporting the findings directly to the Audit Committee to help the Audit Committee and the Board of Directors be confident that the main operations and important activities were carried out in accordance with the established guidelines with effectiveness.

The Company holds a guideline for internal control and internal audit to cover all aspects according to the components of internal control 5 aspects as follows:

#### 1) Control Environment

- Organization structure divide the chain of command as well as clearly separating duties and responsibilities
- Establishing clear policies, targets, directions, and business plans of the Company, as well as corporate governance in accordance with the target goals.
- Establishing policies, regulations, and company rules for use as a basis and guidelines for operations and prevent damage or omissions in the operation
- Preparation of codes of ethics and business ethics for the Company and its employees so that the directors, executives, employees at all levels and relevant persons can conduct correctly and appropriately.
- Preparation of job descriptions to understand roles, duties, and responsibilities
- Training and develop personnel to have knowledge, ability, skills, experience



**2) Risk Assessment**

The Company pays attention to risk which is an unpredictable event but if this unexpected event happens it will cause damage. So the Company therefore requires all departments to assess the underlying risk in the organization and provide the control to be at an acceptable level by constantly assessing risks.

The Company's internal audit focuses on risk based on audit by evaluating job risk and select high-risk jobs to plan the inspection which will help the investigation be effective

**3) Control Activities**

The Company will arrange for internal control activities that is sufficient and appropriate efficiency and effectiveness by focusing on control activities in a preventive manner, searching for, fixing or replacing, which will reduce damage that may occur and able to achieve internal control objectives, such as providing policies, plans, budgets, procedures and operational procedures including organizational structure, division of duties, authorization table, etc. The management and employees at all levels must cooperate and strictly comply with the rules, regulations, orders or announcements.

**4) Information and Communication**

- The Company provides sufficient use of necessary information and able to keep up with the situation, which must be accurate, clear, and up to date
- The Company provides communication between management and operators or between departments together for the understanding and coordinate operations by providing regular inform to employees

**5) Monitoring**

The Company regularly monitors, reviews, and evaluates internal controls by independent appraisers such as internal auditors and report to the Audit Committee and the management of the Company if the process or control has weaknesses to be the duty of the management team to consider and establish measures to control and solve those problems systematically and continuously.

**Conflict of Interest Policy**

The Company recognizes and understands the objectives of the business for the best interest of shareholders and stakeholders and related parties fairly and transparent by giving care in handling matters that have conflicts of interest. The Company has therefore defined it as a policy as guidelines for practice.

**Conflict of Interest Policy**

Conducting business with honesty, transparency, and accountability with independence and treat shareholders Stakeholders and related parties equally according to the principles of good corporate governance. And any transaction that the Company does with those who have authority or who can control the decisions of the

Company, such as major shareholders or executives, etc. which may cause conflicts of interest, the Company will give priority and consider the highest benefits of the Company as if doing an arm's length basis.

The Company recognizes the importance of conducting business with honesty, transparency, and accountability which is a principle of good corporate governance and strengthen the organization to be effective. The Company has set a policy for directors, executives and employees to avoid any action which may be a conflict of interest to the Company which may result from

- Dealing with business associates of the Company such as customers, partners etc.
- Using the opportunity or internal information of the Company to seek personal benefits
- Transactions with the Company
- Conducting business that competes with the Company

Those acts above results in the Company losing benefits. However, if necessary, in case it is inevitable, the Company will ensure that the transaction will be made with transparency and fairness, like transactions with external parties in general by taking into account the best interests of the Company and fairness to those involved to prevent conflicts of interest, the Company has established guidelines as follows

1. The Company must not lend or guarantees for directors or businesses in which the directors hold more than 50% of the shares, except as part of the welfare of the Company
2. Directors must not engage in business competition with the Company unless approved by the shareholders' meeting before being appointed as a director
3. Directors and executives must not use opportunities or company information to benefit themselves or others including doing business that competes with the Company or engages in related businesses
4. Directors and executives must not attend the meeting or abstain from voting for any transactions related to themselves that may cause a conflict of interest with the Company, if necessary, for the benefit of the Company to act on the transaction as if it were a transaction made to an outside party (Arm's Length Basis)
5. Directors must report interests in various contracts that the Company made, let the Company know
6. Directors and executives must prepare a report on the disclosure of conflicts of interest, annually or when an event occurs
7. Transactions such as buying, selling products or other assets, etc. of the directors with the Company must notify and obtain prior approval from the board
8. Consideration of conflicts of interest and transactions that may have conflicts of interest must be an independent director to attend the meeting and consider the matter every time
9. Directors, executives and personnel of the Company who are aware of inside information must avoid using the inside information for their own benefit or misusing the inside information for the benefit of others

## Anti-Corruption Policy

The Company attaches importance to business operations with care in regards to corruption by adhering to the principles of good corporate governance for the best benefit of shareholders, stakeholders and related parties. Therefore, establishing an anti-corruption policy to be used as a guideline as follows:

1. Directors, management and staff members must not commit corruption both directly and indirectly, such as presenting, promising, requesting, demanding or receiving benefits, influence to illegal acts or breaking trust or any other actions that are dishonest or corrupt for the benefit of oneself or others
2. Directors, executives and employees must comply with the anti-corruption policy and measures and comply with the laws of Thailand in the fight against corruption. The violation of this policy must be considered disciplinary action and prosecuting according to the law as the case may be
3. Directors, executives and employees are responsible for and prevent corruption in the Company. If one witness corruption or actions that may cause corruption, one must report to the supervisor immediately or may notify through the channel specified by the Company
4. The Company will keep the details of the informants confidential. Information giver with good intentions to the Company and with sincerity including those who refuse to commit fraud will be protected by the Company
5. Establish policies and guidelines to prevent corruption in various forms such as political help, charitable donations, funding, gift, and other payments, etc. and provide the monitoring to follow up on such matters to be transparent and not against the relevant laws or improperly exploit
6. Arrange for a sufficient and appropriate internal control system to prevent corruption and operations that do not comply with good corporate governance principles
7. Arrange for an assessment of the risk of corruption and appropriate anti-corruption measures
8. Provide communication channels for employees and stakeholders to aware of the anti-corruption policy and able to notify clues, complaints, and suggestions to the Company to investigate the facts and brought to improve
9. Provide personnel development system, values and culture development in the fighting against corruption by communicating and disseminating knowledge to personnel to acknowledge and understand the anti-corruption policy including ethical guidelines
10. Notifying subsidiaries, associates, other associated companies and business representatives in order to implement anti-corruption measures in practice and disclose policies and measures against corruption to personnel and the public.
11. Procurement process must be conducted transparently, not violating laws, work rules and procedures set by the Company as well as providing regular checks on procurement practices

## Policy on whistleblowing and complaints

As the Company has a policy against corruption therefore has set a policy to report clues and whistleblowing to ensure that those involved in the fight against corruption are confident that the Company has channels and procedures for reporting clues and complaints that are transparent, safe, and fair to those who report or make complaints.

### Report scope and complaints

When in doubt, believe that, or have a reasonable cause to believe in good faith, that the act is dishonest or not transparent or violations of good practice regarding

1. Policies, regulations, requirements or regulations of the Company
2. Good corporate governance, company code of ethics and ethics
3. Law, official regulations

### Eligible persons on whistleblowing and complaints

Company personnel at all levels including third parties or people who know the concerns to the extent specified in Article 9.8.1 can report clues and complaints to the Company.

### Protection

The Company will maintain the information and details of the whistleblower or the complainant and the respondent is confidential or may disclose only those involved in the investigation or related persons in a limited amount. Any disclosure of any information the Company will consider carefully by considering the safety of the whistleblower or complainant data source or related persons. The Company will appoint an investigation committee to jointly consider the clues and complaints with prudence, caution and fairness with all parties

In the case of the complainant or those who cooperate in the investigation of facts deems that they may not be safe, one can request the management or the investigation committee to determine appropriate protection measures.

### Appointment of an inquiry and investigation committee

The Company assigned the managing director to appoint the investigation committee to investigate the facts and to collect evidence and take any action in the investigation including suggestions on how to handle the complaint by which the investigation process is transparent and just

The Investigation and Investigation Committee comprised of representatives from 3 divisions:

- 1) Human Resources Department
- 2) The department of the party receiving the clue or complaint
- 3) Department or other departments which is independent such as the Finance and Accounting Department etc.

### Channels for reporting clues And complaints

The Company has specified ways to receive clues and complaints as follows

1. Suggestion box and complaints
2. Report clues and direct complaints to
  - Supervisors at every level
  - Human Resources Manager
  - Company Secretary
  - Audit Committee
  - Director
3. By mail:
  - Sent directly to the Board of Directors or the Audit Committee

**Prime Road Power Public Company Limited**

No. 1, TP&T Tower Building, 22th Floor, Soi Vibhavadi Rangsit 19, Vibhavadi Rangsit Road

Chatuchak, Chatuchak, Bangkok 10900

In addition, in all channels provide clues and complaints, the Company Secretary will be responsible for coordinating and receiving matters, and following up the investigation and compile.

### Process

- 1) In the case of employees' complaints, process is to comply with work regulations regarding complaints
- 2) In the case of clues notification and complaints in accordance with the scope specified for the Company Secretary, the process is to proceed as follows
  - Send a complaint to the Managing Director in order to consider the investigation and investigation committee to conduct the investigation
  - Investigation Committee investigate facts and prepare reports, summarize the inspection results and comments or recommendations to the managing director
  - Managing Director considering the examination results. In the event that there is no material issue or damage or an anonymous complaint with no additional information can be found, the process is to send a report to the Company Secretary to collect information

### Complaints investigation result

- 1) In the case that the complainant is not guilty or is a matter that caused by a misunderstanding or the case that the respondent has rectify the issue with appropriate behavior or practices and without any punishment. The investigation committee should summarize the results and report to Company Secretary and audit committee

- 2) In case the complainant is guilty and disciplinary action and/or legal action are taken (if any), The investigation committee should summarize the results and report to Company Secretary and Audit Committee and investigation committee notifying the operation result to the complainant and summarize solutions for improvement to the managing director

#### **Dishonest complaint**

Report a complaint, give clues, give statements or give any information if proven to be done in bad faith or intentionally mistreatment, distorting the facts, in the case of an employee, disciplinary action must be considered according to the work rules and regulations of the Company. In the case of external person, the Company may consider taking legal action, as the case maybe.

#### **Property treatment and use policy**

Company assets are considered an important resource in conducting business to achieve objectives and goals, which must consider the use of assets for long service life and maximum benefit. For executives, employees and related parties to comply with as follows:

#### **Policy on treatment and use of company property**

The Company is aware of the importance of the use of its assets, which are resources that the Company has prepared for use in the business operations of the Company. Executives, employees and related parties have the duty to fully utilize the Company's assets with responsible for the supervision and maintenance of property and will not use company assets for the benefit of themselves or others unless authorized by an authorized person.

The Company assets means tangible assets and intangible assets, both generating revenue and not generating revenue with value, such as movable property and real estate including technology, insight knowledge Information, documents, rights, concessions rights, inventions, intellectual property, etc.

#### **Policy on controlling and overseeing the operations of subsidiaries and associated companies**

In supervising the business operations of the Company, which operates the main business by holding shares in other companies (Holding Company), the Board of Directors gives importance to the determination of the supervision of the subsidiaries and associated companies in controlling and overseeing the operations of Subsidiaries and associated companies.

The Company assigned the directors and / or assigned persons, which has qualifications and experience being suitable for the business that the Company invests in, to become a representative of the Company in order to be a director in a subsidiary or an associated company of the Company in order to control the business and operations of such subsidiary or associated company. In this regard, the Company stipulates the representatives of the Company to manage the business of the subsidiary or associated company in accordance with the rules and regulations as specified in the regulations and laws relating to the business operations of the subsidiary and / or That associated company. That is to say, the proportion of representatives of companies that hold directorship in

subsidiaries and associated companies has to be in accordance with the Company's shareholding proportion or mutual agreements in the case of associated companies.

In addition, the Company has clearly specified a policy for monitoring the performance of subsidiaries. The operating results of the subsidiary and associated companies must be regularly reported to the Board of Directors.

This is to enable the Company to specify measures and mechanisms, both directly and indirectly, to enable the management of the subsidiary and / or associated companies (if any), including monitoring the subsidiaries and / or associates (if any). There is implementation in accordance with various control mechanisms and policies defined by the Company as a department of the Company itself. This includes Public Company Law, Civil and Commercial Code, Securities Law and relevant laws, as well as announcements regulations and criteria relevant to the Capital Market Supervisory Board Securities and Exchange Commission and the Stock Exchange of Thailand to the extent that it is not contrary to other laws. In order to protect the investment interest of the Company in the subsidiary and / or associated companies (if any), as mentioned, the Board of Directors is also responsible for overseeing and managing the subsidiaries and / or associated companies (if any), which must be approved by the Board of Directors meeting or the shareholders' meeting of the Company (As the case may be) before being approved by the Board of Directors of the subsidiaries and / or associated companies (if any) and / or the shareholders' meeting of the subsidiaries and / or associated companies (if any) (as the case may be) ) as follows:

**(1) Matters that must be approved by the Board of Directors**

- a) Appointment or nominating a person as a director or executive in a subsidiary and / or an associate (if any), at least according to the shareholding proportion of the Company in the subsidiary and / or an associate (if any) nominated or appointed by the Company, with the discretion to vote at the board meetings of the subsidiaries and / or associated companies (if any) in matters relating to general management and normal business operations of subsidiaries and / or associated companies (if any) as the director and the management of the subsidiaries and / or associated companies (if any) deem appropriate for the best interests of the subsidiaries and / or associated companies (if any) except for matters that require approval from the Board of Directors 'meeting or the shareholders' meeting or holding company shares (Depending on the case) before the subsidiary and / or the associated company (if any) will enter the transaction

In this regard, the nominated director or executive under the above paragraph must be a person listed in the list of directors and executives of the issuing company (White List) and have qualifications, roles, duties and responsibilities, as well as having no characteristics lacking credibility in accordance with the announcement of the Securities and Exchange Commission And the Stock Exchange of Thailand regarding the characterization of the lack of distrust of the directors And company executives

- b) Consideration and approval of the annual dividend payment and interim dividends (if any) of subsidiaries and / or associated companies (if any)
- c) Amendments to the regulations of the subsidiary and / or associated companies (if any) except the amendment of the regulations in significant matters under (2) (d)
- d) Consideration and approval of the annual budget of subsidiaries and / or associated companies (if any)
- e) Appointing auditors of subsidiaries and / or associated companies (if any) only if the mentioned auditors are not affiliated with the auditing office that is a full member in the same network of auditors of the Company, which does not comply with the Company's auditor appointment guidelines that the auditor of the subsidiary and / or the associated company (if any) must be under the audit office in the same network as the auditor of the Company

This items from item (f) to item (i) are considered as substantial items, and if entering into the transaction, it will have a significant impact on the financial status and operating results of the subsidiary. Therefore, before the Board of Directors' meeting of the subsidiary company and the directors appointed by the Company to hold positions in subsidiaries will vote in the following matters, such director must first get approval from the Board of Directors. This is the case when calculating the size of the transaction that the subsidiary company will enter into the transaction to compare with the size of the Company must be approved by the Board of Directors (by using the calculation criteria for transactions as specified in the notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand Board regarding the acquisition or disposition of assets and / or the connected transaction (as the case may be) to apply mutatis mutandis) in the criteria that must be considered and approved by the Board of Directors Which includes the following items:

- f) In the event that the subsidiary company enters into the transaction with the connected person of the subsidiary or transactions relating to the acquisition or disposition of assets of subsidiaries which includes, but is not limited to, the following cases
  - 1) Transfer or waive of benefits including the waiver of claims against the person who caused damage to the subsidiary company
  - 2) The sale or transfer of the business of a subsidiary in whole or in part to a third party
  - 3) Purchase or acceptance of transfer of business of other companies to subsidiaries
  - 4) Entering, amending or terminating the contract regarding the leasing of all or some important subsidiaries' businesses assignment to other persons to manage the subsidiary's business or the consolidation of the subsidiary company with other parties
  - 5) Rental or hire-purchase of business or assets of all subsidiaries or significant parts



- g) Borrowing Lending Credit granting, guarantees and legal acts bind the subsidiary company to have an increased financial burden with other persons or other juristic persons or providing financial assistance in any other way to other people and not a normal business of the subsidiary
  - h) Dissolution of a subsidiary company
  - i) Any other transaction that is not a normal business transaction of the subsidiary company and that will have a significant impact on the subsidiary company.
- (2) **Matters that must be approved by the Company shareholders' meeting Before the subsidiary company enter into the transaction**
- (a) In the event that the subsidiary company enters into the transaction with the connected person of the subsidiary or the transaction relating to the acquisition or disposition of assets of the subsidiary company. This must be the case when calculating the size of the transaction that the subsidiary company will enter into the transaction comparing with the size of the Company must be approved by the shareholders' meeting of the Company (by taking the rules on the calculation of items as specified in the relevant announcement of the Capital Market Supervisory Board and the Stock Exchange of Thailand Committee mutatis mutandis)
  - (b) Capital increase through the issuance of shares in subsidiaries and allocation of shares Including the reduction of registered capital which is not in accordance with the existing shareholders' proportion or any other action, as a result, the proportion of voting rights of the Company, both directly and / or indirectly, at the shareholders' meeting of the subsidiary company in any form Reduced to less than the proportion stipulated in the law applicable to the Company. Resulting in the Company Does not have control over the subsidiary company. This must be the case when calculating the size of the transaction compared to the size of the Company Must be approved by the shareholders' meeting of the Company (by taking the calculation criteria for transactions as specified in the relevant notifications of the Capital Market Supervisory Board and the notification of the Stock Exchange of Thailand enforced mutatis mutandis)
  - (c) The dissolution of a subsidiary company, however, must be the case when calculating the size of the subsidiary company to be dissolved in comparison with the size of the Company must be approved by the shareholders' meeting of the Company (by taking the calculation criteria for transactions as specified in the relevant notifications of the Capital Market Supervisory Board and the notification of the Stock Exchange of Thailand enforced mutatis mutandis)
  - (d) Any other transaction that is not a normal business transaction of the subsidiary company and the transaction that will have a significant impact on the subsidiary company, this must be the case when calculating the size of that transaction compared to the size of the Company must be approved by the

shareholders' meeting of the Company (by taking the calculation criteria for transactions as specified in the relevant notifications of the Capital Market Supervisory Board And the notification of the Stock Exchange of Thailand enforced mutatis mutandis)

- (e) The amendment of the regulations of the subsidiary company in matters that may have a significant impact on the subsidiary's financial status and operations, including but is not limited to the amendment of the regulations of the subsidiary company which affects the voting rights of the Company at the meeting of the subsidiary company's board and / or the shareholders' meeting of the subsidiary company or dividend payment of subsidiaries etc.

#### **Company and customer confidentiality policy**

The Company gives importance to the confidentiality of the Company and its customers which may have an impact on business operations, both commercial and legal. The Company has therefore established a policy to keep the confidentiality of the Company and customers.

#### **Company and customer confidentiality policy**

The guidelines for disclosure of internal information are as follows:

1. Directors, executives, employees and relevant personnel of the Company which sometimes have to work with information and documents that cannot be disclosed to other people or is a trade secret such as internal information that has not been disclosed in the stock exchange, information about bidding, plans, numbers, inventions, etc., which are considered the rights of the Company, protecting data is therefore critical to the achievement of company objectives and job security of all personnel
2. Personnel at all levels of the Company are responsible for maintaining the confidentiality and data security to protect confidential information and to prevent confidential information from being accidentally disclosed

#### **Confidential Information class**

The trade secrets, which are internal information, must be concealed and not leaked to third parties. The confidentiality of such information may be divided into layers according to the importance of ascending such as information that can be disclosed to the public, data used internally, undisclosed information, confidential and very confidential information. The sharing of internal information must be within the scope of duties and responsibilities that they have been assigned only.

#### **Provide information to external parties**

The Company information that goes outside of the Company or to the public must be approved by the managing director or the person assigned.

The Company has established a central agency that provides news to the public as well as responsible for investor relations (IR), which will coordinate with the agency that owns the information who is responsible for providing details to summarize and requesting approval from the managing director or the assigned person before publishing.

#### **Opinion expression to external parties**

Company personnel must not answer questions or give opinions to external parties unless there is a duty or assignment to answer those questions. If there is no duty to answer, the Company personnel are requested to deny various comments politely and recommend the managing director or the assigned person to be a spokesperson.

#### **Executive Succession Policy**

Policy for selection of personnel to be responsible for important management positions at all levels to be appropriate and transparent, with a selection and remuneration committee prepares a succession plan for the position of Chairman, Executive Committee, Managing Director and company executives for proposing to the Board of Directors for consideration to ensure that the Company gets a professional management after the succession of executives.

#### **The succession of executives has the following guidelines**

##### **Chairman of the Executive Committee / Managing Director**

When the position of chief executive officer / managing director is vacant or the position holder is unable to perform duties, the Company will have a personal at secondary level to take charge of the position, until there is a selection of qualified persons according to the criteria set by the Company, which must be a person with vision, knowledge and experience, suitability for organization culture by consideration of the Nomination and Remuneration Committee before presentation to the Board of Directors to interview the vision of the candidates and approve the suitable candidates to resume the position.

##### **Executive level**

When the level of executive positions from the manager level and above becomes vacant or the person holding the position cannot perform his or her duties, the Company will present the selected successors to the executive board. The succession planning of the Company executives has the following processes.

- Analyze the business situation of the Company in terms of strategy, policy, investment plan, expansion plan
- Assess the readiness of manpower in accordance with the Company strategy both short-term and long-term
- Determine the plan to create the readiness of manpower by developing internal staff or recruiting staff to prepare to replace employees who have retired or quitted
- Prepare employee recruitment and selection plans and advance staff training before the employee retires or vacate office ahead of time

- Define the competency which means the knowledge, skills, personality and desirable attitudes of the employees in that position and develop individualized development plans
- Select, evaluate the work and assess the potential of the employees to consider the suitability
- Use personnel testing and evaluation tools to analyze employee potential
- Identify successors from the evaluation and analysis of potential employee which must notify employees in advance to prepare, receive, and learn, and determine the successors of alternate positions
- Develop and evaluate employees who are expected to be successors of development and can actually produce the results that is expected. If it is not possible to develop the said staff to meet the expectations, succession substitution can be done

#### Policy on the Use of Internal Information

The Company is aware of the importance of preventing the use of internal information of the affiliated companies which has not been disclosed to the public for the benefit of themselves or others. The Company therefore has a policy prohibiting the directors, executives, and employees of the group companies, as well as related parties, use the inside information for the benefit of trading securities. In addition, the Company has also established a policy to keep the confidentiality of the Company information to outsiders or those who are not involved before being disclosed to the public through the Stock Exchange.

- Directors, executives and management positions in accounting or finance or equivalent in the Company and / or subsidiaries have a duty to prepare and submit a report on the holding of securities of their spouses, and children who have not yet become underage to the Office of the Securities and Exchange Commission under Section 59 and penalties under Section 275 of the Securities and Exchange Act B.E. 2535 (including amendments)
- The Company requires directors, executives, including management positions in accounting or finance or equivalent in the Company to prepare and submit a report on the holding of their own securities, their spouses and children who are underage to the Audit Committee of the Company before submitting to the Office of the Securities and Exchange Commission every time. In this regard, to prepare and deliver such a report within 30 days from the date of being appointed to be a director and / or executive or when reporting changes in securities holding within three business days from the date of purchase, sale, transfer or Transfer of those securities
- The Company requires directors, executives, including management positions in accounting or finance, or equivalent in subsidiaries, to prepare and submit a report on the holding of their own securities, their spouses and children who have not yet become underage to the Audit Committee of the Company. In this regard, please also prepare and deliver within 30 days from the date of being

appointed to be a director and / or executive or when reporting changes in securities holding within three business days from the date of purchase, sale, transfer or Transfer of those securities

- The Company requires directors, executives, including management positions in accounting or finance or equivalent in the Company and / or subsidiaries and related workers informed of material inside information which affects the price of securities, must suspend the trading of company securities in the period before the financial statements were distributed or information about the Company's financial status and status, until the company has disclosed the information to the public throughout the embargo period of non-public information usage. This means one month before and until the date of the Company's financial performance announcement quarterly and annual. In this regard, the Company will notify the Board of Directors, including management positions in accounting or finance or equivalent in the Company and / or subsidiaries in writing that the Company's securities will be suspended for at least 1 month before public disclosure, including prohibiting the disclosure of such significant information to other parties and requiring to wait at least 24 hours after revealing the information to the public including prohibiting the disclosure of such significant information to other parties
- The Company has established disciplinary action for violating the use of inside information for personal gain, starting from the warning in writing to cutting wage, temporary suspension without receiving a payment or to lay off. The punishment is based on the intent of the action and the seriousness of the offense

### Securities Holdings of the Company's Directors and Executives

Name of Directors & Executives	Number of Shares As of 9 October, 2019
1. Mr. Somprasong Panjalak	-
Spouse and children who have not yet become sui juris	-
Juristic persons as defined by the SEC	13,252,316,366
2. Mr. Surachet Chaipatamanont	-
Spouse and children who have not yet become sui juris	-
Juristic persons as defined by the SEC	1,629,521,411
3. Mr. Nuttawut Phowborom	-
Spouse and children who have not yet become sui juris	-
Juristic persons as defined by the SEC	-
4. Mr. Apichart Pumsook	-
Spouse and children who have not yet become sui juris	-
Juristic persons as defined by the SEC	-
5. Mrs. Wipaporn Chairatana	-
Spouse and children who have not yet become sui juris	10,000,000
Juristic persons as defined by the SEC	-
6. Air Chief Marshal Surasak Meemanee	65,000
Spouse and children who have not yet become sui juris	-
Juristic persons as defined by the SEC	-
7. Mr. Kamphol Panyagometh	-
Spouse and children who have not yet become sui juris	-
Juristic persons as defined by the SEC	-
8. Mr. Kanadej Thamanoonragsa	-
Spouse and children who have not yet become sui juris	-
Juristic persons as defined by the SEC	3,704
9. Mr. Pongsarit Rodruangdej	-
Spouse and children who have not yet become sui juris	-
Juristic persons as defined by the SEC	-
10. Ms. Tanida Keawvanasak	-
Spouse and children who have not yet become sui juris	-
Juristic persons as defined by the SEC	-

## Corporate Social Responsibility

The Company recognizes and values the business operation to progress in a sustainable, coexist with the community, society and environment in harmony which the supporting factors are being socially and environmentally responsible, the Company has therefore defined it as a policy and guideline on social and environmental responsibility (CSR: Corporate Social Responsibility) for the relevant parties.

### Social and Environmental Responsibility Policy

#### Main Policy

The Company has established guidelines to demonstrate social and environmental responsibility, including good corporate governance, conduct business with fairness, human rights, fair treatment of labor, responsible for stakeholders, community and social development, environment protection and the preparation of social and environmental reports

- The Company has a management system that is efficient, transparent, concise, controllable, and verifiable, which will help build trust and confidence among shareholders, investors, and stakeholders and all parties involved to lead to sustainable growth
- The Company believes that conducting business with fairness will build trust among related parties, which will benefit the business of the Company in the long run, so the Company will not conduct in any business that considered inappropriate
- Respect for human rights and fair treatment to labor is one of the keys. The Company considers human resources to be a crucial factor in creating value-added products and driving the business. The Company will ensure good working environment for the Company's personnel and give the opportunity to the staff to demonstrate the potential as well as being given the opportunity to be trained and increased work skills
- Responsibility to consumers - the Company will maintain quality of product and service and create satisfaction for customers according to the Service Level Agreement (SLA: Service Level Agreement)
- Community and social development - the Company takes participation in society development and sustainable development by promoting the implementation of social activities and strengthen the community and society including education, religion, sport, human resource development, employment promotion and organizing various community development projects, etc.
- The Company attaches importance to environmental protection and environmental impact prevention. The Company promotes and engages with other sectors in organizing activities to preserve and improve quality of environment

- Preparation of social and environmental reports - The Company pays attention to the disclosure of information that reflects the implementation of the corporate social responsibility (CSR) mentioned in the annual report

### Social and Environmental Activities

The Company recognizes the importance of social and environmental development since there is a community and surrounding environment neighboring the power plants of the Company. The Company is therefore committed to support society for sustainable development and respect the rights of those involved as follows:

- Disseminate knowledge about renewable energy and environmental issues to nearby communities to enhance the understanding of the community because we believe that creating the good foundation is the path to sustainable development, such as holding knowledge sharing session to staffs and students of Faculty of Engineering Electrical Power Engineering, Nakhon Si Thammarat Rajabhat University



- Promote community activities and various Thai (local) tradition activities to strengthen the unity of the community, such as providing scholarships to Lam Phura Sub-district Administrative (Huai Yot District, Trang Province) in the event of Children's Day, donating fans to Lam Phura Sub-district Administration in the event of anti-drug sports activities





- Promoting and developing the lifestyle of communities and society in order to improve the quality of life and improve the living standards of people in various communities, such as supporting the budget and installing solar panels for The Earthquake-Resistant Steel Structure School Building Project at The Buildings of Ban Klong Bon School, Phang Nga Province (The Built Foundation)



## Risk Factor

The investment contains risks and the investors are advised to consider all information in this document, especially the risk factors section as detailed below before investing in the Company.

The risks listed below describe the significant risk factors that may affect the Company and its stock values. In addition, there may be other risk factors that not come to the knowledge or such risk factors considered trivial at the moment and may result in adversely significant effect on business operations, financials and the business opportunity of the Company in the future.

In addition, this document contains forward-looking statement which encloses risks and uncertainties, such as the use of the words "believe", "anticipate", "expect", "plan", "intend", "estimate", "risk to", "aim to", "should" or similar nature of words, etc., as well as caveats relating to statements that are predicting future events in other parts of this document as well.

For those information referenced or related to the government or the overall economy of the Thai market and other countries, the Company has obtained information from the disclosure, copied from official documents, or other reliable sources. However, the Company has not verified or certified the accuracy of the said information or method of obtaining the said information.

Risk factors for the Company are divided into domestic business risk, foreign business risk, management risk, financial risk, risks from investing in new projects and general risks associated with the Company's shares. The details are as follows.

### Operational Business Risks

At present, the company invests in renewable energy business both domestically and internationally with a contracted capacity of 175.6 megawatts of solar (equivalent to the equity contracted capacity of 80.4 megawatts) or a total installed capacity of 209.0 megawatts (equivalent to the equity installed capacity of 89.7 megawatts)

The Company has commercially operated solar power plants representing a total contracted power capacity of 150.1 megawatts (equivalent to the equity contracted capacity of 72.2 megawatts) or a total installed capacity of 179.0 megawatts (representing equity installed capacity of 80.4 megawatts) detail as follows

- 1) Solar power plants in Thailand total contracted capacity of 112.6 megawatts (total installed capacity of 132.2 megawatts)
- 2) Solar power plants in Japan total contracted capacity of 31.5 megawatts (total installed capacity of 40.7 megawatts) and
- 3) Solar power plants in Taiwan total contracted capacity of 6.0 megawatts (total installed capacity of 6.0 megawatts)

In addition, the Company has solar power plants under development representing a total contracted capacity of 25.5 megawatts (total installed capacity of 30.0 megawatts) detail as follows

- 1) 2 solar power plant projects in Japan with the contracted capacity of 23.0 megawatts (total installed capacity of 27.5 megawatts) and
- 2) Solar power plant project in Taiwan with the contracted capacity of 2.5 megawatts (total installed capacity of 2.5 megawatts)

#### **Risk from legal disputes with shareholder of the subsidiary company**

On 25 December 2018, Mr. Chanchai Wongsunthorn ("**The Plaintiff**") has filed the lawsuit to Power Energy Development Co., Ltd. ("**PED**"), 5 Amata Co., Ltd. ("**5AMATA**") and 2 executives of the Company in the black case no. P. 7554/2561. However, the Plaintiff which is a shareholder in 5AMATA which is subsidiary of the Company. As of 25 December 2018, the Plaintiff was holding 5,599 shares in 5AMATA or 40% of paid-up capital

The Plaintiff has submitted a request to the Civil Court in 3 issues as follows

1. **Plaintiff's claim:** Share delivery of 1,260 shares or 9% of paid-up capital of 5AMATA to the Plaintiff

**The Company's argument:** PED has entered into agreement memorandum with the Plaintiff at 10 October 2017 that it shall transfer 49% of 5AMATA shares to the Plaintiff. PED has already transferred 40% of shares to the Plaintiff at 25 October 2017 and agreed to transfer the remaining 9% within 30 days starting from the date the financial institution approves the change in shareholders of 49%. At 31 January 2018, the financial institution has not approved the change in shareholders. Therefore, lawyer of the Company has an opinion that it does not fall into memorandum with PED and the Company has no duty on transferring the remaining 9% of paid-up capital to the Plaintiff which is not against the Memorandum of agreement.

However, even though PED has not transferred the remaining 9% of paid-up capital to the Plaintiff but PED has used shareholding portion of 49% of paid-up capital in financial statement preparation. It is recorded in financial statement of PED that it was holding 51% in 5AMATA even though the shareholder list in BOJ. 5 indicated that PED was holding 60% in 5AMATA, therefore, the transfer of the remaining 9% of shares to the Plaintiff after receiving the consent from financial institutions shall have no effect on financial position or financial performance of the Company. Moreover, it shall not affect shareholding proportion of PED in 5AMATA in 51% of paid-up capital

2. **Plaintiff's claim:** Termination of call for shareholder's meeting of 5AMATA and termination of submitting a request for the Plaintiff to be withdrawn from director of 5AMATA

**The Company's argument:** In Extraordinary General Meeting of Shareholders of 5AMATA 1/2561 as at 24 August 2018, the resolution was to withdraw the Plaintiff from being a director of 5AMATA. Currently, it has changed according to resolution of the aforementioned meeting. However, according to the certificate of 5AMATA which is announced at 22 April 2019, the Plaintiff no longer has director list of 5AMATA

3. **Plaintiff's claim:** Director's Meeting arrangement of 5AMATA to have resolution for the Plaintiff to be the authorized person in withdrawing the money and proceed other transactions in bank accounts of 5AMATA

**The Company's argument:** according to the certificate of 5AMATA which is announced at 22 April 2019, the Plaintiff no longer has director list of 5AMATA

The case is still in the process of consideration of civil court and has a verdict hearing on 27 February 2020. Even through the current result of the case cannot be estimated, the Company believes that the case shall not affect assets of the Company and its subsidiaries and shall not affect financial position or financial performance of the Company. Moreover, the case shall have no effect on shareholding portion of PED in 5AMATA in proportion of 51% of paid capital.

However, if the plaintiff has returned to be a director of 5AMATA and has the power to withdraw money and various transactions in 5AMATA's bank accounts, the operations of 5AMATA may not be smooth. Nevertheless, due to the rights of being a major shareholder in 5AMATA and according to the article of association of 5AMATA, there are resolutions for the case that the Board of Directors has a dissenting opinion and could not resolve a majority of votes or hold a board meeting. The Board of Directors has a duty in accordance with the law to comply and enforce the resolution of the shareholders' meeting. Also, if not following the resolution of the shareholders' meeting, it may cause the dismissal of directors.

**The risk of the Free Float is lower than specified in the criteria for maintaining status as a listed company.**

The Company is exposed to the risk of low trading liquidity from having low level of free float. As of 2 August 2019, the majority of the Company's shares (14,890,546,481 shares, representing 87.50%) held by only 3 shareholders (strategic partner group) and being held by minor shareholders only 2,127,395,276 shares, representing 12.50%. This results in the free float lower than specified in the criteria for maintaining status as a listed company and resulting in low liquidity in secondary market. Therefore, shareholders may be at risk of not being able to sell their shares immediately at the desired price.

In this regard, the Company has a guideline to adjust the proportion of share distribution to the minority shareholders so as to have all the qualifications as required by criteria for maintaining status as a listed company. *(Details of guidelines for adjusting the proportion of share distribution to minority shareholders shown in the notification of the share distribution plan after the entire business transfer transaction and the allocation of newly issued ordinary shares dated April 9, 2019, which is the attachment of Annual Registration Statements for the year 2019 (Form 56-1))*

#### **Risk from debt repayment**

According to the characteristics of solar power plants in general, the funding sources will mainly come from loans. The Company therefore has an obligation to pay interest and repay the principal to commercial banks as repayment schedule and to comply with the financial conditions specified in the contract. If the operating results are in downturn or unable to comply with the financial conditions, the Company may face the risk of not being able to pay interest and loan as scheduled or the entire loan amount being accelerated repayment immediately same as peers in the industry.

However, the renewable energy business has a stable cash flow stream from operations. In the past, the Company has carefully planned financial planning and has consistently and continuously monitored its operations to ensure that the Company has sufficient cash flow to pay interest and principal and also able to comply with the financial conditions specified in the loan agreement.

In addition, prior to the entire business transfer transaction of PRA, the 8 associated companies of PRA have investment in promissory notes issued by Prime Road Tech Company Limited ("PRT"). The promissory notes issued by PRT. Key conditions can be summarized as follows:

- The issuance date of the note is 2 December 2016
- Repay the principal one time with interest when due.
- Interest rate at 1 percent per annum
- Early redemption can be made but not transferable
- The redemption value at the redemption date is equal to the principal value plus 1 percent per annum of the said principal value

Company	Maturity	Redemption Date	Outstanding 31 Dec 2018	Outstanding 30 Jun 2019	Interim Interest
Bueng Samphan Solar Company Limited	10 years 8 months	3 Aug 2027	24,663,974.99	24,785,972.75	121,997.76
Northwest Solar Company Limited	10 years 8 months	3 Aug 2027	23,816,242.93	23,934,047.49	117,804.56
Nine A Solar Company Limited	10 years 8 months	3 Aug 2027	25,596,046.16	25,722,654.32	126,608.16
Solar Tech Energy Company Limited	10 years 8 months	3 Aug 2027	24,508,426.49	24,629,654.86	121,228.37
Golden Light Solar Company Limited	10 years 8 months	3 Aug 2027	30,176,370.01	30,325,634.18	149,264.17
Infinite Alpha Capital Company Limited	10 years 8 months	3 Aug 2027	29,177,808.31	29,322,133.29	144,324.98
Chiangmai Renewable Energy Company Limited	10 years 8 months	3 Aug 2027	29,413,745.00	29,559,239.13	145,494.13
ESPP Company Limited	10 years 10 months	4 Oct 2027	38,283,247.74	38,472,614.57	189,366.83
ESPP Company Limited	100 years	15 Oct 2116	84,590,374.96	85,008,798.48	418,423.52
<b>Total</b>			<b>310,226,236.59</b>	<b>311,760,749.07</b>	<b>1,534,512.48</b>

The investment of all 8 associated companies in the promissory notes issued by the shareholders has existed before PRT invested in all 8 associated companies. Furthermore, Prime Energy Capital Company Limited ("PEC") holds only 30% stake of the 8 associated companies, therefore has no control power and cannot change the terms of the promissory notes to be in accordance with the general arm's length basis because it would be contrary to the interests of another shareholder who has the control.

However, PRA has never paid dividends to shareholders and thus, the dividends that PEC received from the project company therefore used to reinvest in the development of new power plant projects resulting in profits for the group and shareholders. On July 19, 2019, PEC assumed the transfer of debt from PRT to PEC therefore all 8 associated companies became the investors in the promissory notes issued by PEC. However, PEC has guidelines for interest payment and principal through dividends received from the associated companies.

### Risk from termination of Adder scheme

The solar power plant project in Thailand of the associate of the Company which has a total contracted capacity of 72.0 megawatts (installed capacity of 91.7 megawatts) is under Adder program with government incentivized at the rate of 8.0 baht / kWh for a period of 10 years from the commercial operation date. All 10 solar power plants in Thailand of the associated companies of the Company is incentivized under Adder scheme until year 2023 - 2024. After the end of Adder period, Provincial Electricity Authority which is the counterparty under power purchase agreement will purchase electricity at the wholesale tariff rate according to the time of use (TOU Rate) at the voltage level of 11-33 kV, which the Electricity Generating Authority of Thailand sells to the Electricity Distributing Authority namely Metropolitan Electricity Authority and Provincial Electricity Authority (or equal to 4.2243 baht per kWh during 9.00 - 22.00 Monday to Friday (Peak) and equal to 2.3567 baht per kWh during other periods and public holidays (Off-Peak)) combined with average wholesale Ft rate. (during Jan to Apr 2019, Ft was -14.13 Satang per kWh – source: <http://www4.egat.co.th/ft/ft-stat9.html>)

According to the information from the consolidated financial statements of the Company for the fiscal year ended 31 December 2019, the solar power plant under Adder scheme has revenue in proportion to the total revenue of group company of approximately 40.8 percent. The solar power projects in Thailand under the Adder scheme are as follows:

Project	Shareholding (%)	Installed Capacity	Equity Installed Capacity	Contracted Capacity	Equity Contracted Capacity	Commercial Operation Date	End of Adder Scheme	Proportion to total installed capacity that reached COD <sup>(1)</sup> (%)
ESPP 1	30.0	7.6 MW	2.3 MW	6.0 MW	1.8 MW	4 Oct 2013	4 Oct 2023	2.5
ESPP 2	30.0	7.6 MW	2.3 MW	6.0 MW	1.8 MW	25 Apr 2014	25 Apr 2024	2.5
ESPP 3	30.0	5.1 MW	1.5 MW	4.0 MW	1.2 MW	25 Apr 2014	25 Apr 2024	1.7
GLS	30.0	10.2 MW	3.1 MW	8.0 MW	2.4 MW	10 Mar 2014	10 Mar 2024	3.3
BSS	30.0	10.2 MW	3.1 MW	8.0 MW	2.4 MW	14 Mar 2014	14 Mar 2024	3.3
NWS	30.0	10.2 MW	3.1 MW	8.0 MW	2.4 MW	14 Mar 2014	14 Mar 2024	3.3
CRE	30.0	10.2 MW	3.1 MW	8.0 MW	2.4 MW	26 Mar 2014	26 Mar 2024	3.3
IAC	30.0	10.2 MW	3.1 MW	8.0 MW	2.4 MW	2 Apr 2014	2 Apr 2024	3.3
NAS	30.0	10.2 MW	3.1 MW	8.0 MW	2.4 MW	9 Apr 2014	9 Apr 2024	3.3
STE	30.0	10.2 MW	3.1 MW	8.0 MW	2.4 MW	9 Apr 2014	9 Apr 2024	3.3
Total		91.7 MW	27.5 MW	72.0 MW	21.6 MW	Total		29.9%

Remark: (1) The contracted capacity of the commercially operated project according to the Company's shareholding proportion is 72.2 megawatts consisting of 1) solar power plants in Thailand with equity contracted capacity of 58.3 megawatts 2) Solar power plants in Japan equity contracted capacity of 7.9 megawatts and 3) solar power plants in Taiwan equity contracted capacity of 6.0 MW

The proportion of the equity contracted capacity that are due for the Adder support in 2023 and 2024, when compared to the equity contracted capacity of all other commercial operated projects at present, representing 2.5 percent and 27.4 percent respectively.

#### **Risk of not being able to perform commercial operations as scheduled**

##### **1. Solar Power Plant Projects in Japan**

The success of the development of the solar power plant project in Japan depends on many factors, which may potentially cause the ability to develop the solar power plant in Japan as planned. The factors including but not limited to the following events:

- Application for approval from METI (Ministry of Economic Trade and Industry)
- The process for obtaining the necessary licenses to conduct business
- Request for permission to connect to the electricity grid (Grid Connection)
- Procurement of land for project development
- The ability to find funding sources including capital injection and borrowing
- Delayed in construction from EPC Contractor
- Force majeure and natural disasters

If the Company is unable to proceed according to the investment plan, the Company may be at risk of commercial operation delayed, causing cost overrun including the possibility of shorten electricity sale period and may result in the expected return.

However, the Company has specified guidelines for the development and supervision of the solar power plant project in Japan by (1) requiring the study of the feasibility of the project in detail before investment decision (2) selecting business partners that are reliable and have experience in operating a solar power plant business in Japan, and (3) Entering a TK investment agreement between the Aizu Energy PTE Limited, a company that serves as a TK investor, agreement with the operator, contracts between business partners and/or various service providers, and the operating company by specifying investment objectives, scope of operations and relevant business activities prior to commercial operation and also during the project implementation phase.

##### **2. Solar power plant project in Taiwan**

The success of the development of the solar power plant project in Taiwan depends on many factors, which may potentially cause the ability to develop the solar power plant in Taiwan as planned. The factors including but not limited to the following events:

- Ability to convert Recordation Approval (RA) to Power Purchase Agreement (PPA)
- The process for obtaining the necessary licenses to conduct business
- Request to connect with Grid Connection and Taipower



- Procurement of land for project development from the government agencies must enter into a cooperation agreement with government agencies in utilizing the unused land for the renewable energy power plant project
- The ability to find funding sources including capital injection and borrowing
- Delayed in construction from EPC Contractor
- Force majeure and natural disasters

If the Company is unable to proceed according to the investment plan, the Company may be at risk of commercial operation delayed, causing cost overrun including the possibility of shorten electricity sale period or change of Feed-in Tariff and may result in the expected return.

In this regard, the determination of the purchase in the power purchase agreement between the developer and the Taipower will be determined by Taipower's Board every year. The electricity purchase rate will be determined upon the commercial operation date of such plant, therefore, the purchase price of electricity if the commercial operations is delayed later than planned, the purchase price of electricity is likely to be lower from the forecast. For the Yunlin project, it is scheduled for commercial operation by 2019 while the construction and obtaining relevant licenses has progressed according to the plan.

However, the Company has specified guidelines for the development and supervision of the solar power plant project in Taiwan by (1) requiring the study of the feasibility of the project in detail before investment decision (2) entering into agreements between business partners and/or various service providers, and the operating company by specifying investment objectives, scope of operations and relevant business activities prior to commercial operation and also during the project implementation phase.

#### **The risk of electricity production is less than the estimated amount**

The events that may affect the Company's solar power plants, both domestically and internationally, from being able to supply electricity to the utility company as estimated pose the following important factors:

- Defects in the design of the equipment or the construction of the power plant
- Defects in civil structures or power transmission systems
- Damage, disruption or deterioration of power generation equipment or other equipment in the power generation process
- Production curtailments due to maintenance delays
- Personnel errors which includes operator errors in using any equipment
- Solar irradiation intensity differs from usual and Climate Change
- Force majeure and natural disasters, including fire, explosion, landslides, earthquakes, tropical storms, floods and terrorism

On the occurrence of any of the events described above may have a material adverse effect on the business, financial status, performance and the Company's cash flow

Therefore, the Company has a risk management plan by:

- (1) Engage a technical consulting and engineering company to assess the feasibility of the project, conducting detailed study of solar irradiation statistics in each area from reliable sources such as the Department of Alternative Energy Development, Ministry of Energy or data from the National Aeronautics and Space Administration of the United States of America (NASA) or the data of the New Energy and Industrial Technology Development Organization (NEDO) in Japan. The technical consultants and engineers will provide the technical and engineering advice related to the construction and development of the project as well as solicitation of an EPC Contractor, and supervision of the project development in accordance with the plan.
- (2) Power production and distribution capability tests have been conducted starting from the commercial operation date. In which the EPC Contractor is the test master including continuing operations and maintenance after commercial operations to ensure the performance of the power plant.
- (3) Proceed to ensure that the plant performance meets the Performance Ratio Warranty by the EPC contractor from the commercial operation date with the guarantee rate as specified in the contract. If the performance of the power generation system is lower than the guaranteed level, the EPC Contractor must pay compensation for the difference between the actual electricity generated and the electric power sale according to the conditions specified in the contract or to take action according to other conditions as specified in the contract. In which the Company considers the qualifications of an EPC Contractor in accordance with the term of reference, which generally considers experience, track record, expertise, technology knowledge, financial status, efficiency and effectiveness of equipment used and the scope of the warranty for works and services.
- (4) Providing regular inspections and maintenance of power plants to ensure the operation of the power plant is efficient as well as receiving reports from O&M Contractor on a monthly basis In order to monitor and develop the project.
- (5) Insurance policy for material equipment in the power generation process as appropriate for the development of renewable energy power plants of the Company in the future to prevent any disruption in the operation of the power plant project; and
- (6) Insurance policy in the event of unexpected events affecting the electricity supply of the solar power plant project of the Company. The details of the insurance will be according to the scope of the policy

### Risk of relying on only a few customers

At present, the Company has only 4 large customers who are the electricity off-taker in Thailand (PEA), Japan (TEPCO and KEPCO), Taiwan (Taipower), which are all the electricity purchaseers of the Company under the power purchase agreement. Therefore, if PEA, TEPCO KEPCO and/or Taipower terminate the power purchase agreement, this may have a material effect on the Company's operations.

However, the Company views that the risk of PPA termination is quite limited. As the Company has controlled the operation of the solar power plant of the Company to be in accordance with the power purchase agreement and relevant laws strictly. In addition, the counterparty has a high level of credibility, as the PEA is a government organization, while the TEPCO and KEPCO are large private utilities that have obtained concessions and approval from the Japanese government and Taipower is state-owned enterprises under the Ministry of Economic Affairs, or MOEA, a highly stable unit in Taiwan.

### Risk from the ability to obtain future power purchase agreements

Currently, the Company has a total of 28 power purchase agreements, consisting of 18 power purchase agreements with PEA and 2 power purchase agreements with TEPCO and 3 from KEPCO and 5 power purchase agreements with Taipower. Every power purchase agreement has a definite period and can be divided into 4 types according to the parties as follows:

Type of Contract	Contract Period
1. Power purchase agreement with PEA under Adder scheme	The contract has a term of 5 years from the commercial operation date and continuously for 5 years each time automatically and shall come into force until the contract is terminated
2. Power purchase agreement with PEA under Feed-in-Tariff	The contract is for a period of 25 years from the commercial operation date
3. Power purchase agreement with Tohoku Electric Power Company and Kansai Electric Power Company	The contract is for a period of 25 years from the first meter reading date
4. Power purchase agreement with Taipower	The contract is for a period of 20 years from the commercial operation date

If the contract expired and the Company cannot obtain more power purchase agreements to offset with those terminated in the future, it will have a material adverse effect on the business, financial status, performance and the Company's cash flow.

The ability to obtain future power purchase agreements is considered a risk factor affecting the Company's business. Therefore, the Company must obtain additional power purchase agreements in order to ensure the continually expansion on its business.

For Thailand, due to the continuously increasing demand for electricity in the country including government policies that support the private sector to take an active role in the electric power industry, the Company estimates that the number of power purchase agreements with the government will likely to increase. Including the tendency that the Company may take more business expansion from entering into the Private PPA directly in the future from various policies of the Ministry of Energy that initiated the policy to support the direct purchase of electricity among the private sector.

For Japan, the use of renewable energy is still supported continuously with the Japanese government promoting the use of renewable energy and the development of electrical system networks as well as regulatory support and research and development to reduce operating costs to solve the problem of energy self-sufficiency rate.

For Taiwan, the Taiwanese government is increasingly focusing on the production of electricity from renewable energy. After the Taiwan government has adopted the power purchase tariff in the form of Feed-in Tariff to support the development of solar and renewable power plant projects under the 2009 Renewable Energy Act, together with the plan for the development of the network system, related regulatory support as well as research and development to reduce the operating costs of electricity production from renewable energy.

Thus, the Company considers that the risk in this area is quite low. In addition, the Company has completely qualified and has extensive experience with veteran experts and management team in the industry for the current power purchase agreement and for obtaining additional power purchase agreement in the future.

#### **Risk of dependent on EPC Contractor**

The Company has contracted EPC Contractor to design, procure equipment and construct the power plant both in Thailand and in other countries. The EPC Contractor is the guarantor of the work such as the efficiency and effectiveness of PV modules, the efficiency and effectiveness of the inverter and the Performance Ratio Guarantee. The Company is therefore at risk from relying on the contractor in the event that the EPC Contractor has difficulties in the operation which may affect its financial liquidity. This may result in the Company being unable to claim compensation in the event that the performance of the plant is lower than the guaranteed level.

However, the Company has considered the qualifications of an EPC Contractor in accordance with the term of reference, which generally considers experience, track record, expertise, technology knowledge, financial status, efficiency and effectiveness of equipment used and the scope of the warranty for works and services to ensure that quality at a reasonable price.

### Risks of project management in foreign countries

In Japan, the Company has a TK-GK investment structure under the laws and regulations of Japan. The Investor under the TK-GK investment structure and officers, directors, employees, or representatives of investor are unable to directly manage or operate the business under the TK-GK investment structure including not having the authority to act on behalf of the operator under the TK-GK investment structure.

However, under the TK-GK structure, the Company also has legal rights to inspect the operations of the operator and the right to oppose decisions about operation in the solar power plant business as specified in the TK Agreement as long as it is not against the law. In addition, the Company provides guidelines for supervision to enable the Company to control the operation management and project management by (1) selecting a reliable business partner and having experience in operating a solar power plant in Japan, and (2) entering a TK agreement between the Company and business partners and the operating company as well as various contracts to clearly define the scope of operations and decision-making.

For investment in Taiwan, the Company has managed and developed the project by itself, therefore there is a need for closer personnel and supervision. The Company has allocated staff both domestically and internationally to manage this project. Currently, the project is already reached commercial operation. After the commercial operation, O&M Contractor will manage the project and submit the monthly report for monitoring and solving problems.

### Risk from changing government policies and other government agencies' policies

The solar power plant project in Thailand has a power purchase agreement with the Provincial Electricity Authority (PEA). Therefore, if the government and other government agencies' policy changes conditions for purchasing electricity from renewable energy, this may also affect the Company's power purchase agreement.

However, according to Thailand Power Development Plan 2018-2037 (PDP Plan 2018) and Renewable and Alternative Energy Development Plan 2015-2036 (AEDP 2015 Plan) promulgated, the government still has a policy to promote electricity production from renewable energy continuously. Hence, the Company views that the risk from changes in government policies in the country that will have a negative impact on the Company's business is insignificant.

Meanwhile, the solar power plant project in Japan, the Company entered into a contract with large private companies such as Tohoku Electric Power Company and Kansai Electric Power Company that has been concessionized and approved by the Japanese government. The Japanese government is promoting the use of renewable energy by developing electrical network systems, regulatory support as well as research and development to reduce operating costs to solve the problem of the reduction of the Energy Self-Sufficiency Rate.

In addition, the Japanese Legislative Assembly promulgated the Act on Purchase of Renewable Energy by Renewable Energy Sourced Electricity by Electric Utilities on July 1, 2012, after which the proportion of electricity

produced from Renewable energy has changed markedly. With the proportion of electricity produced from solar energy to electricity generation from renewable energy significantly increased. Therefore, the Company thinks that the risk from the change of government policy of Japan that will have a negative impact on the Company's business is low.

As for the implementation of the renewable energy power plant project in Taiwan will be directly to Taipower, under Bureau of Energy, Ministry of Economic Affairs to determine the measures or policies. The Taiwanese government has enforced the Renewable Energy Development Act ("REDA") for renewable energy business in Taiwan by specifying the purchase of electricity in the form of Feed-in Tariff, which has been effective since 2009 and includes the Electricity Business Act ("EB Act") that has been in force in the electricity industry since year 2007, both laws are important regulations in the renewable energy business in Taiwan. Which still has amendments to both laws in the past therefore, the Company may be at risk of changing the policy of related departments. However, Taiwan is in the process of revising and campaigning for the purchase of electricity from renewable energy which may have measures or policies that will be effective to solve problems and to relax some conditions for operators to be more agile. Therefore, the Company considers that the risk in this area is also low.

#### **The risk of loss of revenue from the limitation of power purchase (Curtailment) of the project in Japan**

For operating a solar power plant business in Japan, the Company must sign a power purchase agreement with the private utility operator in the area where each power plant is located with the 20-year power purchase agreement. The Company has no obligation to sell electricity to private utility operators, however, private utility operators are obliged to purchase all the electricity that each project can produce.

However, in early 2015, the Agency for Natural Resources and Energy in Japan announced the Royal Decree and relevant operational guidelines to amend the guidelines for the purchase of electricity from renewable energy by the electricity provider company which includes limiting the amount of electricity purchases (Curtailment). The utility company has the right to be able to order the Company to reduce the amount of electricity sold in the total not more than 30 days per fiscal year or 360 hours per year (as the case may be) without having to pay compensation. Therefore, the Company has a risk of not being able to fully distribute electricity to the buyer, resulting in the potential loss of income and bottom-line return according to the period of notification of the limited amount of electricity purchased (Curtailment).

## Management Risk

### **Risks from investing in projects in which the Company is a minority shareholder**

For the solar power plant project that the Company has invested in which the Company is not a major shareholder, consists of domestic projects in which the Company holds 30% stake through PEC and projects in Japan in which the Company holds 25% stake. the Company has entered into a share purchase agreement, specifying that the Company must hold a director position and include decisions on various reserve matters. As agreed, however, being a shareholder of 25-30 percent makes the Company be a minority shareholder which may not be able to vote against the major shareholder.

However, for projects in Thailand in which the Company holds 30% of the shares through PEC, the Company has the right to nominate 2 directors from the total of 6 directors, so the rights of the Company still have the voting effect for the material agendas which requires 3 out of 4 votes of the committee or shareholders, as the case may be, as follows:

The following board resolutions require approval of at least 75 percent of the directors attending the meeting and having the right to vote

- Change in accounting policy of the Company
- Approval of connected transactions
- Enter into loan agreements or advance received which is not the ordinary business of the Company
- Enter into a new business or acquire new assets that are not related to power generation.

The following shareholders' resolutions require approval at least 75 percent of the shareholders attending the meeting and having the right to vote

- Change of auditor of the Company
- Approval of merger or dissolution transactions of related companies
- Capital increase or decrease of related companies
- Significant amendments to the article of association or agreements of the related companies.
- Issuance of shares or capital restructuring of related companies

### **Risk from having a group of major shareholders more than 75%**

The Company has a major shareholder holding over 75% of the total paid-up capital. The proportion of shares that is more than 3 out of 4 gives the said major shareholder the power to control the Company and influence the decision of the Company in all matters that must be approved by the shareholders' meeting. Therefore, other shareholders of the Company may anticipate the risk of not being able to gather votes to check and balance the issues proposed by the major shareholders at the shareholders' meeting, except for matters that the major

shareholder has a conflict of interest or matters that require minority shareholders to gather votes to exercise their right to object.

However, the Company has organized the management structure by knowledgeable and capable personnel and has specified scope of operations, duties and responsibilities. Delivering authority to directors and executives is clear and transparent and there will be a set of transaction measures related to the directors, major shareholder and person with control over the business including people who have conflicts in which the said persons will not have the right to vote in approving the said transaction to ensure the transparent operation of the business of the Company. In addition, the Company has appointed independent directors, consisting of 5 from a total of 7 directors in order to audit, counterbalance decisions and considering and approving various items before presenting to the shareholders' meeting to assure shareholders that the Company's management structure is balanced, transparent, and has effective management.

### **Financial Risk**

#### **Risk from interest rate fluctuations**

In the development of renewable energy power plant projects, the Company has loans in the form of Project Finance from financial institutions, in which the loan-to-equity ratio, credit term and interest rate will depend on the nature of the project and the credit of each borrower. Under the loan agreements made, there are both floating and fixed interest rates. If the interest rate changes significantly, this may have a negative impact on the business and financial status of the Company. For long-term loans, the Company has a policy to use fixed and floating interest rates for long-term loans in accordance with the capital condition and the appropriate market conditions at that time. At the same time, the Company has a policy to enter into interest rate swaps contracts to reduce risk. As a result, the Company has a lower risk of interest rate fluctuations. As of June 30, 2019, the PRA Group has a long-term loan of a company with floating interest rates of 17.5 percent of all long-term loans.

#### **Currency Exchange Risk**

From the Company investing in solar power plant projects in Japan and Taiwan, revenue is in Japanese yen and new Taiwan dollars denominated. Currency fluctuations may have a negative effect when the Company converts foreign currencies into Thai Baht, which is the currency used in the Company's operations, therefore, the risk of currency fluctuations may have a negative impact on the Company's performance. However, the proportion of revenue in foreign currencies is not at a significant level. In the 6 months of 2019, the Company has revenue from the profit sharing from the project in Japan is equal to 2.0 percent, of which, the expenses and investment budget of the Company also in foreign currency created a natural hedge.



**Risk from investment in new projects****Risk from uncertainty from investment and development of solar power plant project**

The Company has a target to invest in renewable energy power plants projects both domestically and internationally. Continuously through both the project development (Organic Growth) and the acquisition of the project (Inorganic Growth). Prior to investing in any project, the Company has feasibility study, including projections of revenue, profit, and return on such projects based on financial projections, including hiring consultants or specialist as an advisor. However, if the factors that significantly affect the development and business of the Company from altered from the feasibility study period, this may cause the unexpected return.

However, the Company has experience and expertise in solar power plant development and management and aware of the above risks. The Company has a policy to invest in new projects through extensive Due Diligence and the comprehensive feasibility study for each project in detail. Not only that, the consultants in various fields such as technical consultants, engineers, legal consultants, financial advisors, accounting and tax consultant are also engaged for the project. In addition, the Company has calculated the return on investment with the Sensitivity Analysis that covers the Worst Case Scenario to study the financial impact and return in the worst case. The Company has also calculated investment reserves (Contingency), which is expected to cover sufficient incremental expenses if project development expenses overrun to a certain extent.

The information from the above studies will be presented to the Investment Committee, which consists of directors and consultants with knowledge, ability and experience in the renewable energy business to consider and approve the investment.

**Risks from investing in renewable energy projects in foreign countries**

Investment in renewable energy power plants in foreign countries is at risk from changes in economic, social, political, legal, and government policies related to renewable energy in the respective country. Including foreign exchange risk that may have a negative impact on the Company's operations, and there may be a risk of not being able to procure personnel with expertise in managing projects in foreign countries on time.

However, the Company has studied the information and considered the possibility of investing in renewable energy power plants in many countries to diversify such risks and preparation for management of renewable energy power plants in foreign countries by hiring specialized consultants with expertise during project development and has a policy of recruiting and developing personnel to support the development of renewable energy power plants in foreign countries.

**Risk from procuring land for development of power plant projects from renewable energy**

The Company must procure land for development and construction of renewable energy power plants. The Company may face the risk of not being able to find the land in the area as specified in the power purchase agreement sufficiently and in accordance with the investment plan, including the risk that the cost of land acquisition may be higher than expected which may delay the investment of the Company and the power plants may not be able to commence commercial operations as specified in the power purchase agreement.

However, the Company has personnel with knowledge and expertise to procure and collect land in accordance with the specified criteria to ensure that the land is suitable for the production and distribution of electricity from renewable energy.

In this regard, the procurement of land for all past projects, there was only one project, the Onami project, that the Company has faced the issue of negotiation for a joint agreement from one resident in the area affected by land use for development and construction of the power plant and subsequently, not be able to submit documents evidencing the readiness for construction of the Grid Connection Work Application within the time specified. However, the Company will carry the experience from the Onami project for procuring land for future projects.

**Risk relating to the common shares of the Company****Risk from loan agreement that have restrictions on dividend payment of the Company**

Since the Company has a loan transaction in the form of Project Finance for all solar power plant projects, where the Debt Service Coverage Ratio (the DSCR contract has the highest equal to 1.10 times) must be maintained and is required to fully reserve the Debt Service Reserve Account in accordance with the principal amount and interest due for payment in the next 3-6 months. However, the solar power plant project has relatively stable incomes, with the latest year the project, the ability to pay interest (calculated from the earnings before interest and tax / finance costs) was 4.6 times, so the risk of project not being able to maintain the ratio above or not able to fill the reserve accounts for creditors and not be able to pay dividend as planned is likely quite low.

## Internal control and risk management

### Internal auditor's opinion on the Company's internal control system

The Board of Directors gives importance to the internal control system which is in accordance with the principles of good corporate governance by adhering to the principles of the COSO (The Committee of Sponsoring Organization of Treadway Commission) to assure a good internal control system which can help prevent, manage risks or various damage that may occur with the Company. The internal control system will cover financial management, evaluation and focus on continuous and sustainable development as follows:

**1. Control environment** - The Company has the objective of creating an organization with a well-controlled environment by allowing executives and employees to adhere the values of honesty and ethics, which stipulated in business ethics as a guideline for directors, executives, and employees. The Board of Directors consists of independent directors who are knowledgeable, reliable, independent and qualify to supervise and manage various operations. The management has set up an appropriate organizational structure and line of communication, define the authority of command and responsibility and also requires the separation of duties in important areas in order to checks and balances between each other by considering various suitability both business and legal aspect to support the achievement of the Company's objectives. The management has a process and mandatory communication that all personnel are responsible for the internal control system and to provide operational improvement on a regular basis Including setting clear and measurable business goals, as well as determining performance indicators and the appropriate performance recognition reward. In addition, the Company is dedicated to develop and retain of knowledgeable and capable personnel and furthermore provide regular training and formulating plans for succession planning

**2. Risk assessment** - The Company has assigned the Board of Directors and the Audit Committee to oversee and set policies for corporate risk management as well as approving and communicating risk management policies to all executives and employees for acknowledgment and compliance. In addition, the Board of Director is responsible for annual reviewing and evaluating risks by considering all risks that may occur from internal and external factors thru assessing the importance of risk both the chance of occurrence and the potential impact and formulating an operational plan and measures to support the changes sufficiently and appropriately

**3. Operational control** - The Company has specified control activities that are appropriate and consistent with the risk and the characteristics of the organization including establishing control measures covering various processes and arrange for the separation of duties and responsibilities appropriately. The Company has control of information technology to ensure that the system supports the achievement of company objectives, availability and safety. In addition, policies and procedures are consistently reviewed with due regard to the interests of the Company

**4. Information and Communication Systems** - The Company determines the information that needs to be used in operations both quality data from internal and external including accuracy, completeness, timeliness, and forms that are ease for understanding to provide the board of directors with sufficient information for decision making by considering cost and benefit analysis. The Company provides communication channels that can be linked thoroughly in order to communicate within the organization includes objectives and responsibilities for internal control that are necessary. In addition, the Company has an effective process of communicating with external stakeholders and have appropriate communication channels in order to be able to report information or clues regarding an inappropriateness.

**5. Tracking system** - The Company requires management to monitor and evaluate the operating results on a regular basis and requires an internal auditor responsible for reviewing the operations of the departments within the organization every quarter to ensure that those departments have internal control systems and personnel are knowledgeable and capable to be able to monitor, supervise operations and manage assets effectively. In addition, the Company also focuses on the internal auditor to be able to work independently by reporting audit results and solutions from management directly to the audit committee.

The Company hired P&L Internal Audit Company Limited ("P&L") to review and inspect the internal control systems of various operational processes which covers the important business processes of the Company for the year 2019, which P&L has inspected 2 work systems, namely revenue cycle, expenses cycle and subsidiaries under the operations of the Company which are PRG 5AMATA PGS PRD PRS PAE SMS and PSE by inspecting 3 areas, including fixed asset management, revenue cycle, expenditure cycle, including suggestions for improvement and monitor progress in improving the internal control system.

In this quarterly meeting of the Audit Committee, the inspection results have been reported and the observations have been presented to the internal control system. The Audit Committee is aware of the observations and clearly specifies the solutions as well as the following up of rectifications.

In addition, P&L is of the opinion that the Company has sufficient internal control systems to enable the Company to achieve its objective of increasing operational efficiency, increasing confidence among executives in reliable information systems and no significant errors .

### The person taking the highest responsibility in finance and accounting and the person supervising accounting

According to the regulations of the Securities and Exchange Commission regarding the qualifications of the highest-ranking accounting and financing officers (CFO) and controllers, the Company would like to disclose the following biography:

#### The person taking the highest responsibility in finance and accounting

<b>Name - surname</b>	Mr. Surachet Chaipatamanont ( 51 years)
<b>Position</b>	Deputy Managing Director, Finance and Accounting
<b>Education</b>	Master of Operations Research in Finance, Columbia University, USA
<b>Background</b>	Bachelor of Electrical Engineering, Columbia University

#### Work Experience during the past 5 years

Time Period	Position	Company
Present	Vice Chairman	Prime Road Power Public Company Limited
2018 - 2019	Director	Hydrotek Public Company Limited
2015 - 2019	Deputy Managing Director	Prime Road Group Company Limited
	Managing Director	Asialhalcyon Capital Inc., Singapore
2012 - Present	Managing Partner	Tuas Capital Partners MGF I General Partner Ltd (Labuan), Malaysia

#### The person supervising accounting

<b>Name - surname</b>	Mrs. Amporn Pengsri (44 years)
<b>Position</b>	Accounting & Financial Management System Manager
<b>Education</b>	Bachelor Degree of Account
<b>Background</b>	Kasam Bundit University
<b>Training</b>	- Deferred income tax #01/2019 - AI for Accounting: Artificial Intelligence for accounting & finance - International Financial Reporting Standards: IFRS (TFRS 9) Hedge Accounting and Classification & Measurement

**5-Year Working Experience**

2019 - Present	Accounting & Financial Management System Manager Prime Road Power Public Company Limited
2017 - 2019	Accounting & Financial Management System Manager Prime Road Group Company Limited
2015 - 2017	Accounting Manager Thai Smile Airway Company Limited

Illegal Act Record in past 10 years	None
Family relations between executives	None
Company Shareholding	None

**Head of the internal audit of the Company**

Board of Directors' meeting has the approval for an appointment of P&L to act as an internal auditor. P&L's internal auditor is suitable to perform their duties as the Company's internal auditors since P&L's internal auditor is certified, experienced and have received appropriate training in courses related to internal audit operations. The background of the internal auditors of P&L, which is the Company's internal auditors is as follows:

<b>Name - surname</b>	Wanwimon Jongsuriyaphat
<b>Position</b>	Director of Internal Audit

**Education Background**

2020	Master of Business Administration for Executives Faculty of Business Administration National Institute of Development Administration
2006	Bachelor of Accountancy, Accounting (Accountancy - 2nd Class Honors), Dhurakij Pundit University
2017	Diploma in Internal Auditing (Internal Auditing Certificate Program - IACP), Federation of Accounting Professions In the royal patronage
2016	Certified Professional Internal Audit of Thailand (CPIAT), Institute of Internal Auditors of Thailand
2008	Prepared Course for Certified Internal Auditor: Pre – CIA Chulalongkorn University

**5-Year Working Experience**

2013 – Present	Executive Director, P&L IT Audit Company Limited
2006 – Present	Director of Internal Audit Division P&L Internal Audit Company Limited
Illegal Act Record in past 10 years	None
Family relations between executives	None
Company Shareholding	None

## Management Discussion and Analysis

### Overview of business operations and significant changes

Prime Road Power Public Company Limited, formerly, was engaging in the food and beverages business and has a major investment in companies that operate food and beverage businesses and lifestyle restaurants by holding franchise licenses in the restaurant and beverage brands such as Domino's Pizza ("Domino's"), The Coffee Bean and Tea Leaf ("CBTL") and Kyonchon ("KYOCHON") and other various lifestyle restaurants such as restaurants under Fenix Iron Fairies Company Limited and restaurants from G Enterprise & Co Company Limited and joint venture businesses in the hotel business under the name of "Red Planet", with hotels located in Thailand, the Philippines, Indonesia and Japan.

On 26 July 2019, the Company registered to change the name of the Company to Prime Road Power Public Company Limited and changed the main business from the former food and beverages business and real estate to a holding company that operates in the production and distribution of electricity from renewable energy both domestically and internationally, with Prime Road Solar Company Limited ("PRS") being the core company.

After entering into the transaction to dispose of investment in the subsidiary and the former assets of the Company in accordance with the Covenants specified in the Share Subscription Agreement, the Company will operate only the production and distribution of electricity from renewable energy business of the Company. Therefore, the Company has chosen to use the information from the Company financial statements to describe the Company's performance and financial status to show the results of the renewable energy business.

### Business overview of the Company after the entire business transfer

The Company mainly operates through holding shares in other companies (Holding Company) by investing in a company that sells electricity from renewable energy, currently focusing primarily on investment and development of solar power plant projects. The Company has subsidiaries that conduct business in holding companies in other companies as follows:

1. Prime Road Alternative Company Limited ("PRA"), which operates its core business by holding shares in other companies (Holding Company) by investing in the shares of Prime Road Group Company Limited ("PRG") in the proportion of 99.9 percent of the paid-up capital and Prime Energy Capital Company Limited ("PEC") in the proportion of 99.9 percent of the paid-up capital. Both PRG and PEC are companies under the control in the same respective to the shareholders of PRA
2. Prime Road Group Company Limited (PRG) which operates its core business by holding shares in other companies (Holding Company) by investing in a solar power plant project that has entered into a power purchase agreement in the form of Feed- in Tariff (FiT), divided into the following groups:

- 2.1 Solar power plant projects in Thailand that have entered into a contract to power purchase agreement in the form of Feed-in Tariff (FiT), 8 projects, with a total contracted capacity of 40.6 megawatts
- 2.2 Solar power plant project in Taiwan, which has entered into a contract to purchase electricity in the form of Feed-in Tariff (FiT), 1 project, with a contracted capacity of 8.5 megawatts
- 2.3 Beneficial holding through TK-GK Structure of 25.0 percent of the solar power plant projects in Japan that have entered into the power purchase agreement in the form of Feed-in Tariff (FiT), 5 projects with a contracted capacity of 54.5 megawatts
3. Prime Energy Capital Company Limited (PEC) operates its core business by holding shares in other companies (Holding Company) by investing in 10 solar power plant projects in Thailand with total contracted capacity of 72.0 megawatts in proportion to 30 percent of the paid-up capital. All projects entitle to the 8.00 baht per kilowatt hour Adder.

#### Analysis of the operating results and the consolidated financial status

##### Revenue and profit sharing from associated companies

For the year 2019, the Company has revenue from electricity sales and profit sharing from associated companies operating in the renewable energy business in the amount of 685.0 million baht, an increase of 146.5 million baht from the previous year, representing an increase of 29.0 percent, essentially from the increase in revenue from electricity sales of 118.44 million baht and the increase in profit sharing in associated companies of 24.50 million baht.

In this regard, the increase in revenue from electricity sales is mainly from the commercial operation date (COD) of 3 projects in December 2018, which are Nam Bo Kham Pattana Agricultural Cooperative Project (KPA05), Agricultural Cooperative for Customer Marketing BAAC Trang (LRA08) and Lam Thap Agricultural Cooperative Project (KTM07) as well as the commercial operation date (COD) of He Wu, Shin Shi and Sheng Jiu Projects in Yunlin city, Taiwan in April 2019. The increase in the profit sharing in associated companies in Thailand is mainly from the increase in the average wholesale Ft.

As for the profit sharing in associated companies in Japan, Aizu Energy Limited (Aizu), an associated company of the Company, investing in companies that operate and distribute electricity from renewable energy in Japan, the Company received no revenue from dividend from project companies in Japan because the Company operating the project in Japan was in the process of reserving funds in Debt Service Reserve Account according to the terms of the Project Finance Agreement. However, in 2018, the Company had a share of profits from an associated company in Japan in the amount of 11.90 million baht because Aizu has other income recognition from exchange rate differences from currency exchange.



The revenue proportion from electricity sales of the Company compared to total revenue in 2018 was 42 percent, while in 2019, the said proportion was 51 percent and the share of profits from associated companies compared to total revenue in year 2018 was at 57 percent while in year 2019 the said proportion is at 48 percent whereby the revenue from electricity sales and profit sharing from the associated companies consist of 3 main parts which are:

1. Revenue from sales of electricity from solar power plants in Thailand and Taiwan which has the power purchase rate in the form of Feed-in-Tariff (FiT) under the investment of PRG ("**Revenue from electricity sales in Thailand in the form of FiT**")
2. Share of profits in associated companies in solar power plant projects in Thailand which has the power purchase rate of electricity is in the form of Adder purchase under the investment of PEC ("**Share of profits from Distribute electricity in Thailand in the form of Adder**") and;
3. Share of profits in solar power plant projects in Japan which has the power purchase rate in the form of Feed-in-Tariff (FiT) under the investment of PRG ("**Share of profit from electricity distribution in Japan in the form of FiT**")

Table of income distribution from electricity sales by project and profit sharing in associated companies

Unit: million baht

Project (Country)	2018		2019	
	Amount	%	Amount	%
<b>Revenue from selling electricity</b>	<b>215.8</b>	<b>42.4</b>	<b>334.2</b>	<b>51.2</b>
- BSA01 and LAK09 (Thailand)	66.5	13.0	67.1	100.2
- LBL05 (Thailand)	41.4	8.1	42.0	6.4
- BSA08 (Thailand)	42.2	8.3	42.7	6.5
- 5AMATA (Thailand)	64.6	12.7	66.2	10.1
- KPA05 (Thailand)	0.4	0.1	32.3	4.9
- KTM07 and LRA08 (Thailand)	0.7	0.1	60.9	9.3
- Yunlin (Taiwan)	-	-	23.0	3.5
<b>Share of profits in associated company</b>	<b>293.6</b>	<b>57.6</b>	<b>318.1</b>	<b>48.3</b>
- Share of profit from selling electricity in Thailand in form of Adder	281.7	55.3	311.5	47.3
- Share of profit from selling electricity in Japan in form of FiT	11.9	2.3	6.6	1.0
Other Income	2.1	0.4	5.7	0.9
<b>Revenue from electricity distribution and profit sharing in associated companies</b>	<b>511.5</b>	<b>100.0</b>	<b>658.0</b>	<b>100.0</b>

### Cost of Sale

The cost of sales and services of the Company consists of (1) depreciation and amortization and (2) operating and maintenance expenses for solar power plants (O&M) and other costs. The operating and maintenance costs of the power plants are stable in accordance with the conditions stipulated in the agreement, with constant growth adjustment throughout the contract period. While the depreciation and amortization are in accordance with the useful life of the power plant, which has an average life of 25 years. Therefore, if there are no new projects, the cost of sales and services will not change significantly.

In 2018, PRA had cost of sales and services amounting to 101.06 million baht. For the year 2019, the Company has cost of sales and services of 156.60 million baht, an increase of 55.54 million baht from the previous year or representing an increase of 54.96 percent. The main reason was that the group has recognized the cost of sales and services of 3 solar power plant projects in Thailand, consisting of the LRA08 project, KTM07 project and KPA05 project, which commenced commercial operation date (COD) in December 2018 and recognized in cost of sales and services of He Wu, Shin Shi and Sheng Jiu, which began commercial operation date (COD) in April 2019.

### Gross Profit

In 2018, PRA had a gross profit of 114.7 million baht. For the year 2019, the Company has a gross profit of 177.64 million baht, an increase of 62.90 million baht from the previous year or representing an increase of 54.82 percent. The main reason for this increase was the gross profit margin of the aforementioned solar power plant project that commenced their operation is recognized.

### Other Income

During the year of 2019, the Company has other income amounting to Baht 5.7 million or increased by Baht 3.5 million or increase of 166 percent, when compares with the same period of prior year, with the main factor from interest income arising from long-term loan to others.

### Administrative Expenses

In 2018, PRA had administrative expenses in the amount of 150.83 million baht, partly due to the allowance for doubtful accounts of other receivables in the amount of 28.97 million baht at the end of 2018 and the allowance for doubtful accounts for accounts receivable in year 2019 of Baht 5.00 million.

For the year 2019, the Company had administrative expenses in the amount of 135.56 million baht, decreased from the previous year by 15.27 million baht or representing a decrease of 10.12 percent. The main reason was the decrease of advisory fees for listing in Stock Exchange of Thailand.

**Net (loss) gain from foreign exchange**

During the year of 2019, the Company has net loss from foreign exchange amounting to Baht 1.9 million which mainly contributed by appreciation of Thai Baht when compares with other currencies during the year.

**Financial Cost**

In 2018, PRA had a financial cost of 69.90 million baht. For the year 2019, the Company has a financial cost of 93.34 million baht, an increase of 23.44 million baht from the previous year or an increase of 33.53 percent. This was mainly due to interest expenses of aforementioned solar power plant projects which have commenced commercial operation date (COD).

**Net Profit**

During the year of 2019, the Company has net profits in consolidated financial statements totaling 272.2 million baht, significantly increased by 87.5 million baht when compares with the same period of prior year or the increase of 47 percent which 265 million baht is attributable to owners of parent or the increase of 49 percent; by having main factors of the increase arising from started COD of 3 new solar power plants in Thailand during the end of 2018 and Taiwan projects which started COD during 2019.

**Financial status analysis**

The consolidated financial statements presented for the comparison include the consolidated financial position as of December 31, 2018, and the combined operating results and total cash flows for the year ended December 31, 2018, of the PRA Group.

The recognition of assets and liabilities from business combinations in the consolidated financial statements is as follows:

A) The assets and liabilities of the PRA Group are recognized and measured at their book values at the business combination date

B) Assets and liabilities of the FC Group are recognized and measured at fair value in accordance with Thai Financial Reporting Standard No. 3 Business Combinations under the conditions of the share subscription agreement by measuring and displaying the disclosed items as detailed in Note 18.1

C) Accumulated profit (loss) and balances of other components of the PRA Group's capital are recognized and measured at book value at the business consolidation date

D) Equity is the owner's equity of the PRA Group and retrospectively for the legal capital of the PRA Group to reflect the equity portion of the FC Group

**Asset**

At the end of 2017, 2018 and 2019, the Company had total assets of 3,062.83 million baht, 3,666.46 million baht and 5,276.90 million baht respectively, increasing by 603.63 million baht or an increase of 19.71 percent in 2018 and an increase of 1,610.44 million baht or an increase rate of 43.92 percent in the year 2019. The details of important changes can be summarized as follows:

**Cash and cash equivalents**

As of the end of 2017, 2018 and 2019, the Company had cash and cash equivalents of 60.43 million baht, 96.93 million baht and 44.64 million baht, respectively, an increase of 36.50 million baht or 60.40 percent increase in 2018 and a decrease of 52.29 million baht or 53.95 percent reduction in the year 2019, with the increase of cash in 2018 as reserved for payment of accrued construction costs in the amount of 42.40 million baht. While the decrease in cash and cash equivalent in 2019 is mainly due to investment in solar power plant development, LRA08 project and KTM07 project under SSP and KPA05 project under PGS (please see more details in item 14.2 .4 in the section of cash flow analysis).

**Trade and other receivables**

The subsidiary companies engage in the production and distribution of electricity under the power purchase agreement for the Provincial Electricity Authority in Thailand and Taipower in Taiwan. In this regard, the payment schedule is scheduled to pay for electricity purchase at 30 days for the policy on the allowance for doubtful accounts of trade and other receivables. The allowance for doubtful accounts will be assessed by considering the debtors who are past due, but the Company has not received payment for more than 6 months. If it is found that the debtor is bad debt, it will be written off from accounts receivable and other receivables.

As of the end of 2017, 2018 and 2019, the Company had trade and other receivables in the amount of 102.38 million baht, 80.43 million baht and 99.47 million baht respectively, a decrease of 21.95 million baht or a 21.44 percent decrease in 2018 and an increase of 19.04 million or equivalent to an increase of 23.67 percent in the year 2019. Against this background, the decrease of trade and other receivables in 2018, is mainly due to the allowance for doubtful accounts of other receivables in the amount of 28.97 million baht from the total receivables of 34.00 million baht. This is a compensation item that Prime Renewable Energy Company Limited (PRE) has prepaid to pay in order for the construction schedule to be in accordance with the plan for the previous owner of a solar power plant project in Japan, which PRE went into buying the project.

Later, when the management of the Company considered the mentioned damage, it can be found that the original project owner has not fully disclosed in the share purchase agreement. The Company, thus, claims for compensation from the original owner. However, the management expects that it may not be able to claim compensation from the seller in full. Therefore, it shall be considered to set up allowance for doubtful accounts and recognize as administrative expenses in the amount of 28.97 million baht in the accounting year 2018.

While the increase in trade and other receivables in the year 2019 is mainly due to an increase in trade receivables of 1.17 million baht and an increase in accrued electricity income of 11.30 million baht, because of the beginning distributing electricity to the commercial system (COD) of 3 solar power plant projects, consisting of the LRA08 project and the KTM07 project under Smart Solar Power Company Limited ("SSP") and KPA05 projects under Prime Green Solar Co., Ltd. ("PGS").

#### **Bank deposits with restrictions on withdrawal**

At the end of 2017, 2018 and 2019, the Company had bank deposits with drawdown restrictions in the amount of 93.53 million baht, 147.43 million baht and 240.93 million baht, respectively, an increase of 53.90 million baht or an increase of 57.63 percent in the year 2018, and increased by 93.50 million baht or 63.42 percent increase in the year 2019. The increase in bank deposits that have been restricted in 2018 and 2019, is in view of the fact that the Group has transferred the rights to the financial institutions to lenders to secure long-term loans that the Group has received in the form of Project Finance.

#### **Loans to other businesses**

As of the end of 2017, 2018 and 2019, the Company has loans to other businesses in the amount of 13.86 million baht, 53.52 million baht and 60.26 million baht, respectively, increasing by 39.66 million baht or representing an increase of 286.15 percent in 2018 and an increase of 6.74 million or equivalent to an increase of 12.59 percent in the year 2019. The increase in loans to other businesses in 2018, is due to the reclassification of loans to the Company Central West Clearwater Golden Limited ("CWD") of 52.00 million baht in order to invest in the waste landfill project, which is a project that the Company sees the potential to expand the business. This is because it can extend the use of waste as fuel to build power plants from waste energy in the future (*Additional details of loans to CWD are shown in Related Transactions of the Company (a) Loan Transactions*), together with the repayment of loans to other parties in the amount of 13.90 million baht. Meanwhile, the decrease in loans to other businesses in the year 2019, is caused by Prime Solar Energy Company Limited ("PSE") proceeded to acquire all 3 subsidiary companies operating in Taiwan by converting loans to all 3 operating subsidiaries into a total of 1.50 million baht.

#### **Property, plant and equipment**

At the end of 2017, 2018 and 2019, the Company had property, plant and equipment in the amount of 1,246.40 million baht, 1,662.29 million baht and 1,862.61 million baht respectively, increasing 415.89 million baht or representing an increase of 33.37 percent in 2018 and an increase of 200.32 million baht or an increase of 12.05 percent in the year 2019. The increase in property, plant and equipment in 2018, is due to the acceptance of the construction work of the solar power plant 3 projects. This consists of the LRA08 project, the KTM07 project, and the KPA05 project, and the increase in property, plant and equipment for the year 2019, which is a major reason for the acceptance of the construction work of the solar power plant project in Taiwan under Prime Solar Energy Co., Ltd. ("PSE").

### Intangible assets

As of the end of 2017, 2018 and 2019, the Company had intangible assets in the amount of 399.65 million baht, 595.29 million baht and 613.91 million baht respectively, an increase of 195.64 million baht or an increase of 48.95 percent in 2018 and an increase of 18.62 million baht or representing an increase of 3.13 percent in the year 2019.

The increase in intangible assets in 2018, is due to the fact that the Group has acquired additional investments in SSP and PGS in the proportion of 49.00 percent from non-affiliated companies. According to the content of compensation, it consists of two objectives, namely the payment of interest in SSP and PGS and the payment of service fees in order to obtain the rights to the power purchase agreement. Therefore, the Company has recognized service fees for the acquisition of power purchase rights as intangible assets in the amount of 30.00 million baht and 54.10 million baht respectively. For the increase in intangible assets in the first 6 months of the year 2019, there is a significant cause of the acquisition of electricity purchase rights of PSE's solar power plant project in Taiwan in the amount of 25.80 million baht which has been offset in part by a decrease in amortization of intangible assets.

### Investments in associated companies

As of the end of 2017, 2018 and 2019, the Company had investments in associates of 847.44 million baht, 933.55 million baht and 1,078.16 million baht, respectively, an increase of 86.11 million baht or an increase of 10.16 percent in 2018 and an increase of 144.61 million baht or equivalent to an increase rate of 15.49 percent in the year 2019. The increase of investment in associated companies in 2018 and 2019, is due to the recognition of revenue sharing from investments in associates within PEC and its Prime Renewable Energy Company Limited ("PRE").

### Debt

As of the end of 2017, 2018 and 2019, the Company had total liabilities of 1,425.84 million baht, 1,855.23 million baht and 2,939.50 million baht, respectively, an increase of 429.37 million baht or 30.11 percent increase in 2018 and an increase of 1,084.27 million baht or an increase of 58.44 percent in the year 2019. The details of significant changes can be summarized as follows:

#### Rights payers in power purchase agreements

The Subsidiary Company Project (Project Company) has entered into an agreement to sponsor a project to produce electricity from solar power installed on the ground with agricultural cooperatives. In this regard, such agreement has compensation for the exercise of the right which is recognized as "Payable royalty rights in electricity purchase agreements" from the date of commercial electricity distribution start at the end of 2017, 2018 and 2019. the Company has the right to purchase electricity purchase agreements in the amount of 94.27 million baht, 166.52 million baht and 163.39 million baht, respectively, an increase of 72.25 million baht or 76.64 percent increase in 2018 and a decrease of 3.13 million baht or 1.88 percent decrease in the year 2019. The increase of royalty payable

in 2018, is due to an increase in royalties from the ground-based solar power plant operation with agricultural cooperatives under SSP and PGS in the amount of 74.50 million baht. This was partially offset by a decrease in the payment of royalties from the installation of the ground-based solar power plant with agricultural cooperatives in the amount of 2.20 million baht. In the power purchase agreement in the year 2019, there is a significant cause from the payment of the right to operate the solar power plant installed on the ground with agricultural cooperatives in the amount of 4.20 million baht.

#### **Other payables**

As of the end of 2017, 2018, and 2019, the Company had other creditors in the amount of 77.54 million baht, 54.46 million baht and 53.58 million baht respectively, decreased by 23.08 million baht or 29.77 percent reduction in 2018 and decreased 0.88 million baht or a decrease of 1.62 percent in the year 2019. The decrease of other creditors in 2018, is due to the decrease of the accrued expenses related to the consulting fees for the coordination for the development of solar power plants in Japan in the amount of 35.70 million baht for the decrease of other creditors for the year 2019, which is an insignificant decrease.

As of December 31, 2019, other payables of the Company consist of significant items such as trade accounts payable in the amount of 6.06 million baht, the accrued expenses of 30.69 million baht and the accrued interest of 6.40 million baht.

#### **Long-term loans from financial institutions**

At the end of 2017, 2018 and 2019, the Company had long-term loans from financial institutions in the amount of 1,111.89 million baht, 1,451.82 million baht and 1,590.40 million baht respectively, increasing 339.93 million baht or representing an increase of 30.57 percent in 2018 and increasing 138.58 million baht, or an increase of 9.55 percent in 2019. The increase in long-term loans from financial institutions in 2018, is due to the additional drawdown of loans for the development of solar power plant projects under SSP and PGS in the amount of 254.80 million baht and 133.60 million baht, respectively. In addition, for the increase of long-term loans from financial institutions in 2019, there was a significant cause from the drawdown of additional loans for the development of solar power plants in Taiwan under PSE in the amount of 240.00 million baht.

#### **Shareholders' equity**

At the end of 2017, 2018 and 2019, the Company had shareholders' equity of 1,636.99 million baht, 1,811.23 million baht and 2,337.40 million baht, respectively, an increase of 174.24 million baht, representing an increase of 10.64 percent in 2018 and an increase of 526.17 million baht or equivalent to an increase of 29.05 percent in the year 2019. The increase in shareholders' equity in 2018 and 2019, is due to a net profit of 184.71 million baht and 272.17 million baht, respectively. In this regard, the dividends were paid during the year according to the promissory notes of the Group.

On July 26, 2019, under the conditions of "Subscription Subscription Agreement", the Company purchases 4,018,001 shares of Prime Road Alternative Company Limited ("PRA") by issuing ordinary shares of the Company in the amount of 14,881,481,481 shares with a par value of 1 baht per share, at the price of 0.27 baht per share (the price of the transaction on July 26, 2019, at 0.42 baht per share) to PRGD. Development Company Limited ("PRGD"), a major company of PRA, makes PRGD a major shareholder of the Company with a total stake of 87.45 percent and have control over the Company. In terms of the accounting, it has been considered the fact of this business combination that the business of the PRA Group is significantly larger than the size of the FC Group. In addition, the management of the PRA Group has taken over the role of the FC Group executives after the business combination, thus, it has been considered that this transaction is a business acquisition and a reverse purchase in accordance with Thai Financial Reporting Standard No. 3 regarding Business Consolidation. Therefore, the consolidated financial statements reflect that the PRA Group is the purchaser and FC Group is the acquirer in accounting, which is different from the legal forms and the preparation of the special financial statements of Prime Road Public Company Limited prepared according to the law reflecting that the Company holds 99.99 percent of the shares in PRA Group.

However, at the end of 2017, 2018 and 2019, the Company had other components of equity in the amount of (2,463.04) million baht (2,466.34) million baht and (2,478.03) million baht, respectively. At the end of 2017 until the end of the 2019 fiscal year, the Company changed the surplus from business combination under common control of only 11.69 million baht, which may be considered that there has been no significant change. This is because there is no significant movement of paid-up capital of PRG and PEC during such period.

#### Cash flow analysis

When considering the cash flow from operations in the year 2018, PRA has cash flow from operations in the amount of (27.88) million baht. The main item is the profit prior to corporate income tax of 187.19 million baht, when adjusting with various items such as the share of profits from associated company, depreciation and amortization profited from operating activities before changes in operating assets and liabilities at 69.25 million baht. In addition, an important item was an increase in trade and other receivables of 6.61 million baht and an increase of trade and other payables of 23.05 million baht.

In the year 2019, the Company had an operating cash flow of 67.53 million baht, an increase of 95.41 million baht from the same period last year. The main item is the profit before corporate income tax of 270.59 million baht, when adjusting with various items such as profit sharing from an associated company, depreciation and amortization profited from operating activities before changes in operating assets and liabilities at 174.91 million baht. In addition, there are significant items such as a decrease in trade and other receivables of 30.45 million baht and an increase in trade and other payables of 58.62 million baht.

Considering the cash flows used in investing activities in the year 2018, PRA had cash flows used in investing activities in the amount of 243.83 million baht. The significant items of cash flows from investing are cash received from sales of investments in subsidiaries of 119.33 million baht and the purchase of property, plant and equipment



in the amount of 428.23 million baht. These items are an investment in assets in the solar power plant project, consisting of the LRA08 project, KTM07 project and KPA05 project, and cash payment for the purchase of intangible assets in the amount of 103.40 million baht. The reason is that the Group purchased additional investments in SSP and PGS in the proportion of 49.00 percent in order to obtain power purchase rights of LRA08 Project, KTM07 Project and KPA05 Project, and dividend income in the amount of 213.54 million baht.

In the year 2019, the Company had cash flows used in investing activities in the amount of 288.97 million baht, an increase of 45.14 million baht from the same period last year. The important items of cash flows used in investment activities are cash paid for purchase of property, plant and equipment in the amount of 334.02 million baht. This is an investment in assets in a solar power plant project in Taiwan and the dividend received in the amount of 223.93 million baht.

When considering the cash flow from financing activities for the year 2018, PRA had cash flows from financing activities in the amount of 308.53 million baht. The main items are cash received from long-term loans from financial institutions in the amount of 793.62 million baht, which was used as a source of funds in development of solar power plant project, LRA08 project, KTM07 project and KPA05 project, and cash to repay long-term loans from financial institutions in the amount of 441.06 million baht.

In the year 2019, the Company had cash flows from financing activities in the amount of 161.59 million baht, a decrease of 146.91 million baht from the same period of the previous year. The main items were cash received from long-term loans from financial institutions in the amount of 287.45 million baht, which was used as funding for the development of a Yunlin solar power plant project in Taiwan, and cash to repay long-term loans from financial institutions in the amount of 124.56 million baht.

#### Analysis of important financial ratios

##### **Liquidity Ratios**

As of December 31, 2017, December 31, 2018, PRA and December 31, 2019, the Company had the current ratio of 1.38 percent, 1.11 percent, and 1.71 percent, respectively. The decreasing in the current ratio at the end of 2018 from the year-end of 2017, was mainly due to an increase in accrued construction costs of 42.25 million baht at the end of 2018 while there was no such transaction at the end of 2017. In addition, the decrease in the current ratio at the end of 2019 from the year-end of 2018, was significantly due to an increase in long-term loans from financial institutions due within 1 year, which increased from 111.08 million baht at the end of 2018 to 140.17 million baht at the end of 2019.

PRA trade receivables turnover ratio as of December 31, 2018 and December 31, 2019, the Company stood at 4.07 percent and 8.87 percent respectively, with an increase in turnover ratio of trade receivables as of December 31, 2019. This is because the cumulative electricity sales during the 4th quarter tend to pass the amount of electricity

that exceeds the capacity factor of 16 percent, resulting in lower electricity purchase prices and resulting in accounts receivable levels in the 4th quarter being smaller than other quarters.

For the current ratio of trade payables of PRA as of December 31, 2018 and December 31, 2019, the Company stood at the same level of 13.34 percent and 23.29 percent, respectively.

#### **Profitability Ratio**

In 2018, PRA had return on equity at 10.71 percent, and in 2019, the Company had return on equity at 13.12 percent, respectively, with an increase in return on equity in 2019 from the same period of the previous year. The main reason is that net profit of the LRA08 and KTM07 projects under SSP in the amount of 13.18 million baht, and the net profit of the KPA05 project under the PGS in the amount of 7.32 million baht, were increased. All mentioned three projects started selling electricity into the commercial system (COD) in December 2018, and there was an increase in net profit of the profit sharing in the associated company of PEC 29.82 million baht, together with an administrative expense which decreased from the same period of the previous year by 15.27 million baht.

#### **Efficiency Ratio**

Return on assets and return on fixed assets are in the same direction as return on equity. The main reason is due to the increase of net profit.

#### **Financial Policy Ratio**

As of December 31, 2018, PRA and December 31, 2019, the Company had debt to equity ratio at 1.02 percent and 1.26 percent, respectively. An increase in debt to equity ratio at the end of 2019 from the end of the year is mainly due to an increase in long-term loans from financial institutions for the development of solar power plants at 1,590.40 million baht, raising up from 1,451.82 million baht.

As for the interest coverage ratio and the ability to pay commitments with negative values in 2018, as the year 2018, the PRA has negative cash flows from operations, attributing to the fact that many solar power plant projects under PRG are still under development. Meanwhile, a large amount of cash flow is highly likely coming from the performance of the associated companies under PEC in the form of dividends. This will be classified in cash derived from investing activities without being included in the cash flow from operations. In the year 2019, although the Company will have a positive cash flow from operations, but the Company is still in the process of expanding the project under PRG as usual, resulting in interest and obligation obligations to be used to develop the said project.

#### **Factors that may affect future operations or financial status**

##### **Disposals of investments and liabilities in subsidiaries, such as Evolution Land Company Limited and Evolution Holding Company Limited**

Under the conditions stipulated in the Share Subscription Agreement, in which the Company has to dispose the investment and liabilities in two subsidiaries namely, Evolution Land Company Limited and Evolution Holding

Company Limited, which will result in the Company to operate only renewable energy business. Under the Share Subscription Agreement, the Company must sell the investment and liabilities in both subsidiaries to the third party first. However, if within 12 months, the sales cannot be made to the third party, Mr. Krit Srichawla or the person or the juristic person assigned to act on behalf of Mr. Krit Srichawla will be the buyer at the minimum price guarantee specified in the Share Subscription Agreement, which is equal to 276.81 million baht and 245.90 million baht respectively.

#### **The sale of land and leasehold rights in the Company**

As specified in the Share Subscription Agreement, the Company has to sell 10 plots of land and 2 leasehold rights of the Company, which will be sold to third parties who are interested in purchasing land and lease rights first. With reference to the appraised value of the external appraiser, the Company has hired KK Valuation Company Limited to be appraiser for the said land and leasehold rights as per the report dated October 22, 2018. However, if the Company is not able to find a third party to purchase the said assets within 12 months according to the Covenants, which is the period specified in the Share Subscription Agreement, Mr. Krit Srichawla or the person or the juristic person assigned to act on behalf of Mr. Krit Srichawla will be the buyer at the minimum price guarantee specified in the Share Subscription Agreement, which is equal to 63.20 million baht. And 52.20 million baht respectively.

#### **Investment in a solar power plant project in Japan**

The Company is currently developing 2 solar power plant projects in Japan, with a total installed capacity of 27.5 megawatts.

#### **Investment in a solar power plant project in Taiwan**

The Company has invested and developed in the solar power plant project in Taiwan. Representing a total installed capacity of 2.5 megawatts and is expected to complete the development of the project within the 4th quarter of 2020

#### **The termination of Adder incentive**

At present, the solar power plant projects in Thailand of the associated companies which have a total contracted power capacity of 72.0 megawatts (installed capacity of 91.7 megawatts). Adder incentive is supported at the rate of 8.0 baht per kWh, for a period of 10 years from the commercial operation date. The 10 solar power plants in Thailand of the associated companies of the Company will reach the termination of Adder support in the year 2023-2024. The proportion of the contracted capacity under Adder scheme in year 2023 and 2024 compared with the total current power production capacity is 2.5 percent and 27.4 percent respectively.

In this regard, the information from the Company's consolidated financial statements ended 31 December 2019, the revenue from the said solar power plant under Adder scheme representing 47.30 percent of the group's total revenue.

## Connected Transactions

Connected transactions between the Company and the connected parties

### Related parties

Person or juristic person who may have a conflict of interest between the Company and the Group for fiscal year ending 31 December 2018 and fiscal year ending 31 December 2019 as the following:

Name of person or juristic person that may have Conflict (After the entire business transfer of PRA)		Type of business	Relationship with the Company
1.	Mr. Somprasong Panjalak	-	<ul style="list-style-type: none"> <li>Board of Directors Chairman of the Board and the Chairman of the Executive Committee</li> <li>Major shareholders of the Company by holding shares both directly and indirectly total 77.87 percent</li> </ul>
2.	Mr. Surachet Chaipatamanont	-	<ul style="list-style-type: none"> <li>Board of Directors and Vice Chairman of the Board of Directors</li> <li>Major shareholders of the Company by holding shares both directly and indirectly total 9.58percent</li> </ul>
3.	Elite Solar Company Limited ("ES")	Produce electricity from renewable energy.	<ul style="list-style-type: none"> <li>There are 1 common director with a subsidiary of the Company, Miss Wichuda Pradit</li> <li>As of 31 December 2019, the directors of the Company's subsidiaries, Miss Chuenjai Ketruangroj. holds direct and indirect shares in ES total of 99.99 percent</li> </ul>
4.	Central Waste Water Development Company Limited ("CWD")	Produce electricity from renewable energy.	<ul style="list-style-type: none"> <li>As of the date of entering into the Memorandum of Cooperation and Support, there are 1 common director in the subsidiary of the Company, which is Miss Thanathada Wisanphong. However, Miss Thanathada Wisanphong resigns from being a director of the subsidiary (Prime Alternative Energy Company Limited) effective as of 30 June 2018</li> <li>As of 3 December 2019, Miss Thanatda Wisanphong holds 99.99 of total shares in CWD</li> </ul>

Name of person or juristic person that may have Conflict (After the entire business transfer of PRA)		Type of business	Relationship with the Company
5.	Acme Energy Development Company Limited ("ACME")	Produce electricity from renewable energy.	<ul style="list-style-type: none"> <li>There is director and shareholder in common with the Company which is Mr. Somprasong Panjalak, as of 3December 2019, Mr. Somprasong Panjalak holds 49.9percent of the shares in ACME</li> </ul>
6.	Prime Road Tech Company Limited ("PRT")	Holding shares in other companies	<ul style="list-style-type: none"> <li>PRT indirectly holds 48.00% of the tender offeror as of 31 December 2019 and has 1 common director which is Mr. Somprasong Panjalak</li> </ul>
7.	Red Planet Thailand Group consisting of 1) Red Planet Hotels (Thailand) Company Limited 2) Red Planet Hotels 2 (Thailand) Company Limited 3) Red Planet Hotels 3 (Thailand) Company Limited 4) Red Planet Hotels 4 (Thailand) Company Limited 5) Red Planet Hotels 5 (Thailand) Company Limited	Hotel Service	<ul style="list-style-type: none"> <li>On the first day of entering into the credit guarantee list during the year 2011, the Red Planet Thailand Group is an associated company of the Company. There is 1 common director with the Company, which is Mr. Mark Michelle Reich. On 1 March 2016, Mr. Mark Michelle Reich resigned from the position of the Company's director.</li> </ul>

## Connected transactions of the Company

## (A) List of loans

Company	Related party	Transaction Type	Value (million baht)			Type of transaction / important conditions	Necessity and the rationale of the transaction
			Fiscal year ending 31 Dec 2017	Fiscal year ending 31 Dec 2018	Fiscal year ending 31 Dec 2019		
PGE	ES	Loans to related companies	117.60	-	-	PGE has entered into an agreement to grant loans to ES, which has an exclusive rights from the agent in Japan to purchase 2 solar power plants in the Kyushu, Japan with a total electricity generating capacity of approximately 26.6 megawatts. ES used the funds to finance the development of the said project. Interest rate is 1.5 percent per annum  However, on March 30, 2018, PRG, a major shareholder of PGE, in the amount of 1,199,998 shares or equivalent to 99.99%, entered into a contract to purchase shares and liabilities of PGE with ES, in which PRG agreed to sell all shares and liabilities of PGE in the amount of 1,199,998 shares to ES at par value of 100 baht per share totaling 119,999,800 baht. As a result, PRG was revoked from shareholder's rights in PGE. Further, PRG and subsidiaries no longer providing a loan to ES since	<u>The necessity of the transaction</u>  The entering into the said transaction is one of the business expansion plans of the Company as the Company will be entitled to purchase the project at par price should the borrower can become the owner of the said solar power plant project  <u>Price reasonability</u>  The lenders charged a 1.5 percent interest rate per year, which is lower than the market price from financial institutions in Japan, in order for PRG to acquire the right to buy the project from the borrower at a par price should the borrower has become the owner of the project. The loan is considered part of the payment for the project purchase.  <u>The opinion of the audit committee</u>  The Audit Committee considers that the aforementioned transaction has occurred in the past and has ended and has instructed the future
		Interest expenses during the period	1.36	0.43	-		

Company	Related party	Transaction Type	Value (million baht)			Type of transaction / important conditions	Necessity and the rationale of the transaction
			Fiscal year ending 31 Dec 2017	Fiscal year ending 31 Dec 2018	Fiscal year ending 31 Dec 2019		
						ES was unsuccessful in obtaining such projects on time as agreed.	transaction to set the price and conditions of the transaction appropriately according to normal business conditions as if entering transactions with third parties (Arm's Length Basis)
PRG	CWD	Loans to related companies	38.00	38.00	38.00	PRG and PRE, a subsidiary company under PRG, entered into a 3-year loan agreement with CWD for investment in a landfill waste project in Ratchaburi which is a project that the Company sees the potential to expand the business because it can extend the use of waste as fuel to build waste to energy power plants in the future. PRG and PRE charged the interest rate of the loan at 1.00 percent per year, which is a lower interest rate than the prevailing market price from financial institutions in Thailand. However, PRG and PRE have the right to convert the loan into equity at cost price during the first year from the date CWD received the loan and get the first right to buy the project (Rights to Match) after year 1 until 3 years from the date CWD received the loan If the Company offers the price to buy landfill waste landfill project equivalent to other buyers according to the	<u>The necessity of the transaction</u> Waste Landfill Project Is a project that the Company sees potential and has good opportunity to expand investment and business in the future  <u>Price reasonability</u> The said transaction is reasonable as the lender charges the interest rate of 5.00 percent per annum, which is not lower than the interest rate of 4.50 - 5.00 percent which the subsidiary of PRG receives from a financial institution in Thailand in the form of Project Finance.  In addition, if CWD is able to develop or acquire a renewable energy power plant, PRG will have the rights to manage the power plant and will receive First Right to Match in the event that CWD will sell the project to other parties or in the event that the shareholders of CWD will sell the shares of CWD to other persons.
PRE	CWD	Loans to related companies	14.00	14.00	14.00		

Company	Related party	Transaction Type	Value (million baht)			Type of transaction / important conditions	Necessity and the rationale of the transaction
			Fiscal year ending 31 Dec 2017	Fiscal year ending 31 Dec 2018	Fiscal year ending 31 Dec 2019		
		Interest expenses during the period	0.14	0.19	0.70	<p>Memorandum of Cooperation and Support Agreement with CWD dated 1 March 2016.</p> <p>Later, on November 16, 2018, PRG entered into a memorandum of understanding (cooperation) with CWD to increase interest rates under the loan agreement between CWD and PRG and/or its affiliates by changing the former interest rate at 1.0 percent per annum to 5.0 percent per annum from December 1, 2018 until CWD has repaid all loans and interest. In addition, the shareholders of CWD have brought 99,998 ordinary shares of CWD Shares as collateral for the repayment of the said loan.</p> <p>In addition, in accordance with the Cooperation and Support (Additional) Agreement with CWD, amendments to the Rights to Match program in the previous Memorandum of Cooperation and Support with CWD to cover cases in which CWD can develop or acquisition of renewable energy power plant projects, PRG will have the right to manage the renewable energy power plant project from waste or</p>	<p>Should the Company entering into the said transaction, the Company will proceed in accordance with the regulations on connected transactions. The shareholders with vested interests will not have the right to vote.</p> <p><u>The opinion of the audit committee</u></p> <p>On 13 August 2019, the Audit Committee considered the appropriateness of the transaction, including the conditions for making a transaction and the justification of interest rates on loans and see that the interest rate of the novated loan is reasonable since it is not lower than the interest rate that PRG and its subsidiaries received from financial institutions in the form of Project Finance.</p>



Company	Related party	Transaction Type	Value (million baht)			Type of transaction / important conditions	Necessity and the rationale of the transaction
			Fiscal year ending 31 Dec 2017	Fiscal year ending 31 Dec 2018	Fiscal year ending 31 Dec 2019		
						any other renewable energy project, in which PRG will have exclusive rights to manage that renewable energy power plant (Exclusivity) as well as being given the First Right to Match rights in the event that CWD will sell the said project to others or in the event that the shareholders of CWD will sell the shares of CWD to other persons. Such rights have a period of 5 years since CWD is able to develop any power plant project or acquire a power plant from renewable energy	

## (B) List of loans from directors

Borrower	Connected parties (Lender)	Balance as of 31 Dec 2017	Additional loan (repayment) during the period	Interest expense for the year 2017	Outstanding as of 31 Dec 2018	Additional loan (repayment) during the period	Outstanding as of 31 Dec 2019	Interest expense	Type of transaction / important conditions
PRG	Mr. Somprasong Panjalak	19.01 million baht	4.88 million baht (22.01 million baht)	45,443 baht	1.88 million baht	3.00 million baht (4.88 million baht)	-	13,068 baht	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years, interest rate at 1.00 percent per annum, with the payment of all interest together with the principal
PRG	Mr. Surachet Chaipatamanont	6.34 million baht	1.63 million baht (7.33 million baht)	15,147 baht	0.63 million baht	1.00 million baht (1.00 million baht)	-	4,356 baht	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years, interest rate at 1.00 percent per annum, with the payment of all interest together with the principal
PRG	Mr. Somprasong Panjalak	-	-	-	-	2.25 million baht (2.25 million baht)	-	21,637 baht	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years, interest rate at 6.50 percent per annum, with the payment of all interest together with the principal

Borrower	Connected parties (Lender)	Balance as of 31 Dec 2017	Additional loan (repayment) during the period	Interest expense for the year 2017	Outstanding as of 31 Dec 2018	Additional loan (repayment) during the period	Outstanding as of 31 Dec 2019	Interest expense	Type of transaction / important conditions
PRG	Mr. Surachet Chaipatamanont	-	-	-	-	0.75 million baht (0.75 million baht)	-	7,212 baht	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years, interest rate at 6.50 percent per annum, with the payment of all interest together with the principal
PAE	Mr. Kanadej Thamanoonragsa	5.99 million baht	-	59,900 baht	5.99 million baht	-	5.99 million baht	59,900 baht	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years, interest rate at 1.00 percent per annum, with the payment of all interest together with the principal
PED	Mr. Kanadej Thamanoonragsa	3.36 million baht	-	33,640 baht	3.36 million baht	-	3.36 million baht	33,640 baht	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years, interest rate at 1.00 percent per annum, with the payment of all interest together with the principal

Borrower	Connected parties (Lender)	Balance as of 31 Dec 2017	Additional loan (repayment) during the period	Interest expense for the year 2017	Outstanding as of 31 Dec 2018	Additional loan (repayment) during the period	Outstanding as of 31 Dec 2019	Interest expense	Type of transaction / important conditions
STS	Mr. Somprasong Panjalak	2.03 million baht	(2.03 million baht)	-	-	-	-	-	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years with no interest
STS	Mr. Surachet Chaipatamanont	0.68 million baht	(0.68 million baht)	-	-	-	-	-	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years with no interest
SMS	Mr. Somprasong Panjalak	2.03 million baht	(2.03 million baht)	-	-	-	-	-	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years with no interest
SMS	Mr. Surachet Chaipatamanont	0.68 million baht	(0.68 million baht)	-	-	-	-	-	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years with no interest
SSP	Mr. Somprasong Panjalak	-	7.35 million baht (7.35 million baht)	220,500 baht	-	-	-	-	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years, interest rate at 0.75 percent

Borrower	Connected parties (Lender)	Balance as of 31 Dec 2017	Additional loan (repayment) during the period	Interest expense for the year 2017	Outstanding as of 31 Dec 2018	Additional loan (repayment) during the period	Outstanding as of 31 Dec 2019	Interest expense	Type of transaction / important conditions
									per annum, with the payment of all interest together with the principal
SSP	Mr. Surachet Chaipatamanont	-	2.45 million baht (2.45 million baht)	73,500 baht	-	-	-	-	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years, interest rate at 0.75 percent per annum, with the payment of all interest together with the principal
PGS	Mr. Somprasong Panjalak	0.72 million baht	3.45 million baht (3.45 million baht)	108,900 baht	0.72 million baht	-	0.72 million baht	5,400 baht	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years, interest rate at 0.75 percent per annum, with the payment of all interest together with the principal
PGS	Mr. Surachet Chaipatamanont	-	1.15 million baht (1.15 million baht)	34,500 baht	-	-	-	-	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years, interest rate at 0.75 percent per annum, with the payment of all interest together with the principal

Borrower	Connected parties (Lender)	Balance as of 31 Dec 2017	Additional loan (repayment) during the period	Interest expense for the year 2017	Outstanding as of 31 Dec 2018	Additional loan (repayment) during the period	Outstanding as of 31 Dec 2019	Interest expense	Type of transaction / important conditions
IDS	Mr. Somprasong Panjalak	-	3.30 million baht (3.30 million baht)	237,698 baht	-	-	-	-	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years, interest rate at 1.25 percent per annum, with the payment of all interest together with the principal
IDS	Mr. Surachet Chaipatanont	-	1.00 million baht (1.00 million baht)	72,016 baht	-	-	-	-	The Company has entered into a loan agreement with a director to use the money as working capital for the Company. The loan term of not more than 3 years, interest rate at 1.25 percent per annum, with the payment of all interest together with the principal

On 13 August 2019, the Audit Committee considered and agreed on the appropriateness of the transaction including the conditions of the transaction and reasonable price since the said transaction is a financial assistance transaction for the use of working capital of the subsidiaries of the Company. The loan that the subsidiary company received, the interest rate is lower than capital cost of 8.50 percent per year that the subsidiary company paid to issue unsecured promissory notes to unrelated parties.

The aforementioned borrowing transactions occurred as needed for working capital. In the future, if the Company needs to borrow from connected person, the Company will make comparisons with the market price and have the price or condition of the said transaction at the same level as the third party and will also comply with relevant regulations of the Stock Exchange of Thailand and the SEC Office.

(C) Rental List of land between an associated company of the Company and Acme Energy Development Company Limited ("ACME")

PEC entered into a lease agreement in order to rent land from ACME for use as the location of the solar power plant project. The land rental rate from ACME has been evaluated by Bangkok Value and Consultants Company Limited for public purposes. The details of the transaction are as follows.

Value (Million baht)			Contract Party	Type of transaction / important conditions	The reasonableness of the transaction
Fiscal Year ending 31 Dec 2017	Fiscal Year ending 31 Dec 2018	Fiscal Year ending 31 Dec 2019			
2.08	2.08	2.08	ESPP	ESPP leased the land at Sra Saming Subdistrict, Warin Chamrap District, Ubon Ratchathani Province, with a total area of 240-2-24.2 Rai from ACME, in order to be used as the location of the solar power plant project under ESPP, an associated company of the Company. In this connection, the Company directly and indirectly holds 30% of the total registered capital. The mentioned lease agreement has rental rates in total 173,884 baht per month or 1.81 baht per square wa per month. In this regard, payment has to be made monthly, and the lease lasts 30 years, ending in 2042.	<u>Price-Reasonableness</u> Rental price at 1.81 baht per square wa per month are lower than the average market rental rate of 30 years at 3.09 baht per square wa per month. Such average market rate has been assessed as of December 11, 2018 by Bangkok Value and Consultants Company Limited under the Revenue Method (Income Approach) <u>Audit Committee Opinion</u> The Audit Committee has considered and agreed on the appropriateness of the transaction including the conditions of the transaction, as well as the reasonableness of price.
3.28	3.28	3.28	NWS	NWS leased land at Pran Kratai District, Kamphaeng Phet Province, total area of 165-1-89 rai from ACME, in order to use as the location of solar power plant project under NWS, an associated company of the Company. In this connection, the Company directly and indirectly holds 30% of its registered capital. The mentioned land rental agreement has an advance	<u>Price-Reasonableness</u> Rental price at 3.75 baht per square wa per month are lower than the average market rental rate of 30 years at 5.47 baht per square wa per month. Such average market rate has been assessed as of December 11, 2018 by Bangkok Value and

Value (Million baht)			Contract Party	Type of transaction / important conditions	The reasonableness of the transaction
Fiscal Year ending 31 Dec 2017	Fiscal Year ending 31 Dec 2018	Fiscal Year ending 31 Dec 2019			
				rental rate of 496,418 baht combined with monthly rent at 248,208 baht per month or 3.75 baht per square wa per month. In this regard, payment has to be made monthly, and the lease lasts for 30 years, ending in 2042.	<p>Consultants Company Limited under the Revenue Method (Income Approach)</p> <p><u>Audit Committee Opinion</u></p> <p>The Audit Committee has considered and agreed on the appropriateness of the transaction including the conditions of the transaction, as well as the reasonableness of price.</p>
4.58	4.58	4.58	BSS	BSS leased land at Pran Kratai District, Kamphaeng Phet Province, total area 190-3-39 rai from ACME, in order to use as the location of solar power plant project under BSS, an associate of the Company. In this connection, the Company directly and indirectly holds 30 percent of the total registered capital. The mentioned land lease agreement has an advance rental rate of 763,390 baht, combined with monthly rent at 381,695 baht per month or 5.00 baht per square wa per month. In this regard, payment has to be made monthly, and the lease lasts for 30 years, ending in 2042.	<p><u>Price-Reasonableness</u></p> <p>Rental price at 5.00 baht per square wa per month are lower than the average market rental rate of 30 years at 5.47 baht per square wa per month. Such average market rate has been assessed as of December 11, 2018 by Bangkok Value and Consultants Company Limited under the Revenue Method (Income Approach)</p> <p><u>Audit Committee Opinion</u></p> <p>The Audit Committee has considered and agreed on the appropriateness of the transaction including the conditions of the transaction, as well as the reasonableness of price.</p>
2.09	2.09	2.09	GLS	GLS leased the land at Had Siew Subdistrict, Si Satchanalai District, Sukhothai Province, with a total area of 70-3-99 Rai from ACME, in order to use as the location of the solar power plant project under GLS, an associated company of the Company. In	<p><u>Price-Reasonableness</u></p> <p>Rental price at 3.75 baht per square wa per month are lower than the average market rental rate of 30 years at 5.47 baht per square wa per month. Such average market rate has been</p>



Value (Million baht)			Contract Party	Type of transaction / important conditions	The reasonableness of the transaction
Fiscal Year ending 31 Dec 2017	Fiscal Year ending 31 Dec 2018	Fiscal Year ending 31 Dec 2019			
				this connection, the Company directly and indirectly holds 30 percent of the total registered capital. The mentioned lease agreement has a total rental fee of 174,371 baht per month or 3.75 baht per square wa per month. In this regard, payment has to be made monthly, and the lease lasts for 30 years, ending in 2042.	assessed as of December 11, 2018 by Bangkok Value and Consultants Company Limited under the Revenue Method (Income Approach) <u>Audit Committee Opinion</u> The Audit Committee has considered and agreed on the appropriateness of the transaction including the conditions of the transaction, as well as the reasonableness of price.
2.24	2.24	2.24	STE	STE rented a plot of land at Pran Kratai District, Kamphaeng Phet Province, with a total area of 104-2-82 rai from ACME, in order to use as the site of the project. Solar power plant under STE, an associated company of the Company. In this connection, the Company directly and indirectly holds 30% of the total registered capital. The mentioned lease agreement has an advance rental rate of 374,120 baht, combined with monthly rent at 187,060 baht per month or 3.75 baht per square wa per month. In this regard, payment has to be made monthly, and the lease lasts for 30 years, ending in 2042.	<u>Price-Reasonableness</u> Rental price at 3.75 baht per square wa per month are lower than the average market rental rate of 30 years at 3.83 baht per square wa per month. Such average market rate has been assessed as of December 11, 2018 by Bangkok Value and Consultants Company Limited under the Revenue Method (Income Approach) <u>Audit Committee Opinion</u> The Audit Committee has considered and agreed on the appropriateness of the transaction including the conditions of the transaction, as well as the reasonableness of price.
2.99	2.99	2.99	NAS	NAS leased land at Pran Kratai District, Kamphaeng Phet Province, total area of 150-3-30 rai from ACME, in order to use as the location of solar power plant project under NAS, an	<u>Price-Reasonableness</u> Rental price at 3.75 baht per square wa per month are lower than the average market rental rate of 30 years at 3.83 baht

Value (Million baht)			Contract Party	Type of transaction / important conditions	The reasonableness of the transaction
Fiscal Year ending 31 Dec 2017	Fiscal Year ending 31 Dec 2018	Fiscal Year ending 31 Dec 2019			
				associated company of the Company. In this connection, the Company directly and indirectly holds 30 percent of the total registered capital. The mentioned lease agreement has an advance rental rate of 498,360 baht, combined with monthly rent at 249,180 baht per month or 3.75 baht per square wa per month. In this regard, payment has to be made monthly, and the lease lasts for 30 years, ending in 2042.	per square wa per month. Such average market rate has been assessed as of December 11, 2018 by Bangkok Value and Consultants Company Limited under the Revenue Method (Income Approach)  <u>Audit Committee Opinion</u> The Audit Committee has considered and agreed on the appropriateness of the transaction including the conditions of the transaction, as well as the reasonableness of price.
3.84	3.84	3.84	IAC	IAC leased the land at Wang Man Subdistrict, Sam Ngao District, Tak Province, with a total area of 204-3-99 Rai from ACME, in order to be used as the location of the solar power plant project under IAC, an associated company of the Company. In this connection, the Company directly and indirectly holds 30 percent of the total registered capital. The mentioned lease agreement has an advance rental rate of 670,652 baht combined with monthly rent at 307,496 baht per month or 3.75 baht per square wa per month. In this regard, payment has to be made monthly, and the lease lasts for 30 years, ending in 2042.	<u>Price-Reasonableness</u> Rental price at 3.75 baht per square wa per month are lower than the average market rental rate of 30 years at 5.11 baht per square wa per month. Such average market rate has been assessed as of December 11, 2018 by Bangkok Value and Consultants Company Limited under the Revenue Method (Income Approach)  <u>Audit Committee Opinion</u> The Audit Committee has considered and agreed on the appropriateness of the transaction including the conditions of the transaction, as well as the reasonableness of price.

Value (Million baht)			Contract Party	Type of transaction / important conditions	The reasonableness of the transaction
Fiscal Year ending 31 Dec 2017	Fiscal Year ending 31 Dec 2018	Fiscal Year ending 31 Dec 2019			
2.88	2.88	2.88	CRE	CRE leased the land at Sa Saming Subdistrict, Warin Chamrap District, Ubon Ratchathani Province, with a total area of 97-0-75 rai from ACME, in order to use as the location of the solar power plant project under CRE, an associated company of the Company. In this connection, the Company directly and indirectly holds 30 percent of the total registered capital. The mentioned lease agreement has an advance rental rate of 455,122 baht, combined with monthly rent at 240,061 baht per month or 3.92 baht per square per month. In this regard, payment has to be made monthly, and the lease lasts for 30 years, ending in 2042.	<u>Price-Reasonableness</u> Rental price at 3.92 baht per square wa per month are lower than the average market rental rate of 30 years at 4.47 baht per square wa per month. Such average market rate has been assessed as of December 11, 2018 by Bangkok Value and Consultants Company Limited under the Revenue Method (Income Approach) <u>Audit Committee Opinion</u> The Audit Committee has considered and agreed on the appropriateness of the transaction including the conditions of the transaction, as well as the reasonableness of price.

The mentioned land lease transaction is made with an associated company of PRIME which entered into a long-term land lease agreement since 2012, before PRIME was indirectly registered with the Stock Exchange of Thailand. In addition, the Company has no plan to enter into a lease contract from a person who may have a conflict.

## (D) Disposal of Investment List

Transaction	Value	Type of transaction / important conditions	Necessity and reasonableness of the transaction
PRG disposes the investment in PGE to ES	120.00 Million baht	On March 30, 2018, PRG, a major shareholder of PGE in the amount of 1,199,998 shares or 99.99 per cent, has entered into a PGE's share purchase agreement with ES. In this regard, PRG agreed to sell PGE's share at the par price of 100 baht per share in totaling 119,999,800 baht.	<p><u>Necessity of the transaction</u></p> <p>PGE does not engage in any business, in fact, PGE has only a loan to ES. It is apparent that ES is not successful in obtaining a solar power plant project, as PGE predicted that ES would acquire the project.</p> <p><u>Price-Reasonableness</u></p> <p>PRG sold the shares of PGE to ES at the par value of 100.00 baht per share in totaling 119,999,800 baht. The amount received was higher than the book value of PGE dated on March 31, 2018, which is at 119,739,058 baht or 99.78 baht per share. Therefore, this transaction does not cause PRG to lose benefits.</p> <p><u>Audit Committee Opinion</u></p> <p>The Audit Committee has considered and agreed on the appropriateness of the transaction including the conditions of the transaction, as well as the reasonableness of price.</p>

### (E) List of loans from associated companies of PEC

On 17 July 2019, Prime Energy Capital Company Limited ("PEC") received the transfer of the debt of long-term investment in the promissory note of 311.98 million baht of the 8 associated companies from Prime Road Tech Co., Ltd. ("PRT"), a related party with common shareholders. Later, on July 19, 2019, PEC issued 9 new promissory notes with a value and terms and conditions same as the original PRT promissory notes.

Details of the promissory notes as of 31 December 2019 are as follows:

Company	Duration of Promissory Note	Redemption Date	Balance 31 Dec 2018	Balance 30 Jun 2019	Interest income during the period
Bueng Sam Phan Solar Company Limited	10 years 8 months	Aug 3, 2027	24,802,645.42	24,914,461.36	111,815.94
Northwest Solar Company Limited	10 years 8 months	Aug 3, 2027	23,950,277.66	24,058,250.94	107,973.27
Nine A. Solar Company Limited	10 years 8 months	Aug 3, 2027	25,739,856.26	25,855,897.36	116,041.10
Solar Tech Energy Company Limited	10 years 8 months	Aug 3, 2027	24,646,301.87	24,757,412.98	111,111.11
Golden Light Solar Company Limited	10 years 8 months	Aug 3, 2027	30,345,351.28	30,482,154.99	136,803.71
Infinite Alpha Capital Company Limited	10 years 8 months	Aug 3, 2027	29,340,919.90	29,473,195.41	132,275.51
Chiang Mai Renewable Energy Company Limited	10 years 8 months	Aug 3, 2027	29,578,517.23	29,711,863.88	133,346.65
ESPP Company Limited	10 years 10 months	Aug 3, 2027	38,512,915.98	38,686,540.92	173,624.94
ESPP Company Limited	100 years	Dec 2, 2116	85,063,435.39	85,446,920.62	383,485.22
<b>Total</b>			<b>311,980,220.99</b>	<b>313,386,698.45</b>	<b>1,406,477.46</b>

The promissory notes are due for repayment of principal together with interest upon maturity which cannot be transferred but can be redeemed early with a redemption fee of 1.00 percent per annum.

## Entering into transactions between the Company and the subsidiary that operates food and hotel businesses

### Financial institutions loan guarantees

During 2011-2012, the Board of Directors resolved to grant a resolution, approving the Company to enter into guarantees for loan agreements for all five Red Planet Group companies in Thailand. In this connection, Red Planet Group consists of (1) Red Planet Hotels (Thailand) Co., Ltd.; (2) Red Planet Hotels Two (Thailand) Co., Ltd.; (3) Red Planet Hotels Three (Thailand) Co., Ltd.; (4) Red Planet Hotels Four (Thailand) Co., Ltd.; and (5) Red Planet Hotels Five (Thailand) Co., Ltd (collectively as “**Red Planet Thailand**”). So that such company can procure loans from a local financial institution, and support investment in the hotel business of Red Planet Thailand.

In this regard, the Company has received compensation from such operations from Red Planet Thailand as a percentage of the loans that each Red Planet Thailand has remaining debt burden with the financial institutions at the rate of 2 or 3 percent per year. At the same time, Red Planet Hotels Limited, which holds 5 shares in Red Planet Thailand (a joint venture of the Company) has made a back-to-back guarantee contract to the Company, in case Red Planet Thailand does not repay the loan and the Company has noticed to repay the loan instead of as a guarantor, Red Planet Hotels Limited will take full responsibility for the money to the Company in order to prevent damage if Red Planet Thailand does not pay the debt to the financial institution.

Thereafter, during July - August 2018, in order to comply with the merger plan with PRGD, the Company has already released the guarantees from the related financial institutions. Thus, at present, the Company does not have any guarantee obligations binding between Red Planet Thailand and the Company anymore.

Furthermore, in the Extraordinary General Meeting of Shareholders No. 1/2018 dated on December 21, 2018, the shareholders have determined to approve on the ratification of past operations for the transactions. In this context, these transactions can be referred to the event that the Company has invested in all five Red Planet Thailand groups as collateral for loans from financial institutions in the amount of 439 million baht, which exceeds the proportion of the Company's shares.

### Measures and procedures for approving related transactions

The Company has established measures for the transaction between the Company and / or subsidiaries and related persons in accordance with the notification of the Office of the SEC and the Stock Exchange of Thailand, and to be in line with the related transaction policy and the conflict prevention policy of the Company. In this regard, the Audit Committee will give an opinion on the reasonableness of the transaction and the appropriateness of the price on that item by considering the conditions in detail to be in accordance with the characteristics of the industry and comparing with the market price, and having the price or condition of the mentioned transaction at the same level as the third party, as well as, can show that the mentioned transaction has a reasonable or fair price or condition. In case the Audit Committee does not have expertise in considering the related party transactions, the Company will arrange an independent expert to provide an opinion on the

mentioned transaction in order to be used in the consideration of the Audit Committee, the Board of Directors and / or shareholders (as the case may be) to ensure that the mentioned transaction will not be a transfer, or transfer the interests of the Company. In fact, it is a transaction that the Company considers the best interest of the Company and all shareholders. In light of the approval of connected transactions, any person who may have a conflict of interest or have a conflict of interest in the transaction will not have the right to vote in approving the mentioned transaction. In addition, the Company will disclose the connected transaction in the audited financial statements which is audited by the Company's auditor in the annual report, and the annual registration statement of the Company (Form 56-1).

#### **Policies for entering into transactions**

In order to proceed on the transaction between the Company and / or subsidiaries and the related persons correctly, the Company is readily to disclose sufficient information, and comply with good corporate governance guidelines and the regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand. In this connection, the Company has set policies and guidelines for connected transactions by emphasizing that directors and executives must inform the Company of the relationship or connected transactions in businesses that may cause conflicts of interest. In this respect, the directors and executives have to avoid making connected transactions that may cause conflicts of interest with the Company or a subsidiary company. In the case that it is necessary to do a transaction that is not a normal business transaction or have different trade terms from transactions with general customers or third parties, If the mentioned transaction is under the approval authority of the shareholders' meeting of the Company, the Company shall comply with the regulations of the Stock Exchange of Thailand and the Office of the SEC.

However, if transaction is made under the authorization of the Board of Directors or made in a small size but was proposed for approval from the board of directors in order to enter into the mentioned transaction with the Company or its subsidiaries, the transaction can only be approved by the meeting of the board of directors with a vote of not less than three-fourths of the total number of the board members attending the meeting and having no interest in the considered matter. However, there must not be any directors or executives with related benefits to participate in the approval process. Also, the mentioned transaction must not have special conditions or special regulations according to the criteria specified by the Company. In this connection, the Company will disclose transaction information that may have conflict of interest or connected transactions in accordance with the regulations of the Stock Exchange of Thailand and the Office of the SEC, by disclosing in the annual registration statement and annual report or other report forms, as the case may be. In addition, the disclosure of connected transactions as well as transactions related to the Company, in accordance with accounting standards guidelines and the Company, will require the review of connected transactions to be in accordance with the audit plan. Additionally, there are control measures to ensure that a random review of the actual transaction is correct, pursuant to the contract or policy or specified conditions, and to regularly provide the audit committee to be aware of the mentioned transaction.

### Future trends in connected transactions

The Company and subsidiaries may have transactions between them and persons who may have conflicts of interest in the future. In the event that the mentioned transaction is a normal business transaction and/or a normal business support transaction with general commercial conditions, the Company will carry out the transaction control measures as stated above before entering into the transaction. That is to say, the Company will proceed based on the principles which is approved by the Board of Directors as specified in the Securities and Exchange Act. The mutual agreement shall be strictly abided by, as well as, pricing and terms of various items in the agreement shall be clear, fair and not causing transfer of benefits.

In case of the future connected transactions, the Company will proceed in accordance with the measures on approval as mentioned above. However, if there is a connected transaction that needs to be approved by the Audit Committee under the regulations of the Stock Exchange of Thailand regarding the connected transaction, the Company will arrange for the audit committee to provide opinions on the necessity and appropriateness of the related transactions. In the event that the Audit Committee has no expertise in considering the related transactions, the Company will appoint an independent expert or the Company's auditor to give an opinion on the mentioned transactions to be used in the decision of the board of directors, the Audit Committee or shareholders of the Company, as the case may be, to ensure that the mentioned transaction will not be a transfer or a transfer of the Company's benefits. In fact, it is a transaction that the Company takes into account the best interests of all shareholders, especially the minority shareholders. In light of this, the Company will disclose the related transactions in the notes to the financial statements that have been audited by the Company's auditor, Annual Registration Statement 56-1 and Annual Report.

In this regard, the Company expects that the following transactions with persons that may have conflicts of interest will continue in the future

1. List of loans from PRG and PRE to CWD
2. Rental list of land between the joint project company and ACME to use as the location of solar power plant project
3. List of loans from associated companies operating the project with PEC
4. Transaction of borrowing money from directors for use as working capital of the Company as necessary



## Report of the Board of Directors' Responsibilities for the Financial Statements

### To shareholders

The Board of Directors is responsible for the consolidated financial statements of Index Living Mall Public Company Limited and its subsidiaries, which was prepared in accordance with financial reporting standards. The accounting policies are appropriately considered and consistently implemented, by using careful discretion and reasonable estimation principles in the preparation of the financial statements. In addition, the important information is sufficiently and transparently disclosed in the notes to financial statements for the benefit of shareholders and general investors.

The Board of Directors established good corporate governance, maintained risk management and internal control systems in order to ensure that accounting information are recorded correctly and completely and display information that is material, significant, timely and sufficient to maintain the property as well as to prevent fraud or significant unusual operations.

The Board of Directors appointed an audit committee consisting of independent directors to oversee and review the reliability and accuracy of financial reports including evaluating the internal control and internal audit systems to be efficient. The opinion of the Audit Committee regarding this matter appears in the Report of the Audit Committee in this annual report.

The Board of Directors is of the opinion that the internal control system and the internal audit of the Company can assurance that the consolidated financial statements of Prime Road Power Public Company Limited and its subsidiaries For the fiscal year ended 31 December 2019, show financial position, operating performance and cash flow in all material respects and in accordance with financial reporting standards. The auditor has examined and commented on the auditor's report which has been shown in this annual report.

Mr. Somprasong Panjalak  
Chairman

Mr. Surachet Chaipatamanont  
Vice Chairman

## Auditor's Report

To the Shareholders and the Board of Directors of Prime Road Power Public Company Limited  
(formerly "Food Capitals Public Company Limited")

### My opinion

In my opinion, the consolidated financial statements of Prime Road Power Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019, and the consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

### Basis for opinion

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

### Key audit matters

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

## Key audit matter

## How my audit addressed the key audit matter

## Business combination

Refer to Note 1 and 18 to the consolidated and separate financial statements related to business combination.

In July 2019, the Company acquired 99.99% interests in Prime Road Alternative Company Limited and its subsidiaries ("PRA Group"). For consideration paid, the Company issued new ordinary shares representing 87.45% of interests of the Company to PRG Development Company Limited ("PRGD"), the parent company of PRA Group. As a result, PRGD became the major shareholder of the Company and had power of control.

For accounting purposes, the transaction was determined as a business acquisition and was a reverse acquisition where PRA Group was the acquirer and the Company was the acquiree.

Based on the terms of the "Share Subscription Agreement" ("the Agreement") which was the main agreement to execute this transaction, management has determined that the fair value of net assets of the Company and the subsidiaries, acquired under this transaction is an amount of cash or cash equivalent agreed in the Agreement.

According to TFRS 3 "Business Combination", the management will have to assess the fair value of consideration paid and fair value of net assets acquired, the difference arisen will then be recognised either as goodwill, or gain from bargain purchase. For this transaction, the consideration paid was the PRA Group's ordinary shares issued to the Company. The assessment for fair value of the shares should be concluded within 12 months from the acquisition date as provided by the TFRS, and currently the process is ongoing.

I focused on the transaction of acquisition because the terms and conditions per the Agreement were complex and required management's judgment in determining the accounting treatments and the valuation of net assets acquired. The transaction was the most significant business event and materially affected the preparation and presentation of the financial statements.

The audit procedures I performed regarding the business combination were as follows:

- Obtain and understand the terms and conditions of the Share Subscription Agreement.
- Read the minutes of the shareholders' meeting in which the acquisition was approved.
- Examine the shareholders register of both companies to ensure that the transaction was executed according to the Agreement and the shareholders' resolution.
- Consider whether management's assessment that the acquisition was a reverse acquisition was appropriate and the method of consolidation was in accordance with the definition per TFRS 3 which requires consideration of the business size of acquiree and acquirer before the acquisition date and consideration of the composition of the management after the acquisition. I found that the business size of PRA Group is significantly larger than the Company's and the management was replaced by PRA Group's management after the acquisition. Therefore this transaction is considered to be a reverse acquisition.
- Assess whether the amount of cash or cash equivalent agreed in the Agreement should represent the fair value of net assets acquired and liabilities assumed, and consider whether the presentation of this item in the financial statements and related disclosures are appropriate and sufficient.

From the above procedures, I found that the transaction executed according to the Agreement was applied with adequate accounting treatment for consolidation, presentation and related disclosures.

**Other matter**

The comparative consolidated financial statements are the consolidated financial statements of Prime Road Alternative Company Limited and its subsidiaries, as the acquirer in accounting terms, comprising the consolidated statement of financial position as at 31 December 2018, the consolidated statements of comprehensive income, and the consolidated statements of changes in equity and consolidated statements of cash flows for year then ended and the related notes, have not been audited.

**Other information**

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

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

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

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

**Responsibilities of the directors for the consolidated and separate financial statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Kajornkiet Aroonpirodkul

Certified Public Accountant (Thailand) No. 3445

Bangkok

26 February 2020

# Financial Statements

## Statements of Financial Position

As at 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
		Thousand	Thousand	Thousand	Thousand
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	44,638	96,932	2,263	495
Restricted deposits at financial institutions	9	8,000	22,000	-	-
Trade and other receivables	10	99,470	80,432	3,682	134,874
Short-term loans to related parties	34.3	33,206	864	-	271,460
Short-term loans to third parties		8,256	-	-	-
Other current assets	11	25,460	37,794	181	9,448
Receivable from guaranteed investment	18.2	594,681	-	6,225	-
Assets under Share Subscription Agreement	18.3	619,431	-	636,821	-
<b>Total current assets</b>		<b>1,433,142</b>	<b>238,022</b>	<b>649,172</b>	<b>416,277</b>

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

## Statements of Financial Position (Cont'd)

As at 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
		Thousand	Thousand	Thousand	Thousand
<b>Assets (Cont'd)</b>					
<b>Non-current assets</b>					
Restricted deposits at financial institutions	9	232,932	125,434	-	-
Investments in subsidiaries	12.1	-	-	4,018,001	311,061
Investments in associates	12.2	1,078,163	933,550	-	-
Advance payment for investment in associate	12.3 , 34.2	-	55,696	-	-
Long-term loans to third parties	13	52,000	53,516	-	-
Long-term loans to related parties	34.4	-	-	-	44,982
Investment property	14	-	-	-	54,699
Property, plant and equipment	15	1,862,608	1,662,290	46	17,652
Intangible assets	16	613,910	595,291	11	6,405
Leasehold right of land	17	-	-	-	51,468
Deferred tax assets, net		1,378	84	652	-
Other non-current assets		2,762	2,573	-	702
<b>Total non-current assets</b>		<b>3,843,753</b>	<b>3,428,434</b>	<b>4,018,710</b>	<b>486,969</b>
<b>Total assets</b>		<b>5,276,895</b>	<b>3,666,456</b>	<b>4,667,882</b>	<b>903,246</b>

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



**Statements of Financial Position (Cont'd)**

As at 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
		Thousand	Thousand	Thousand	Thousand
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts from financial institutions		-	-	-	29,620
Trade and other payables	19	53,576	54,457	6,694	48,528
Current portion of rights in power purchase agreements payables	20	3,566	3,086	-	-
Current portion of share payable		-	-	-	18,965
Current portion of long-term borrowings from financial institutions	22	140,166	111,077	-	-
Current portion of finance lease liabilities		306	654	-	873
Current portion of debentures	23	-	-	-	197,357
Short-term loans from related parties	34.5	-	-	-	69,240
Bill of exchange	21	-	-	-	433,091
Short-term loan from third parties		202	-	-	-
Accrued construction costs		-	42,247	-	-
Other current liabilities		2,776	3,051	351	6,197
Liabilities under Share Subscription Agreement	18.3	637,272	-	632,761	-
<b>Total current liabilities</b>		<b>837,864</b>	<b>214,572</b>	<b>639,806</b>	<b>803,871</b>

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

## Statements of Financial Position (Cont'd)

As at 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
		Thousand	Thousand	Thousand	Thousand
<b>Liabilities and equity (Cont'd)</b>					
<b>Non-current liabilities</b>					
Rights in power purchase agreements					
payables	20	159,822	163,437	-	-
Long-term borrowings from financial					
institutions	22	1,590,402	1,451,816	-	-
Long-term loans from related parties	34.6	10,074	12,574	33,565	57,822
Finance lease liabilities		-	306	-	2,545
Promissory notes	34.8	313,387	-	-	-
Deferred tax liabilities, net		3,064	3,791	-	-
Employee benefit obligations	24	5,486	674	3,262	1,854
Other non-current liabilities		19,390	8,052	-	5,130
<b>Total non-current liabilities</b>		<b>2,101,625</b>	<b>1,640,650</b>	<b>36,827</b>	<b>67,351</b>
<b>Total liabilities</b>		<b>2,939,489</b>	<b>1,855,222</b>	<b>676,633</b>	<b>871,222</b>

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

# Statements of Financial Position (Cont'd)

As at 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
		Thousand	Thousand	Thousand	Thousand
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital					
Authorised share capital					
Ordinary shares,					
25,514,280,600 shares of par					
Baht 1 each	25	25,514,281	25,508,354	25,514,281	25,508,354
Issued and paid-up share capital					
Ordinary shares,					
17,017,941,757 shares of fully paid	25	17,017,942	14,881,483	17,017,942	2,136,460
Warrants	26	-	-	37,318	37,964
Deficits arising from reverse acquisition	25	(12,423,099)	(10,863,480)	(10,863,480)	-
Retained earnings					
Appropriated - legal reserve	27	17,193	-	-	-
Unappropriated (deficits)		106,190	172,170	(2,200,531)	(2,142,400)
Other components of equity					
Deficits arising from business					
combination under common control	12.4	(2,452,138)	(2,452,138)	-	-
Others		(25,892)	(14,202)	-	-
<b>Equity attributable to owners of the</b>					
<b>parent</b>					
		2,240,196	1,723,833	3,991,249	32,024
Non-controlling interests		97,210	87,401	-	-
<b>Total equity</b>		<b>2,337,406</b>	<b>1,811,234</b>	<b>3,991,249</b>	<b>32,024</b>
<b>Total liabilities and equity</b>		<b>5,276,895</b>	<b>3,666,456</b>	<b>4,667,882</b>	<b>903,246</b>

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

## Statements of Comprehensive Income

For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Revenues from electricity sales		334,243	215,808	-	-
Cost of sales		(156,601)	(101,063)	-	-
<b>Gross profit</b>		177,642	114,745	-	-
Other income	28	5,669	2,131	80,689	154,391
Administrative expenses		(135,557)	(150,830)	(104,049)	(1,043,464)
Net (loss) gain on exchange rate		(1,918)	(2,552)	1,976	153
Finance costs	30	(93,341)	(69,896)	(35,819)	(56,752)
Share of profit from associates	12.2	318,098	293,597	-	-
<b>Profit (loss) before income tax</b>		270,593	187,195	(57,203)	(945,672)
Income tax	31	1,576	(2,484)	207	-
<b>Profit (loss) for the year</b>		272,169	184,711	(56,996)	(945,672)
<b>Other comprehensive income:</b>					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Remeasurements of post-employment					
benefit obligations	24	(2,226)	-	(2,226)	-
Income tax of the above item		445	-	445	-
<i>Item that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating					
financial statements		(11,690)	1,943	-	-
<b>Total comprehensive income (expense) for the year</b>		258,698	186,654	(58,777)	(945,672)

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

**Statements of Comprehensive Income (Cont'd)**

For the year ended 31 December 2019

	<u>Notes</u>	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
		<u>Thousand</u>	<u>Thousand</u>	<u>Thousand</u>	<u>Thousand</u>
Profit (loss) attributable to:					
Owners of the parent		264,974	177,837	(56,996)	(945,672)
Non-controlling interests		7,195	6,874	-	-
		<u>272,169</u>	<u>184,711</u>	<u>(56,996)</u>	<u>(945,672)</u>
Total comprehensive income					
(expense) attributable to:					
Owners of the parent		251,503	179,780	(58,777)	(945,672)
Non-controlling interests		7,195	6,874	-	-
		<u>258,698</u>	<u>186,654</u>	<u>(58,777)</u>	<u>(945,672)</u>
Earnings per share	33	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
Basic earnings (loss) per share		0.017	0.012	(0.007)	(0.442)
Diluted earnings (loss) per share		0.017	0.012	(0.007)	(0.442)

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

## Statements of Changes in Equity

For the year ended 31 December 2019

Consolidated financial statements											
Attributable to owners of the parent											
	Nots	Capital contributed		Retained earnings		Other components of equity					
		Issued and paid-up share capital Baht Thousand	Deficits arising from reverse acquisition Baht Thousand	Appropriated - legal reserve Baht Thousand	Unappropriated Baht Thousand	Deficits arising from business combination under common control Baht Thousand	Exchange differences on translating financial statements Baht Thousand	Changes in controlling interest in subsidiaries Baht Thousand	Total other components of equity Baht Thousand	Total owners of the parent Baht Thousand	Non-controlling interests Baht Thousand
<b>Opening balance as at 1 January 2018</b>											
<b>(Adjusted for reverse acquisition)</b>	2 d)	14,881,483	(10,863,480)	-	(5,667)	(2,452,138)	(10,899)	-	(2,463,037)	1,549,299	87,692
<b>Changes in equity during the year</b>											
Subscription of shares in subsidiary by non-controlling interests		-	-	-	-	-	-	-	-	-	2,288
Changes in controlling interest in subsidiaries		-	-	-	-	-	-	(5,246)	(5,246)	(5,246)	(9,453)
Total comprehensive income for the year		-	-	-	177,837	-	1,943	-	1,943	179,780	6,874
<b>Opening balance as at 1 January 2019</b>											
<b>(Adjusted for reverse acquisition)</b>	2 d)	14,881,483	(10,863,480)	-	172,170	(2,452,138)	(8,956)	(5,246)	(2,466,340)	1,723,833	87,401
<b>Opening balance as at 1 January 2019</b>											
<b>(Adjusted for reverse acquisition)</b>	2 d)	14,881,483	(10,863,480)	-	172,170	(2,452,138)	(8,956)	(5,246)	(2,466,340)	1,723,833	87,401
<b>Changes in equity during the year</b>											
Ordinary shares issued	25	2,136,459	-	-	-	-	-	-	-	2,136,459	-
Subscription of shares in subsidiary by non-controlling interests		-	-	-	-	-	-	-	-	-	2,614
Appropriation of legal reserve	27	-	-	17,193	(17,193)	-	-	-	-	-	-
Dividend	37	-	-	-	(311,980)	-	-	-	-	(311,980)	-
Deficits arising from reverse acquisition	25	-	(1,559,619)	-	-	-	-	-	-	(1,559,619)	-
Total comprehensive income (expense) for the year		-	-	-	263,193	-	(11,690)	-	(11,690)	251,503	7,195
<b>Closing balance as at 31 December 2019</b>		17,017,942	(12,423,099)	17,193	106,190	(2,452,138)	(20,646)	(5,246)	(2,478,030)	2,240,196	97,210

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

**Statements of Changes in Equity (Cont'd)**

For the year ended 31 December 2019

		Separate financial statements				
Notes	Issued and paid-up share capital	Share premium	Share discount on business acquisition	Warrants	Deficits	Total
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Opening balance as at 1 January 2018	2,136,460	467,710	(144,820)	37,964	(1,519,618)	977,696
Accumulated loss compensation	-	(467,710)	144,820	-	322,890	-
Balance as at 1 January 2018	2,136,460	-	-	37,964	(1,196,728)	977,696
Change in equity during the year						
Total comprehensive expense for the year	-	-	-	-	(945,672)	(945,672)
Closing balance as at 31 December 2018	2,136,460	-	-	37,964	(2,142,400)	32,024
Opening balance as at 1 January 2019	2,136,460	-	-	37,964	(2,142,400)	32,024
Changes in equity during the year						
Ordinary shares issued 25	14,881,482	-	-	-	-	14,881,482
Share discount on business acquisition 25	-	-	(10,863,480)	-	-	(10,863,480)
Write-off of warrants 26	-	-	-	(646)	646	-
Total comprehensive expense for the year	-	-	-	-	(58,777)	(58,777)
Closing balance as at 31 December 2019	17,017,942	-	(10,863,480)	37,318	(2,200,531)	3,991,249

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

## Statements of Cash Flows

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
<b>Cash flows from operating activities</b>					
Profit (loss) before income tax		270,593	187,195	(57,203)	(945,672)
Adjustments for:					
Depreciation	15	96,406	60,839	2,816	5,789
Amortisation	16,17	26,388	17,681	2,804	4,896
Loss on impairment of leasehold improvement		-	-	7,982	-
Loss (gain) on disposal and write-off of leasehold improvements and equipment	15	992	342	(814)	302
Amortisation of debt issuance cost	30	3,193	6,118	-	-
Share of profit from associates	12.2	(318,098)	(293,597)	-	-
Employee benefit obligations	24	2,586	128	1,036	281
Unrealised loss (gain) on exchange rate		1,791	(164)	(1,767)	(214)
Loss from impairment of leasehold right of land (reversal)		-	-	-	(1,600)
Loss from written-off of withholding tax		-	-	-	1,228
Loss from impairment of investment in subsidiaries (reversal)		-	36	(77,288)	383,917
(Gain) loss from disposal of investment in subsidiaries and associates		-	(261)	7,875	(78,490)
Loss from assignment of claims in liabilities	29	-	-	-	38,152
Interest income	28	(4,091)	(1,810)	(33,168)	(55,705)
Finance costs	30	90,148	63,778	35,819	56,752
Bad debts and allowance for doubtful accounts		5,000	28,969	85,940	525,297
Changes in working capital:					
Trade and other receivables		30,451	(6,611)	(39,773)	4,079
Other current assets		13,250	(3,456)	342	(3,140)
Other non-current assets		510	(1,680)	702	(95)
Other payables		(58,616)	(23,060)	(5,216)	89,568
Share payable		-	-	(18,965)	-
Other current liabilities		(512)	1,430	655	(15,452)
Other non-current liabilities		-	(1)	(6,984)	(5)
Cash generated from (used in) operations		159,991	35,876	(95,207)	9,888
Add Interest received		649	4,231	31,061	2
Less Interest paid		(92,719)	(67,223)	(20,370)	(58,646)
Less Income tax paid		(396)	(341)	(91)	(846)
<b>Net cash generated from (used in) operating activities</b>		<b>67,525</b>	<b>(27,457)</b>	<b>(84,607)</b>	<b>(49,602)</b>

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



# Statements of Cash Flows (Cont'd)

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
		Thousand	Thousand	Thousand	Thousand
<b>Cash flows from investing activities</b>					
Increase in restricted deposits					
at financial institutions		(93,498)	(53,905)	-	-
Short-term loan made to related parties	34.3	(34,678)	(890)	(50,078)	(86,826)
Repayments received from short-term					
loan to related parties	34.3	856	-	265,947	1,350
Short-term loan made to third parties		(8,256)	-	-	-
Proceeds from disposals of short-term					
investments		-	270	-	-
Repayments received from long-term loan					
to related parties	34.4	-	950	-	8,775
Acquisition of subsidiaries, net of cash					
acquired		(18,384)	(434)	(4,903)	-
Deposits on sale of investments agreement		-	-	-	5,000
Proceeds from disposals of subsidiaries,					
net of cash disposed		-	119,329	69,413	-
Proceeds from sale of investment in					
associates		-	-	-	10,200
Dividends received	12.2	223,928	219,542	-	-
Refund of advance payment for investment					
in an associate	12.3	9,269	-	-	-
Acquisition of investments in associates	12.2	(13,109)	(9,826)	-	-
Long-term loan made to third parties	13	-	(2,527)	-	-
Repayments received from long-term loan					
to third parties	13	-	14,866	-	-
Proceeds from disposals of equipment		-	-	7,669	605
Proceeds from disposals of intangible					
assets		-	-	5,152	-
Acquisition of property, plant and equipment		(334,017)	(428,229)	(46)	-
Acquisition of intangible assets		(21,081)	(103,396)	(12)	-
<b>Net cash (used in) generated from</b>					
<b>investing activities</b>		<b>(288,970)</b>	<b>(244,250)</b>	<b>293,142</b>	<b>(60,896)</b>

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

## Statements of Cash Flows (Cont'd)

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
		Thousand	Thousand	Thousand	Thousand
<b>Cash flows from financing activities</b>					
(Decrease) increase in bank overdrafts		(1,362)	-	(877)	2,708
Proceeds from short-term loan from third parties		554,233	138,545	514,250	-
Repayments to short-term loan from third parties		(40,000)	(140,000)	-	-
Proceeds from issuance of promissory notes		311,980	-	-	-
Proceeds from issuance of bill of exchange	21	-	-	298,026	439,000
Repayments to bill of exchange	21	(311,100)	-	(750,100)	-
Redemption of debentures	23	(200,000)	-	(200,000)	(600,000)
Proceeds from issuance of debentures	23	-	-	-	200,000
Proceeds from short-term loan from related parties	34.5	30	14,400	219,262	131,110
Repayments to short-term loan from related parties	34.5	-	(14,400)	(288,502)	(61,870)
Repayments of finance lease liabilities		(654)	(764)	(3,418)	(1,157)
Proceeds from long-term loan from related parties	34.6	12,500	10,800	33,565	-
Repayments to long-term loan from related parties	34.6	(15,000)	(39,050)	(28,891)	-
Proceeds from long-term borrowings from financial institutions, net of cash paid for debt issuance cost	22	287,446	793,620	-	-
Repayments to long-term borrowings from financial institutions	22	(124,564)	(441,059)	-	-
Cash paid for additional interests in subsidiaries		-	(14,700)	-	-
Subscription of shares in subsidiaries by non-controlling interests		58	1,104	-	-
Dividend paid	37	(311,980)	-	-	-
<b>Net cash generated from (used in) financing activities</b>		<b>161,587</b>	<b>308,496</b>	<b>(206,685)</b>	<b>109,791</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(59,858)</b>	<b>36,789</b>	<b>1,850</b>	<b>(707)</b>
Cash and cash equivalents at beginning of the year		96,932	60,430	495	1,202
Cash and cash equivalents grouped as assets under Share Subscription Agreement		118	-	(82)	-
Exchange rate differences		7,446	(287)	-	-
<b>Cash and cash equivalents at end of the year</b>		<b>44,638</b>	<b>96,932</b>	<b>2,263</b>	<b>495</b>

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

# Statements of Cash Flows (Cont'd)

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
		Thousand	Thousand	Thousand	Thousand
<b>Non-cash transactions</b>					
Significant non-cash transactions are as follows:					
Share capital increase as a result of					
reverse acquisition	1	576,840	-	4,018,002	-
Deficits arising from reverse acquisition	25	12,423,099	10,863,480	-	-
Share discount on business acquisition	25	-	-	10,863,480	-
Acquisition of property and equipment,					
not yet paid		11,188	48,839	-	-
Acquisition of intangible assets, not yet					
paid		115	74,861	-	-
Acquisition of investment in subsidiaries,					
not yet paid		7,514	-	-	-
Reclassification from other non-current					
assets to intangible assets		-	37,247	-	-
Transfer long-term loan to related parties to					
long-term loan to third parties		-	52,000	-	-
Convert advance payment for investment					
in associate to investment in associate	12.3	46,427	-	-	-

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

## Notes to the financial statements

### 1 General information

Prime Road Power Public Company Limited ("the Company") (formerly "Food Capitals Public Company Limited") is incorporated in Thailand and is a public limited company which is listed on the Stock Exchange of Thailand.

The Company changed its name from Food Capitals Public Company Limited to Prime Road Power Public Company Limited on 26 July 2019.

On 31 July 2019, the Company has changed its registered office to:

22nd Floor TP&T Tower, 1 Soi Vibhavadee-Rangsit 19 Chatuchak, Chatuchak, Bangkok

For reporting purposes, Food Capitals Public Company Limited and its subsidiaries before the business acquisition are referred to as "FC Group". Prime Road Alternative Company Limited and its subsidiaries before the business acquisition are referred to as "PRA Group". FC Group and PRA Group after the business acquisition is collectively referred to as "the Group".

On 26 July 2019, under the terms and conditions of "Share Subscription Agreement", the Company acquired 4,018,001 shares of Prime Road Alternative Co., Ltd. ("PRA") by issuing 14,881,481,481 ordinary shares with a par value of Baht 1 each, at the offering price of Baht 0.27 each (Price at the transaction date on 26 July 2019 was Baht 0.42 per share) to PRG Development Company Limited ("PRGD"), the parent of PRA. As a result, PRGD becomes the Company's major shareholders by holding 87.45% of issued shares, having controlling power over the Company. For accounting purpose, considering size of PRA Group that is significantly larger than FC Group and the management of FC Group were replaced by those of PRA Group after acquisition, the transaction is considered as a business acquisition and is a reverse acquisition in accordance with TFRS 3 "Business Combination". As a result, the consolidated financial statements reflects PRA Group as acquirer in accounting and FC Group is acquiree, which is different from the legal form and presentation of the separate financial statements which is reflecting that the Company holds 99.99% interests in PRA Group.

The principal business operations of the Group are the construction of power plants and generation of electricity from renewable energy to distribute to individuals, corporations, government agencies, state-owned enterprises both domestic and overseas.

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

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 26 February 2020.

## 2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

### 2.1 Basis of preparation

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

The consolidated and separate financial statements have been prepared under the historical cost convention except trading investments at fair value as disclosed in accounting policy.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 5.

The consolidated financial statement was prepared in accordance with the basis of business combination - reverse acquisition. Prime Road Power Public Company Limited is a legal parent company but is an accounting acquiree. PRA Group is a legal subsidiary but is an accounting acquirer as explained in Note 1.

The consolidated financial statement as at 31 December 2019 presents the consolidated financial position of the Group after the business acquisition. The consolidated statement of comprehensive income and statement of cash flows for the year ended 31 December 2019 included operating results and cash flows of FC Group from 26 July 2019 (acquisition date).

The comparative consolidated financial statement presents the consolidated financial position as at 31 December 2018 and results of operations and cash flows for the year ended 31 December 2018 of PRA Group.

The recognition of assets and liabilities relating to the business acquisition in the consolidated financial statement is as follows:

- a) Assets and liabilities of PRA Group were recognised and measured at book value as at the business combination date.
- b) Assets and liabilities of FC Group were recognised and measured at fair value in accordance with TFRS 3 "Business combination", under conditions per the Share Subscription Agreement, causing the valuation and presentation as explained in Note 18.1.

## 2 Accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

- c) Retained earnings (deficits) and the other components of equity of PRA Group were recognised and measured at book value as at the business combination date.
- d) Equity presented equity of PRA Group, and PRA Group's legal capital is adjusted retrospectively to reflect the legal capital of FC Group.

These consolidated and separate financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018 of both FC Group and PRA Group.

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

### 2.2 New and amended financial reporting standards that are relevant to the Group

#### 2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

##### Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

Management has assessed the effects of applying the new standard and considered that the above revised standards do not have impact on the Group.

#### 2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

## 2 Accounting policies (Cont'd)

### 2.2 New and amended financial reporting standards that are relevant to the Group (Cont'd)

#### 2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

##### a) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

The Group's management is currently assessing the impacts from these standards.

##### b) TFRS 16 Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group will apply TFRS 16, Leases and adjust cumulative impact to opening retained earnings (modified retrospective approach). From the preliminary impact assessment, the management expect that the Group will be affected by significant lease liabilities on land rental contracts, previously classified as operating leases under TAS 17, Leases. The following items will be recognised upon adoption of TFRS 16.

- Liabilities under lease agreements are recognised in accordance with the obligations and discounting to present values with incremental borrowing rates of the lessees as of 1 January 2020 amounting to Baht 118.48 million.
- Right-of-use assets are recognised equal to the present value of liabilities under the lease agreements as of 1 January 2020 adjusted by prepaid rent which previously recognised amounting to Baht 118.48 million.

## 2 Accounting policies (Cont'd)

### 2.2 New and amended financial reporting standards that are relevant to the Group (Cont'd)

#### 2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

##### c) Other new/amended standards

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRS 9	Financial instruments
TFRS 11	Joint arrangements
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.



## 2 Accounting policies (Cont'd)

### 2.2 New and amended financial reporting standards that are relevant to the Group (Cont'd)

#### 2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation) - enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

Amendment to TFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

## 2 Accounting policies (Cont'd)

### 2.3 Principles of consolidation and equity accounting

#### a) Subsidiaries

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

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

A list of the Group's principal subsidiaries is set out in Note 12.

#### b) Associates

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

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

#### c) Equity method

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

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

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

#### d) Changes in ownership interests

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

## 2 Accounting policies (Cont'd)

### 2.3 Principles of consolidation and equity accounting (Cont'd)

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

When the Group loses control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate or a financial asset accordingly.

#### e) Intercompany transactions on consolidation

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

### 2.4 Business combination

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

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

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

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

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

## 2 Accounting policies (Cont'd)

### 2.4 Business combination (Cont'd)

#### *Acquisition-related cost*

Acquisition-related cost are recognised as expenses.

#### *Step-up acquisition*

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

#### *Changes in fair value of contingent consideration paid/received*

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

#### *Business combination under common control*

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "deficits arising from business combination under common control" in equity and is derecognised when the investment is disposed of (transferred to retained earnings).

## 2 Accounting policies (Cont'd)

### 2.5 Foreign currency translation

#### a) Functional and presentation currency

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

#### b) Transactions and balances

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

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

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

#### c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

### 2.6 Cash and cash equivalents

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

### 2.7 Restricted bank deposits

Restricted bank deposits means all types of bank deposits that are under condition of withdrawal process for specific purpose according to financial agreement and loan facilities agreement with financial institutions which provide credit to the Group.

## 2 Accounting policies (Cont'd)

### 2.8 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

### 2.9 Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

#### a) Trading and available-for-sale investments

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

#### b) Held-to-maturity investments

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

#### c) General investments

General investments are carried at cost less impairment.

#### d) Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

## 2 Accounting policies (Cont'd)

### 2.10 Investment property

Investment property is measured initially at cost, including directly attributable costs and borrowing costs. Subsequently, they are carried at cost less accumulated depreciation and impairment.

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

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives. Depreciation of the investment properties is included in determining income.

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 period when the asset is derecognised.

### 2.11 Leasehold right of land and amortisation

Leasehold rights of land are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation of leasehold rights of land is calculated by reference to their costs on the straight-line basis over the lease period of 30 years and included in determining income.

### 2.12 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. These can include the initial estimate of costs of dismantling and removing the item, and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

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

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

## 2 Accounting policies (Cont'd)

### 2.12 Property, plant and equipment (Cont'd)

Land improvements	20 - 25 years
Power plants	20 - 25 years
Tools and equipment in power plants	5 - 25 years
Leasehold improvements	6 years
Furniture, fixture and office equipment	5 years
Vehicles	5 years

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

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

### 2.13 Intangible assets

The assets with limited life are subsequently carried at cost less accumulated amortisation and impairment losses.

The amortisation is calculated using the straight-line method over their estimated useful lives, as follows:

#### a) Computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

#### b) Rights to use transmission line

Rights to use transmission line represent cost of an installation of grid electricity according to the agreement to connect with the Provincial Electricity Authority ("PEA") in order to distribute electricity. The transmission line belongs to PEA but the Group obtained the rights to use such transmission line over the agreement period. Rights to use transmission line is amortised using straight line method over the contractual period of 20-25 years.

#### c) Rights in Power Purchase Agreements

The rights in Power Purchase Agreements arising on acquisitions of subsidiaries is amortised using straight line method over the periods of the Power Purchase Agreements and Operation, which are 20-25 years.



## 2 Accounting policies (Cont'd)

### 2.13 Intangible assets (Cont'd)

#### d) Land use rights

Land use rights is the cost incurred to obtain rights over land for installation of power plant. The cost is capitalised and amortised using the straight-line method over the useful live of land usage.

### 2.14 Goodwill

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

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

### 2.15 Impairment of assets

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

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

### 2.16 Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

## 2 Accounting policies (Cont'd)

### 2.17 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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

### 2.18 Borrowing costs

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

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

### 2.19 Current and deferred income taxes

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

#### *Current tax*

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

## 2 Accounting policies (Cont'd)

### 2.19 Current and deferred income taxes (Cont'd)

#### *Deferred income tax*

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

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

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

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

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

### 2.20 Employee benefits

#### a) Provident fund

The Group operates a provident fund, being a defined contribution plan. The assets of which are held in a separate trustee - administered fund. The provident fund is funded by payments from employees and by the Group. Contributions to the provident fund are charged to the statement of comprehensive income in the year to which the contributions relate.

#### b) Legal severance pay

Legal severance pay is defined as an amount of retirement benefit that an employee will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

## 2 Accounting policies (Cont'd)

### 2.20 Employee benefits (Cont'd)

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

Remeasurement gains and losses are recognised directly to other comprehensive income in the year in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

### 2.21 Provisions

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

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

### 2.22 Share capital

Ordinary shares are classified as equity.

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

### 2.23 Revenue recognition

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

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

Revenue includes electricity tariff adders, net of fuel adjustment (Ft) and the Provincial Electricity Authority's operating charges, and after eliminating sales within the Group. Revenue from sales of goods is recognised when the performance obligation is satisfied at a point in time.

## 2 Accounting policies (Cont'd)

### 2.23 Revenue recognition (Cont'd)

Management service income, the Group recognised service contracts with a continuous service provision as revenue on a straight-line basis over the contract term, regardless of the payment pattern.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

### 2.24 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

### 2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that make strategic decisions.

## 3 Financial risk management

### 3.1 Financial risk factors

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

#### 3.1.1 Foreign exchange risk

As the Group generates and distributes electricity from solar power, the Group has entered into Power Plant construction agreement with supplier in foreign countries. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Japanese Yen, in terms of foreign exchange risk arises from future commercial transactions, recognition of assets and liabilities and net investments in foreign operations.

External foreign exchange forward contracts are designated at Group level as hedges of foreign exchange rate risk on specific assets, liabilities and future transactions in Note 3.2.

### 3 Financial risk management (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### 3.1.2 Interest rate risk

Interest rate risk of the Group occurs from credit facilities of commercial bank which are floating rate and fixed rate. Credit terms and interest rates depend on each borrower's creditability that cause the Group exposing to cash flow risk from interest rate.

##### 3.1.3 Major customer reliance risk

The Group relies on Provincial Electricity Authority (PEA) who purchase of all electricity generated in specific quantities at specific price based on each specific period according to Power Purchase Agreement, in accordance with Ministry of Energy's policy to encourage production and usage of renewable energy. As a result, agreement termination may significantly impact the Group's operations.

##### 3.1.4 Risk from generated electricity lower than estimation

The electricity volume generated from solar power plants might be affected by climate change and natural disaster, forming as a risk of production volume is lower than estimation. In consequence, it may impact to revenue and operating results of the Group as well as other electricity generators in this industry.

##### 3.1.5 Debt settlement ability risk

According to credit facilities conditions with commercial bank, the Group has to comply with financial covenants stated in the agreement such as to maintain Debt service coverage ratio and maintain Debt-to-Equity ratio. If the Group cannot maintain those financial covenants, the Group might be called up for immediate debt settlement.

#### 3.2 Accounting for derivative financial instruments and hedging activities

The Group is a party to derivative financial instruments, which comprise foreign currency forward contracts and interest rate swap agreements. Such instruments are not recognised in the financial statements on inception.

The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in gain (loss) on exchange rate in profit or loss. The fee incurred in establishing each agreement is amortised over the contract period.

### 3 Financial risk management (Cont'd)

#### 3.2 Accounting for derivative financial instruments and hedging activities (Cont'd)

Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense when due. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are recognised in profit or loss.

#### 3.3 Fair value

##### Fair value estimation

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the current bid price by reference to the Stock Exchange of Thailand.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

#### 4 Reclassification

Comparative figures have been reclassified to conform with the current year presentation as follows:

Separate statement of financial position as at 31 December 2018

	Before reclassification Baht Thousand	Reclassification Baht Thousand	After reclassification Baht Thousand
<b>Current assets</b>			
Cash and cash equivalents	525	(30)	495
Trade and other receivables	24,949	109,925	134,874
Other current receivables from sale of investment	44,301	(44,301)	-
Short-term loans to related parties	279,233	(7,773)	271,460
Other current assets	3,105	6,343	9,448
<b>Non-current assets</b>			
Long-term loans to related parties	105,525	(60,543)	44,982
Property, plant and equipment	-	17,652	17,652
Leasehold improvements and equipment	17,652	(17,652)	-
Other non-current assets	4,352	(3,650)	702
<b>Current liabilities</b>			
Bank overdrafts from financial institutions	29,650	(30)	29,620
Trade and other payables	32,377	16,151	48,528
Short-term loans from a related party	70,213	(973)	69,240
Other current liabilities	18,316	(12,119)	6,197
<b>Non-current liabilities</b>			
Long-term loans from related parties	60,880	(3,058)	57,822

Separate statement of comprehensive income for the year ended 31 December 2018

	Before reclassification Baht Thousand	Reclassification Baht Thousand	After reclassification Baht Thousand
Other income	14,602	139,789	154,391
Management service income	17,823	(17,823)	-
Interest income	55,705	(55,705)	-
Gain on sale of investment in subsidiaries	68,289	(68,289)	-
Net gain on exchange rate	-	153	153
Administrative expenses	(1,045,339)	1,875	(1,043,464)



## 5 Critical estimates and judgements

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

### a) Impairment of investment, property, plant and equipment and intangible assets

The Group tests whether investment, property, plant and equipment and intangible assets have suffered any impairment when there is the indicator, in accordance with accounting policy stated in Note 2.15. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The change in the assumption used would impact the recoverable amount.

### b) Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit loss. The management uses judgement to establish reserves for estimated loss for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of percentage of revenues, analysis of debt aging, collection experience, and taking into account of change in the current economic environment. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable loss and adjustments to the allowances may therefore be required in the future.

### c) Useful lives for property, plant and equipment and intangible assets

The Group has estimated useful lives and residual value of property, plant and equipment and intangible assets. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period and their carrying values are written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount or it will write off technically obsolete or assets that have been abandoned or sold.

### d) Deferred income taxes

Deferred tax assets and liabilities are recognised for temporary difference arising between tax bases of assets and liabilities and their carrying amount for accounting purposes as at the end of reporting date. Significant management judgment is used in considering whether it is highly probable that the Group will generate sufficient taxable profits from its future operations to minimise these deferred tax assets. The Group's assumptions regarding the future taxable profits and the anticipated timing of minimise of deductible temporary differences and significant changes in these assumptions from year to year may have a material impact on financial position and results of operations.

## 5 Critical estimates and judgements (Cont'd)

### e) Borrowings

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the director's expect would be available to the Group at the end of reporting date. The change in the discount rate would impact the fair value of the borrowings.

### f) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 24.

## 6 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. In addition, under loan agreement, the Group has to maintain of certain covenants (Note 22).

## 7 Segment and revenue information

The Board of Directors is the Group's chief operating decision-maker. The Board of Directors has determined the operating segments based on the information reviewed for the purposes of allocating resources and assessing performance.

### Business segment

The Group operates in a single business being the generation and distribution of electricity generated from solar energy. Therefore, the Board of Directors considers that the Group has only one business segment.

### Geographic segment

Segment information is presented in respect of the Group's geography segments which are domestic and international. The two segments presented were classified and reviewed by authorised persons which is the Board of Directors. The following information is used by the Board to evaluate operation of each segment.

## 7 Segment and revenue information (Cont'd)

## Financial statements by geography segment

	Consolidated financial statements									
	Domestic		International		Total		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Revenue from electricity sales	311,276	215,808	22,967	-	334,243	215,808	-	-	334,243	215,808
Revenue from services	105	-	-	-	105	-	(105)	-	-	-
Cost of sales	(127,727)	(89,785)	(14,254)	-	(141,981)	(89,785)	(14,620)	(11,278)	(156,601)	(101,063)
<b>Gross profit</b>	<b>183,654</b>	<b>126,023</b>	<b>8,713</b>	<b>-</b>	<b>192,367</b>	<b>126,023</b>	<b>(14,725)</b>	<b>(11,278)</b>	<b>177,642</b>	<b>114,745</b>
Other income	429,336	130,231	133	36	429,469	130,267	(423,800)	(128,136)	5,669	2,131
Administrative expenses	(231,976)	(161,201)	(9,662)	(3,222)	(241,638)	(164,423)	106,081	13,593	(135,557)	(150,830)
Net (loss) gain on exchange rate	(420)	(2,539)	517	(52)	97	(2,591)	(2,015)	39	(1,918)	(2,552)
Finance costs	(146,247)	(83,375)	(3,743)	(95)	(149,990)	(83,470)	56,649	13,574	(93,341)	(69,896)
Share of profit from associates	311,501	281,685	6,597	11,912	318,098	293,597	-	-	318,098	293,597
<b>Profit before income tax</b>	<b>545,848</b>	<b>290,824</b>	<b>2,555</b>	<b>8,579</b>	<b>548,403</b>	<b>299,403</b>	<b>(277,810)</b>	<b>(112,208)</b>	<b>270,593</b>	<b>187,195</b>
Income tax	1,576	(2,484)	-	-	1,576	(2,484)	-	-	1,576	(2,484)
<b>Net profit for the year</b>	<b>547,424</b>	<b>288,340</b>	<b>2,555</b>	<b>8,579</b>	<b>549,979</b>	<b>296,919</b>	<b>(277,810)</b>	<b>(112,208)</b>	<b>272,169</b>	<b>184,711</b>
<b>Total assets</b>	<b>15,668,349</b>	<b>10,418,425</b>	<b>1,020,951</b>	<b>266,633</b>	<b>16,689,300</b>	<b>10,685,058</b>	<b>(11,412,405)</b>	<b>(7,018,602)</b>	<b>5,276,895</b>	<b>3,666,456</b>
<b>Total liabilities</b>	<b>4,059,032</b>	<b>2,696,123</b>	<b>339,533</b>	<b>18,456</b>	<b>4,398,565</b>	<b>2,714,579</b>	<b>(1,459,076)</b>	<b>(859,357)</b>	<b>2,939,489</b>	<b>1,855,222</b>

The Board of Directors assesses the performance of the operating segments bases on a measure of net profit as presented in consolidated financial statements which is relevant and comparable with other entities in the same industries.

All of revenues of the Group are revenues from electricity sales which have timing of revenue recognition at a point in time.

## 8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash on hand	267	186	102	43
Deposits held at call with banks	44,371	96,746	2,161	452
	44,638	96,932	2,263	495

Deposits held at call with banks which have the average effective interest rate at 0.23% per annum (2018: 0.31% per annum).

## 9 Restricted deposits at financial institutions

Restricted deposits at financial institutions amounting to Baht 8.00 million (2018: Baht 22.00 million) represents saving deposits that the Group has used as tender collateral for bidding on projects in an overseas (Note 35.4), and amounting to Baht 232.93 million (2018: Baht 125.43 million) represents saving accounts that the Group transfers rights in the accounts to lender as collateral for long-term borrowings (Note 22).

## 10 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Trade receivables - third parties	19,547	18,378	-	-
Accrued income				
- third parties	24,382	13,083	-	-
- related parties (Note 34.2)	-	-	1,521	-
Amounts due from related parties (Note 34.2)	1,506	1,184	1,511	62,879
Advance payment				
- third parties	1,326	36	-	-
- related parties (Note 34.2)	21,670	21,612	-	-
Prepaid expenses	6,635	6,332	258	1,205
Interest receivable				
- third parties	4,099	1,430	-	-
- related parties (Note 34.2)	811	12	-	68,316
Other receivables, net	11,958	16,955	2	661
Deposit	6,483	-	-	-
Others	1,053	1,410	390	1,813
	<u>99,470</u>	<u>80,432</u>	<u>3,682</u>	<u>134,874</u>

All outstanding trade accounts receivable are not yet due.

In 2016 and 2017, a subsidiary paid certain expenses on behalf of the former owner of a solar power plant project amounting to Baht 38.97 million. However, in 2018, the management had assessed that it might not be able to recover that advance at full amount. As a result, the subsidiary recognised the allowance for doubtful accounts amounting to Baht 28.97 million and Baht 5.00 million in 2018 and 2019, respectively, and the receivable is presented netting with the allowance in other receivables.

## 11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Claimable value added tax	22,482	35,360	-	5,726
Withholding tax deducted at sources	1,652	1,255	58	3,650
Value added tax pending receipt of tax invoices	1,255	1,179	123	72
Other	71	-	-	-
	25,460	37,794	181	9,448

## 12 Investments in subsidiaries and associates

## 12.1 Investments in subsidiaries

	Separate financial statements	
	2019	2018
	Baht Thousand	Baht Thousand
Investments in subsidiaries	4,018,001	311,061

The movements of investments in subsidiaries are as follows:

	Separate financial statements	
	2019	2018
	Baht Thousand	Baht Thousand
At 1 January	311,061	1,360,463
Additions	4,018,001	-
Disposals of investments	(72,385)	-
<u>Less</u> Impairment of investments	-	(1,049,402)
Reversal of impairment loss	77,288	-
Transfer to assets under Share Subscription Agreement (Note 18.3)	(315,964)	-
At 31 December	4,018,001	311,061

## 12 Investments in subsidiaries and associates (Cont'd)

## 12.1 Investments in subsidiaries (Cont'd)

			Separate financial statements					
			Paid-up capital Baht Thousand	Proportion of shares held by parent (%)	Proportion of shares held by the Group (%)	Investment - at cost Baht Thousand	Allowance for impairment Baht Thousand	Net investment Baht Thousand
Country of incorporation	Business							
At 31 December 2019								
Subsidiary								
Prime Road Alternative Co., Ltd.	Thailand	Investment in renewable energy business	4,018,003	99.99	99.99	4,018,001	-	4,018,001
At 31 December 2018								
Subsidiaries								
Monster Media Co., Ltd.	Thailand	Dormant	10,000	99.99	99.99	10,000	(10,000)	-
Fenix Iron Fairies Co., Ltd.	Thailand	Sales of food and beverage	4,000	99.99	99.99	141,198	(141,198)	-
Evolution Land Co., Ltd.	Thailand	Investment in real estate	229,108	99.99	99.99	229,108	(136,630)	92,478
Casa Fico Co., Ltd.	Thailand	Residential real estate development	285,000	-	42.50	-	-	-
Fena Park Co., Ltd.	Thailand	Residential real estate development	100,000	-	42.50	-	-	-
Evolution Holdings Limited	Mauritius	Holding company	USD 4,675 Thousand	99.99	99.99	146,198	-	146,198
FC Commissary Co., Ltd.	Thailand	Sales of food and beverage	10,000	99.99	99.99	5,639	(5,639)	-
Evolution Foods (Thailand) Co., Ltd.	Thailand	Holding company	661,130	90.00	90.00	698,435	(698,435)	-
Food Capitals (USA), Inc.	United States of America	Holding company	USD 1,000 Thousand	99.99	99.99	35,131	-	35,131
G Enterprise & Co Company Limited	Thailand	Sales of food and beverage	125,000	99.99	99.99	94,754	(57,500)	37,254
						1,360,463	(1,049,402)	311,061

## 12 Investments in subsidiaries and associates (Cont'd)

## 12.1 Investments in subsidiaries (Cont'd)

## Subsidiaries under Prime Road Alternative Co., Ltd.

Subsidiaries	Country of incorporation	Business	Proportion of shares held by the Group (%)
Prime Road Group Co., Ltd.	Thailand	Investment in renewable energy business	99.99
Prime Renewable Energy Co., Ltd.	Thailand	Investment in renewable energy business	99.99
Power Energy Development Co., Ltd.	Thailand	Investment in renewable energy business	99.99
5 Amata Co., Ltd.	Thailand	Generation and distribution of electricity from renewable energy	51.00
Ideal Solar Co., Ltd.	Thailand	Investment in renewable energy business	99.99
Prime Renewable Development Co., Ltd.	Thailand	Generation and distribution of electricity from renewable energy	99.99
Star Solar Co., Ltd.	Thailand	Investment in renewable energy business	99.99
Prime Alternative Energy Co., Ltd.	Thailand	Generation and distribution of electricity from renewable energy	99.99
Smart Solar Co., Ltd.	Thailand	Investment in renewable energy business	99.99
Prime Road Solar Co., Ltd.	Thailand	Generation and distribution of electricity from renewable energy	99.99
Prime Green Solar Co., Ltd.	Thailand	Generation and distribution of electricity from renewable energy	99.99
Smart Solar Power Co., Ltd.	Thailand	Generation and distribution of electricity from renewable energy	99.99
Prime Solar Energy Corporation	Republic of China (Taiwan)	Investment in renewable energy business	100.00
He Wu Co., Ltd.	Republic of China (Taiwan)	Generation and distribution of electricity from renewable energy	100.00
Sheng Jiu Co., Ltd	Republic of China (Taiwan)	Generation and distribution of electricity from renewable energy	100.00
Shin Shi Co., Ltd.	Republic of China (Taiwan)	Generation and distribution of electricity from renewable energy	100.00
Prime ESCO Co., Ltd	Thailand	Dormant	99.98
Prime Alternative Visions Co., Ltd.	Thailand	Dormant	53.99
Prime Road Rooftop Co., Ltd.	Thailand	Dormant	53.99
Prime Energy Capital Co., Ltd.	Thailand	Investment in renewable energy business	99.99
Prime Road Alternative (Cambodia) Co., Ltd.	Kingdom of Cambodia	Dormant	100.00



## 12 Investments in subsidiaries and associates (Cont'd)

### 12.1 Investments in subsidiaries (Cont'd)

#### Transactions incurred during 2019

##### Prime Road Alternative Co., Ltd.

As explained in Note 1, on 26 July 2019, the Company invested in 4,018,001 ordinary shares representing 99.99% of the total shares in Prime Road Alternative Co., Ltd.

##### Prime Alternative Visions Co., Ltd. and Prime Road Rooftop Co., Ltd.

Prime Road Group Co., Ltd. ("PRG") has entered into a co-investment agreement with Alternative Visions Co., Ltd. to establish 2 new subsidiaries which are Prime Alternative Visions Co., Ltd. and Prime Road Rooftop Co., Ltd. PRG has the investment proportion of 53.99% in both subsidiaries. The subsidiaries were registered with the Ministry of Commerce on 11 September 2019.

On 1 October 2019, PRG made additional payment for the called-up capital in Prime Alternative Visions Co., Ltd. at Baht 75 per share for 21,599 shares amounting to Baht 1.62 million.

##### Prime Solar Energy Corporation

On 18 January 2019, Prime Solar Energy Corporation acquired 100% interests in He Wu Co., Ltd., Sheng Jiu Co., Ltd. and Shin Shi Co., Ltd. for a total consideration of NT Dollar 25.50 million (or Baht 26.15 million). These companies were registered and domiciled in Republic of China (Taiwan). The subsidiary made a payment on acquisition date amounting to NT Dollar 12.75 million (or Baht 13.08 million) and the remaining amounting to NT Dollar 12.75 million will be paid in installments according to the condition in the Share Purchase and Subscription Agreement. The subsidiary considered this investment as an asset acquisition because these 3 companies have not yet started their operations.

	He Wu Co., Ltd.	Sheng Jiu Co., Ltd.	Shin Shi Co., Ltd.	Total
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash	2	3	2	7
Other current assets	28	19	34	81
Plant and equipment				
- power plants under construction	15	21	54	90
Intangible assets				
- rights to use of transmission	498	332	581	1,411
Intangible assets				
- power purchase agreements	14,041	4,797	7,845	26,683
Other payables	(214)	(209)	(214)	(637)
Long-term loans from parent company	(523)	(349)	(610)	(1,482)
Total identifiable net assets	13,847	4,614	7,692	26,153

## 12 Investments in subsidiaries and associates (Cont'd)

### 12.1 Investments in subsidiaries (Cont'd)

#### Transactions incurred during 2019 (Cont'd)

##### Subsidiaries of FC Group

On 4 June 2019 and 25 July 2019, the Company disposed investments in subsidiaries being G Enterprise & Co Co., Ltd., Monster Media Co., Ltd., Fenix Iron Fairies Co., Ltd., FC Commissary Co., Ltd., Evolution Foods (Thailand) Co., Ltd., and Food Capitals (USA), Inc., of which the total net book value was amounting to Baht 72.385 million, and including the net book value of assets and outstanding debt liable to FC at the date of disposal amounting to Baht 255.24 million. The selling price was total amount of Baht 319.75 million. The Group recognised loss from disposal amounting to Baht 7.84 million in the separate financial statements for the year ended 31 December 2019.

##### Evolution Land Co., Ltd.

During the year, the Company reversed allowance for impairment loss on investment in Evolution Land Co., Ltd. amounting to Baht 77.29 million.

##### Prime Road Alternative (Cambodia) Co., Ltd.

On 31 October 2019, the Company invested in Prime Road Alternative (Cambodia) Co., Ltd. which was registered in the Kingdom of Cambodia amounting to USD 1.00 million for 100,000 shares representing 100% of the issued shares.

#### Transactions incurred during 2018

##### Ideal Solar Co., Ltd.

On 12 January 2018, the Company invested in Ideal Solar Co., Ltd. amounting to Baht 1.00 million for 9,998 ordinary shares representing 99.99% of the total shares. The Group recognised loss amounting to Baht 0.03 million in the consolidated financial statements for the year ended 31 December 2018 due to lower of net book amount of Ideal Solar Co., Ltd. than purchase price.

## 12 Investments in subsidiaries and associates (Cont'd)

### 12.1 Investments in subsidiaries (Cont'd)

#### Transactions incurred during 2018 (Cont'd)

##### Prime Green Solar Co., Ltd.

In February and March 2018, the Company made additional payment for the remaining called-up capital for 45,900 shares amounting to Baht 0.87 million.

On 2 April 2018, the Company made addition investment in Prime Green Solar Co., Ltd. amounting to Baht 34.95 million in order to acquire further interests holding from 51.00% to 99.99%. In the consolidated financial statements, the Company considered in accordance with the substance of the agreement, that the payment amounting to Baht 34.95 million was intended for 2 purposes being payment for additional interests in subsidiary at the par value of shares and for service fee for obtaining right in power purchase agreement. Therefore, in the consolidated financial statements the service fee amounting to Baht 30.05 million was recognised as intangible assets (Note 16). The Group also recognised loss amounting to Baht 1.09 million directly in equity attributed to the owners of the parent as a result of the value of shares purchased from non-controlling interests at par, was higher than book value.

During April and May 2018, Prime Green Solar Co., Ltd. increased share capital. The Company made additional investment amounting to Baht 43.32 million to maintain the same investment proportion.

##### Prime Green Energy Co., Ltd.

On 30 March 2018, the Company disposed investment in Prime Green Energy Co., Ltd. which the net book amount of Baht 119.37 million for a consideration of Baht 120.00 million. The Group recognised gain from disposal amounting to Baht 0.26 million and Baht 0.63 million respectively in the consolidated and separate financial statements for the year ended 31 December 2018.

## 12 Investments in subsidiaries and associates (Cont'd)

### 12.1 Investments in subsidiaries (Cont'd)

#### Transactions incurred during 2018 (Cont'd)

##### Smart Solar Power Co., Ltd.

On 2 April 2018, the Company made addition investment in Smart Solar Power Co., Ltd. amounting to Baht 63.90 million in order to acquire further interests holding from 51.00% to 99.99%. In the consolidated financial statements, the Company considered in accordance with the substance of the agreement, that the payment amounting to Baht 63.90 million was intended for 2 purposes being payment for additional interests in subsidiary at the par value of shares and for service fee for obtaining right in power purchase agreement. Therefore, in the consolidated financial statements the service fee amounting to Baht 54.10 million was recognised as intangible assets (Note 16). The Group also recognised loss amounting to Baht 4.15 million directly in equity attributed to the owners of the parent as a result of the value of shares purchased from non-controlling interests at par, was higher than book value.

During April and May 2018, Smart Solar Power Co., Ltd. increased share capital. The Company made additional investment amounting to Baht 84.80 million to maintain the same investment proportion.

##### Prime Road Solar Co., Ltd.

On 20 September 2018, the Company sold investment in Prime Road Solar Co., Ltd. to Smart Solar Co., Ltd. at the net book amount of Baht 63.90 million. There is no change in the investment proportion holding by the Group.

##### Prime Solar Energy Corporation

On 5 October 2017, the Company made an advance payment for the investment in Prime Solar Energy Corporation amounting to Baht 0.55 million to subscribe 100.00% of the issued shares. This subsidiary is incorporated and domiciled in Republic of China (Taiwan) on 3 January 2018.

As at 31 December 2018, the financial statements of Prime Solar Energy Corporation is included in the consolidated financial statements and the advance payment is eliminated accordingly.

##### Prime ESCO Co., Ltd.

On 3 December 2018, the Company invested in Prime ESCO Co., Ltd amounting to Baht 0.25 million for 9,998 shares representing 99.98% of the issued shares.

##### Prime Renewable Energy Co., Ltd.

On 20 December 2018, the Company made additional payment for the called-up capital in Prime Renewable Energy Co., Ltd. at Baht 28 per share for 399,000 shares amounting to Baht 11.17 million.

## 12 Investments in subsidiaries and associates (Cont'd)

### 12.1 Investments in subsidiaries (Cont'd)

#### Summarised financial information of subsidiary with material non-controlling interests

The summary financial information of subsidiary that has significant non-controlling interests to the Group which is 5 Amata Co., Ltd. are summarised below. The disclosed amounts is shown by the amount before the inter-company elimination.

#### Summarised statement of financial position

	As at 31 December	
	5 Amata Co., Ltd.	
	2019	2018
	Baht	Baht
	Thousand	Thousand
Current assets	94,686	94,142
Current liabilities	(67,395)	(66,635)
Total current net assets	27,291	27,507
Non-current assets	432,685	443,611
Non-current liabilities	(261,265)	(291,879)
Total non-current net assets	171,420	151,732
Net assets	198,711	179,239
Non-controlling interests	28,835	19,607

#### Summarised statement of comprehensive income

	For the year ended 31 December	
	5 Amata Co., Ltd.	
	2019	2018
	Baht	Baht
	Thousand	Thousand
Revenue	66,173	64,643
Profit	18,832	16,690
Other comprehensive income	-	-
Total comprehensive income	18,832	16,690
Income attributable to non-controlling interests	9,228	8,178
Dividend paid to non-controlling interests	-	-

## 12 Investments in subsidiaries and associates (Cont'd)

### 12.1 Investments in subsidiaries (Cont'd)

#### Summarised financial information of subsidiary with material non-controlling interests (Cont'd)

The summary financial information of subsidiary that has significant non-controlling interests to the Group which is 5 Amata Co., Ltd. are summarised below. The disclosed amounts is shown by the amount before the inter-company elimination. (Cont'd)

#### Summarised statement of cash flows

	For the year ended 31 December	
	5 Amata Co., Ltd.	
	2019	2018
	Baht Thousand	Baht Thousand
Net cash flow from operating activities	37,842	47,892
Net cash flow from investing activities	(7,248)	(19,111)
Net cash flow from financing activities	(30,280)	(29,144)
Net increase (decrease) in cash and cash equivalents	314	(363)

### 12.2 Investments in associates

The amounts recognised in the statements of financial position are as follows:

	Consolidated financial statements	
	2019	2018
	Baht Thousand	Baht Thousand
Associates	1,078,163	933,550

The amounts recognised in the statements of comprehensive income are as follows:

	Consolidated financial statements	
	2019	2018
	Baht Thousand	Baht Thousand
Share of profit from investment in associates	318,098	293,597
Other comprehensive income		
Exchange differences on translating financial statements	(9,094)	2,232

The movements of investments in associates are as follows:

	Consolidated financial statements (Equity Method)	
	2019	2018
	Baht	Baht
	Thousand	Thousand
At 1 January	933,550	847,438
Additions	13,109	9,826
Additions from advance payment for investment in associate (Note 12.3)	46,427	-
Additions from business combination (Note 18.1)	95,154	-
Share of profit from investments	318,098	293,597
Share of loss from guaranteed investment (Note 18.2)	(428)	-
Dividends income	(223,928)	(219,542)
Exchange differences on translating financial statements	(9,112)	2,231
Transfer to assets under Share Subscription Agreement (Note 18.3)	(94,707)	-
At 31 December	1,078,163	933,550

## 12 Investments in subsidiaries and associates (Cont'd)

## 12.2 Investments in associates (Cont'd)

The Group holds shares indirectly through subsidiaries in the Group.

	Consolidated financial statements					
	Country of		Paid-up capital	% Ownership	Investment- at cost	Investment- equity method
	incorporation	Business	Baht Thousand	interest	Baht Thousand	Baht Thousand
At 31 December 2019						
Associates						
Aizu Energy Pte. Ltd.	Singapore	Investment in solar energy business in Japan	1,253,024	25.00	313,256	303,526
ESPP Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	480,000	30.00	144,000	215,844
Vena Energy Solar (Thailand) Co., Ltd.	Thailand	Investment and management	167,000	30.00	50,100	75,944
and its subsidiaries						
Wichian Buri Power Co., Ltd.	Thailand	Investment		30.00*		
Infinite Solar Energy Co., Ltd.	Thailand	Investment		30.00*		
Chiangmai Renewable Energy Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy		15.31*		
Golden Light Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy		15.31*		
Bueng Samphan Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy		15.31*		
Northwest Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy		15.31*		
Solartech Energy Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy		15.31*		
Nine A Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy		15.31*		
Infinite Alpha Capital Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy		16.87*		
Chiangmai Renewable Energy Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	14.69	35,250	63,169
Golden Light Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	14.69	35,250	68,681
Bueng Samphan Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	14.69	35,250	75,471
Northwest Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	14.69	35,250	70,056
Solartech Energy Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	14.69	35,250	74,421
Nine A Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	14.69	35,250	68,699
Infinite Alpha Capital Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	13.13	31,500	62,352
* Effective ownership interest held by the Group						1,078,163



## 12 Investments in subsidiaries and associates (Cont'd)

### 12.2 Investments in associates (Cont'd)

The Group holds shares indirectly through subsidiaries in the Group. (Cont'd)

Consolidated financial statements					
Country of incorporation	Business	Paid-up capital Baht Thousand	% Ownership interest	Investment- at cost Baht Thousand	Investment - equity method Baht Thousand
At 31 December 2018					
<b>Associates</b>					
Aizu Energy Pte. Ltd.	Singapore	Investment in solar energy business in Japan	1,014,882	25.00	251,098
ESPP Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	480,000	30.00	198,031
Vena Energy Solar (Thailand) Co., Ltd.	Thailand	Investment and management	167,000	30.00	67,373
and its subsidiaries					
Wichian Buri Power Co., Ltd.	Thailand	Investment	30.00*		
Infinite Solar Energy Co., Ltd.	Thailand	Investment	30.00*		
Chiangmai Renewable Energy Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	15.31*		
Golden Light Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	15.31*		
Bueng Samphan Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	15.31*		
Northwest Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	15.31*		
Solartech Energy Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	15.31*		
Nine A Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	15.31*		
Infinite Alpha Capital Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	16.87*		
Chiangmai Renewable Energy Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	14.69	59,019
Golden Light Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	14.69	63,900
Bueng Samphan Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	14.69	62,870
Northwest Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	14.69	57,484
Solartech Energy Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	14.69	63,177
Nine A Solar Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	14.69	57,446
Infinite Alpha Capital Co., Ltd.	Thailand	Generation and distribution of electricity from solar energy	240,000	13.13	53,152
					933,550

\* Effective ownership interest held by the Group

## 12 Investments in subsidiaries and associates (Cont'd)

### 12.2 Investments in associates (Cont'd)

A subsidiary has pledged share certificates of its associates as collateral for loan from a financial institution of the associates.

The associates of the Group including 1) Golden Light Solar Co., Ltd. 2) Bueng Samphan Solar Co., Ltd. 3) Northwest Solar Co., Ltd. 4) Solartech Energy Co., Ltd. and 5) Nine A Solar Co., Ltd. have preference shares with the following rights:

- Shareholders of cumulative preference shares are entitled to preferred dividend for 10% of par value. In the year of no dividend declaration, preferred shareholders shall be entitled to cumulative dividend to be paid at the next dividend declaration and every 10 preference shares has one voting right on casting vote at a general meeting.
- Shareholders of non-cumulative preference shares are entitled to preferred dividend for 95% of remaining dividend after appropriated to shareholders of cumulative preference shares and each preference share has one voting right on casting vote at a general meeting.

The associates of the Group which are 1) Wichian Buri Power Co., Ltd. and 2) Infinite Solar Energy Co., Ltd. have preference shares with the following rights:

- Shareholders of cumulative preference shares are entitled to preferred dividend for 10% of par value. In the year of no dividend declaration, preferred shareholders shall be entitled to cumulative dividend to be paid at the next dividend declaration. Every 10 preference shares has one voting right on casting vote at a general meeting.

The associates of the Group which are 1) Chiangmai Renewable Energy Co., Ltd. and 2) Infinite Alpha Capital Co., Ltd. have preference shares with the following rights:

- Shareholders of non-cumulative preference shares are entitled to preferred dividend for 95% of total dividend amount and each preference share has one voting right on casting vote at a general meeting.

#### Transactions incurred during 2019

##### Aizu Energy Pte. Ltd.

Associate increased share capital. The Group made additional investment amounting to Yen 44.74 million (or Baht 13.11 million) to maintain the investment proportion.

## 12 Investments in subsidiaries and associates (Cont'd)

### 12.2 Investments in associates (Cont'd)

#### Summarised financial information for associate

The table below is summarised of financial information for associates that are material to the Group. The financial information is included in associates own financial statements which has been adjusted with the adjustments necessary for the equity method including, adjusting fair value and differences in accounting policy.

	ESPP Co., Ltd.		Vena Energy Solar (Thailand) Co., Ltd. and its subsidiaries	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
<b>Summarised of performance</b>				
Revenue	356,773	345,283	1,211,123	1,246,924
Profit	224,315	197,300	24,925	15,565
Other comprehensive income	-	-	-	-
Total comprehensive income	224,315	197,300	24,925	15,565
Dividend received from associates	55,800	60,300	-	-
<b>Summarised of statement of financial position</b>				
Current assets	224,463	190,342	832,493	758,223
Non-current assets	1,225,525	1,259,621	3,636,715	3,745,456
Current liabilities	167,135	12,748	344,623	244,933
Non-current liabilities	563,374	777,112	2,261,942	2,644,006
Net assets (100%)	719,479	660,103	1,862,643	1,614,740
Less non controlling interest	-	-	(1,609,495)	(1,390,164)
Net assets of associates	719,479	660,103	253,148	224,576
<b>Reconciliation to carrying amounts:</b>				
Closing net assets	719,479	660,103	253,148	224,576
Group's share in associates (%)	30	30	30	30
Group's share in associates (Baht)	215,844	198,031	75,944	67,373
Associates carrying amount	215,844	198,031	75,944	67,373

The Group has pledged saving deposits as collateral for credit facilities of associates (Note 9).

## 12 Investments in subsidiaries and associates (Cont'd)

### 12.3 Advance payment for investment in associate

The advance payment for investment in associate is an advance payment for investing in power plants projects in Japan. The advance will be converted to equity of the associate when the financial institutions in Japan that providing loans to the project companies, approves the financial structures of the projects.

The movements of advance payment for investment in associate is as follows:

	Consolidated	
	financial statements	
	2019	2018
	Baht Thousand	Baht Thousand
At 1 January	55,696	55,696
Convert advance payment in associate to		
to investment in associate (Note 12.2)	(46,427)	-
Repayment received from advance payment	(9,269)	-
At 31 December (Note 34.2)	-	55,696

On 12 September 2019, a subsidiary received repayment of the advance payment for the amount exceeding the approved financial structures amounting to Yen 33.79 million (or Baht 9.27 million).

On 24 December 2019, according to the meeting resolution of the associate the Company has converted advance payment for investment in power plants projects in Japan to equity of the associate amounting to Yen 174.50 million (or Baht 46.43 million).

### 12.4 Business combination under common control

On 28 December 2017, Prime Road Alternative Co., Ltd. ("PRA") issued 4,018,000 ordinary shares at par value of Baht 1,000 each, totalling Baht 4,018.00 million as follows:

- 2,017,040 shares at par value of Baht 1,000 each totalling Baht 2,017.04 million were used for an investment in 437,100 shares of Prime Energy Capital Co., Ltd.
- 2,000,960 shares at par value of Baht 1,000 each totalling Baht 2,000.96 million were used for an investment in 999,998 shares of Prime Road Group Co., Ltd.

These share swap transactions resulted in 99.99% shareholding proportion of PRA in both companies and were considered as Business Combination under Common Control. The Group recognised deficit from business combination under common control totalling Baht 2,452.14 million under shareholders' equity.

### 13 Long-term loans to third parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Long-term loans to third parties	52,000	53,516	-	-

The movements of long-term loans to third parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
At 1 January	53,516	13,862	-	-
Additions during the year	-	2,527	-	-
Transfer (to) from long-term loan to related parties	(1,516)	52,000	-	-
Repayments of borrowings	-	(14,866)	-	-
Foreign currency translation differences	-	(7)	-	-
At 31 December	52,000	53,516	-	-

Long-term loans to third parties are in form of loan agreement with maturity during 2022 to 2023 and carrying interest rates at 5.00% per annum (2018: from 5.00% to 8.50% per annum).

During 2019, long-term loans to third parties amounting to Baht 1.52 million were transferred to long-term loans to related parties and the transaction is eliminated in the consolidated financial statement because the subsidiary invested in the borrower.

Interest income in the consolidated financial statements for the year ended 31 December 2019 was Baht 2.60 million (2018: Baht 0.51 million).

The carrying amounts and fair values of long-term loans to third parties are as follows:

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2019	2018	2019	2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Long-term loans to third parties	52,000	53,516	49,482	51,481

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate at 6.93% per annum (2018: ranging from 7.00% - 8.50% per annum) and are within level 2 of the fair value hierarchy.

## 14 Investment property

	Consolidated financial statements Baht Thousand	Separate financial statements Baht Thousand
At 1 January 2019	-	54,699
Development cost	-	4,705
<u>Less</u> Provision for impairment	-	(4,705)
Additions from business combination (Note 18.1)	54,699	-
Transfer to assets under Share Subscription Agreement (Note 18.3)	(54,699)	(54,699)
At 31 December 2019	-	-

## 15 Property, plant and equipment

## Consolidated financial statements

	Land	Land	Leasehold	Power plants	Tools and	Furniture,			Power plants	Total
	improvements	improvements	improvements	equipment in	fixture and				under	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
At 1 January 2018										
Cost	32,717	106,540	-	1,015,349	162,012	4,650	3,957	1,488	-	1,326,713
Less Accumulated depreciation	-	(5,295)	-	(56,469)	(16,098)	(1,254)	(1,195)	-	-	(80,311)
Net book amount	32,717	101,245	-	958,880	145,914	3,396	2,762	1,488	-	1,246,402
For the year ended										
31 December 2018										
Opening net book amount	32,717	101,245	-	958,880	145,914	3,396	2,762	1,488	-	1,246,402
Additions	-	5,379	5,340	-	-	2,773	-	113	463,464	477,069
Transfer in(out)	-	38,113	-	352,953	66,617	3,173	-	2,044	(462,900)	-
Disposals/write-offs, net	-	-	-	(331)	-	(11)	-	-	-	(342)
Depreciation charge (Note 29)	-	(4,288)	(190)	(40,831)	(13,615)	(1,123)	(792)	-	-	(60,839)
Closing net book amount	32,717	140,449	5,150	1,270,671	198,916	8,208	1,970	3,645	564	1,662,290
At 31 December 2018										
Cost	32,717	150,032	5,340	1,367,938	228,629	10,583	3,957	3,645	564	1,803,405
Less Accumulated depreciation	-	(9,583)	(190)	(97,267)	(29,713)	(2,375)	(1,987)	-	-	(141,115)
Net book amount	32,717	140,449	5,150	1,270,671	198,916	8,208	1,970	3,645	564	1,662,290

## 15 Property, plant and equipment (Cont'd)

## Consolidated financial statements

	Land	Land improvements	Leasehold improvements	Power plants	Tools and equipment in power plants	Furniture, fixture and office equipment	Vehicles	Spare parts	Power plants under construction	Total
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
<b>For the year ended</b>										
<b>31 December 2019</b>										
Opening net book amount	32,717	140,449	5,150	1,270,671	198,916	8,208	1,970	3,645	564	1,662,290
Additions	-	11,399	202	-	667	1,982	108	521	289,838	304,717
Additions from acquisition of subsidiaries (Note 12.1)	-	-	-	-	-	-	-	-	90	90
Reclassified from intangible assets (Note 16)	-	-	-	-	-	-	-	-	218	218
Transfer in(out)	-	7,113	-	181,912	102,719	-	-	-	(291,744)	-
Disposals/write-offs, net	-	-	-	-	-	(32)	(268)	(692)	-	(992)
Depreciation charge (Note 29)	-	(6,618)	(918)	(60,775)	(24,996)	(2,300)	(799)	-	-	(96,406)
Adjustments	-	(243)	-	-	-	-	-	-	-	(243)
Exchange differences on translating financial statements	-	(545)	-	(5,297)	(3,013)	-	-	-	1,789	(7,066)
Closing net book amount	32,717	151,555	4,434	1,386,511	274,293	7,858	1,011	3,474	755	1,862,608
<b>At 31 December 2019</b>										
Cost	32,717	167,753	5,542	1,544,537	328,991	12,529	3,394	3,474	755	2,099,692
<u>Less</u> Accumulated depreciation	-	(16,198)	(1,108)	(158,026)	(54,698)	(4,671)	(2,383)	-	-	(237,084)
Net book amount	32,717	151,555	4,434	1,386,511	274,293	7,858	1,011	3,474	755	1,862,608

During 2019, land with the net book amount of Baht 32.72 million (2018: Baht 32.72 million) and buildings and equipment of Baht 1,819.76 million (2018: Baht 1,619.41 million) are pledged as collateral for long-term borrowings (Note 22).



## 15 Property, plant and equipment (Cont'd)

	Separate financial statements			
	Furniture, fixture and office equipment			Total
	Leasehold improvements		Vehicles	
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
<b>At 1 January 2018</b>				
Cost	13,029	15,019	6,571	34,619
<u>Less</u> Accumulated depreciation	(2,585)	(6,213)	(1,473)	(10,271)
Net book amount	10,444	8,806	5,098	24,348
<b>For the year ended</b>				
<b>31 December 2018</b>				
Opening net book amount	10,444	8,806	5,098	24,348
Disposals/write-offs, net	-	(907)	-	(907)
Depreciation charge (Note 29)	(2,209)	(2,485)	(1,095)	(5,789)
Closing net book amount	8,235	5,414	4,003	17,652
<b>At 31 December 2018</b>				
Cost	13,029	13,547	6,571	33,147
<u>Less</u> Accumulated depreciation	(4,794)	(8,133)	(2,568)	(15,495)
Net book amount	8,235	5,414	4,003	17,652
<b>For the year ended</b>				
<b>31 December 2019</b>				
Opening net book amount	8,235	5,414	4,003	17,652
Additions	-	47	-	47
Disposals/write-offs, net	(7,173)	(4,262)	(3,402)	(14,837)
Depreciation charge (Note 29)	(1,062)	(1,153)	(601)	(2,816)
Closing net book amount	-	46	-	46
<b>At 31 December 2019</b>				
Cost	-	47	-	47
<u>Less</u> Accumulated depreciation	-	(1)	-	(1)
Net book amount	-	46	-	46

Depreciation expense has been recognised in the statement of comprehensive income as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Cost of sales	93,709	59,487	-	-
Administrative expense	2,697	1,352	2,816	5,789
	96,406	60,839	2,816	5,789

Assets under finance lease which the Group is lessee comprising vehicle and are present as following :

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Cost - finance leases	3,284	3,954	-	6,571
<u>Less</u> Accumulated depreciation	(2,365)	(1,985)	-	(2,568)
Net book amount	919	1,969	-	4,003

During 2019 and 2018, there was no addition of assets leased as finance lease.

#### Capital commitments

Capital commitments as at the date of the statement of financial position but not included in the financial statements are as follows:

	Currency	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Power plants, tools and equipment in power plants	NTD Million	1.76	-	-	-

## 16 Intangible assets

	Consolidated financial statements					
	Rights to use of transmission line Baht Thousand	Power purchase agreements Baht Thousand	Land use rights Baht Thousand	Software Baht Thousand	Software under installation Baht Thousand	Total Baht Thousand
At 1 January 2018						
Cost	38,352	381,371	-	383	1,958	422,064
<u>Less</u> Accumulated amortisation	(2,103)	(20,300)	-	(16)	-	(22,419)
Net book amount	36,249	361,071	-	367	1,958	399,645
For the year ended 31 December 2018						
Opening net book amount	36,249	361,071	-	367	1,958	399,645
Additions	15,801	177,854	18,000	968	704	213,327
Transfer in(out)	-	-	-	2,585	(2,585)	-
Amortisation charge	(1,544)	(15,371)	(513)	(253)	-	(17,681)
Closing net book amount	50,506	523,554	17,487	3,667	77	595,291
At 31 December 2018						
Cost	54,153	559,225	18,000	3,936	77	635,391
<u>Less</u> Accumulated amortisation	(3,647)	(35,671)	(513)	(269)	-	(40,100)
Net book amount	50,506	523,554	17,487	3,667	77	595,291
For the year ended 31 December 2019						
Opening net book amount	50,506	523,554	17,487	3,667	77	595,291
Additions	1,522	15,338	-	493	1,032	18,385
Additions from acquisition of subsidiaries during the year (Note 12.1)	1,411	26,683	-	-	-	28,094
Reclassified to property, plant and equipment (Note 15)	(218)	-	-	-	-	(218)
Transfer in(out)	-	-	-	990	(990)	-
Amortisation charge (Note 29)	(2,250)	(22,991)	(697)	(450)	-	(26,388)
Adjustments	-	(361)	-	-	-	(361)
Exchange differences on translating financial statements	(74)	(819)	-	-	-	(893)
Closing net book amount	50,897	541,404	16,790	4,700	119	613,910
At 31 December 2019						
Cost	56,794	600,063	18,000	5,419	119	680,395
<u>Less</u> Accumulated amortisation	(5,897)	(58,659)	(1,210)	(719)	-	(66,485)
Net book amount	50,897	541,404	16,790	4,700	119	613,910

## 16 Intangible assets (Cont'd)

	Separate financial statements		
	Software		Total
	Software	under installation	
	Baht	Baht	Baht
	Thousand	Thousand	Thousand
At 1 January 2018			
Cost	12,757	1,274	14,031
<u>Less</u> Accumulated amortisation	(5,478)	-	(5,478)
Net book amount	7,279	1,274	8,553
For the year ended 31 December 2018			
Opening net book amount	7,279	1,274	8,553
Amortisation charge	(2,148)	-	(2,148)
Closing net book amount	5,131	1,274	6,405
At 31 December 2018			
Cost	12,757	1,274	14,031
<u>Less</u> Accumulated amortisation	(7,626)	-	(7,626)
Net book amount	5,131	1,274	6,405
For the year ended 31 December 2019			
Opening net book amount	5,131	1,274	6,405
Additions	12	-	12
Disposals/write-offs, net	(3,879)	(1,274)	(5,153)
Amortisation charge (Note 29)	(1,253)	-	(1,253)
Closing net book amount	11	-	11
At 31 December 2019			
Cost	12	-	12
<u>Less</u> Accumulated amortisation	(1)	-	(1)
Net book amount	11	-	11

Amortisation expense has been recognised in the statement of comprehensive income as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Cost of sales	25,938	16,924	-	-
Administrative expense	450	757	1,253	2,148
	26,388	17,681	1,253	2,148

#### Capital commitments

Capital commitments as at the date of the statement of financial position but not included in the financial statements are as follows:

		Consolidated		Separate	
		financial statements		financial statements	
	Currency	2019	2018	2019	2018
Computer software	Baht Million	0.37	0.20	-	-

#### 17 Leasehold right of land

	Consolidated	Separate
	financial	financial
	statements	statements
	Baht Thousand	Baht Thousand
At 1 January 2019	-	51,468
Amortisation	-	(1,551)
Additions from business combination (Note 18.1)	49,917	-
Receivable from guaranteed investment (Note 18.2)	(1,197)	(1,197)
Transfer to assets under Share Subscription Agreement (Note 18.3)	(48,720)	(48,720)
At 31 December 2019	-	-

## 18 Business combination

As explained in Note 1, for accounting purpose, PRA Group - the acquirer, has completed the acquisition of FC Group - the acquiree, on 26 July 2019, with the conditions that the former shareholders of FC Group have to comply with as follows:

- a) Disposal of investments and liabilities in accordance with the “Conditions Precedent” before the business combination.

The former shareholders of FC Group has completed the disposal of the investments and liabilities before 26 July 2019.

- b) Obligations for disposal of assets and liabilities in connection with the Covenants of business combination and guarantee of investment value.

The former shareholders of FC Group has to dispose of assets and liabilities in accordance with the Covenants after business combination within 12 months, and payment of the consideration has to be made in full within 15 months from 26 July 2019.

At all events, the FC Group must have net assets after completing the conditions in both a) and b) in the amount of Baht 576.84 million. In case that, the net assets are less than Baht 576.84 million, Mr. Krit Srichawla - the former major shareholder of FC Group, has agreed to undertake the assets for FC Group in order to derive the net assets to be converted into cash at Baht 576.84 million. Consequently, the assets and liabilities acquired from the acquisition of FC Group of net amount of Baht 576.84 million are presented as “Assets/Liabilities under Share Subscription Agreement” (Note 18.3) in the consolidated financial statements. The difference of Baht 576.84 million and net book value of the assets and liabilities of FC Group at the acquisition date will be recorded as “Receivable from guaranteed investment” as explained in Note 18.2.

## 18 Business combination (Cont'd)

Transactions related to business combination are as follows:

### 18.1 Transactions at business acquisition date

Consideration paid to FC Group and identifiable assets and liabilities assumed at the acquisition date are as follows:

	Consolidated financial statement Baht Thousand
Recognised amounts of identifiable assets acquired and liabilities assumed	
<b>Assets</b>	
Cash and cash equivalents	283
Trade and other receivables	162,312
Short-term loans to third parties	4,636
Other current assets	9,383
Investments in associates	95,154
Other investments	246,340
Short-term loans to related parties	30,070
Leasehold right of land	49,917
Investment property	54,699
Other non-current assets	700
Receivable from guaranteed investment (Note 18.2)	586,430
<b>Liabilities</b>	
Bank overdrafts from financial institutions	(30,105)
Trade and other payables	(88,329)
Bill of exchange	(310,749)
Current portion of debentures	(200,000)
Other current liabilities	(6,737)
Short-term loans from related parties	(27,164)
Identifiable net assets	576,840
Consideration paid	576,840
Goodwill	-

## 18 Business combination (Cont'd)

Transactions related to business combination are as follows: (Cont'd)

### 18.1 Transactions at business acquisition date (Cont'd)

The consideration paid is calculated from number of shares that has to be issued by PRA to the former shareholders of FC Group, in order for the ownership proportion in the business combination equivalent to the proportion after reverse acquisition, which is 576,840 ordinary shares of PRA presenting at the value amount of Baht 576.84 million which is the price agreed by acquirer and acquiree on the contract date. The Group is currently assessing the fair value of PRA's shares as at the acquisition date, which is expected to be completed within 12 months from the acquisition date.

The difference between the agreed price and fair value of PRA's shares issued for the business acquisition will be recognised as goodwill or bargain purchase, as the case may be.

### 18.2 Receivable from guaranteed investment

Receivable from guaranteed investment at the business acquisition date is the difference of book value of FC Group's identifiable net assets at the acquisition date which is lower than the guaranteed amount per agreement.

	Consolidated financial statements Baht Thousand	Separate financial statements Baht Thousand
Guaranteed amount per agreement	576,840	-
Book value of FC Group's net liabilities at the acquisition date	9,590	-
Receivable from guaranteed investment at the acquisition date	586,430	-
<b>Guarantee of related income and expenses after the acquisition date</b>		
Other income	(4,171)	(5,071)
Finance costs	23,577	23,577
Administrative expenses	2,784	2,086
Amortisation expense (Note 17)	1,197	1,197
Share of loss from investment in associates (Note 12.2)	428	-
Repayment of liabilities under Share Subscription Agreement	(15,564)	(15,564)
Receivable from guaranteed investment at 31 December 2019	594,681	6,225



## 18 Business combination (Cont'd)

Transactions related to business combination are as follows: (Cont'd)

### 18.2 Receivable from guaranteed investment (Cont'd)

Balance of receivable from guaranteed investment has been changed from the acquisition date according to the conditions of guarantee, which includes the transactions of income and expenses after the acquisition date, which are relating to FC Group's net assets as on the acquisition date.

### 18.3 Assets and liabilities under Share Subscription Agreement

Book value of assets and liabilities under Share Subscription Agreement as at 31 December 2019 are as follows:

	Consolidated financial statements Baht Thousand	Separate financial statements Baht Thousand
<b>Assets under Share Subscription Agreement</b>		
Cash and cash equivalents	166	82
Trade and other receivables	131,260	162,267
Short-term loans to related parties (Note 34.3)	30,070	1,090
Short-term loans to third parties	4,523	-
Other current assets	8,946	9,017
Investments in subsidiaries (Note 12.1)	-	315,964
Investments in associates (Note 12.2)	94,707	-
Other investment	246,340	-
Investment property (Note 14)	54,699	54,699
Leasehold right of land (Note 17)	48,720	48,720
Long-term loans to related parties (Note 34.4)	-	44,982
<b>Total assets</b>	<b>619,431</b>	<b>636,821</b>
<b>Liabilities under Share Subscription Agreement</b>		
Bank overdrafts from financial institutions	28,743	28,743
Trade and other payables	60,585	56,104
Short-term loans from related parties (Note 34.5)	27,194	27,164
Short-term loans from third party	514,250	514,250
Other current liabilities	6,500	6,500
<b>Total liabilities</b>	<b>637,272</b>	<b>632,761</b>
<b>Total net (liabilities) assets under Share Subscription Agreement</b>	<b>(17,841)</b>	<b>(4,060)</b>
<b>Receivable from guaranteed investment</b>		
Guaranteed amount per agreement	576,840	
Additional receivable from Guarantee of related transactions after the acquisition date	17,841	
<b>Balance as at 31 December 2019 (Note 18.2)</b>	<b>594,681</b>	

## 19 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Trade payables	6,057	-	848	765
Accrued expenses	30,686	31,286	5,518	31,363
Accrued interest expenses				
- third parties	3	-	-	-
- related parties (Note 34.2)	6,396	6,311	75	4,031
Retention	249	249	-	-
Amounts due to related parties (Note 34.2)	126	80	106	249
Unearned revenue	1,260	-	-	-
Other payables	8,799	16,531	147	12,120
	<u>53,576</u>	<u>54,457</u>	<u>6,694</u>	<u>48,528</u>

## 20 Rights in power purchase agreements payable

The Group has entered into sponsorship agreements to produce electricity from ground - mounted solar power plants. The royalties of the sponsorship are recognised as “Rights in power purchase agreements payable” commencing the commercial operations dates.

Minimum payment of rights in power purchase agreements payable is as follows:

	Consolidated financial statements	
	2019	2018
	Baht Thousand	Baht Thousand
Not later than 1 year	11,137	10,813
Later than 1 year but not later than 5 years	44,546	44,546
Later than 5 years	216,584	227,412
	<u>272,267</u>	<u>282,771</u>
<u>Less</u> Future finance cost	<u>(108,879)</u>	<u>(116,248)</u>
Present value of payable	<u>163,388</u>	<u>166,523</u>

## 20 Rights in power purchase agreements payable (Cont'd)

The present value of rights in power purchase agreements payable are due as follows:

	Consolidated financial statements	
	2019	2018
	Baht	Baht
	Thousand	Thousand
Not later than 1 year	3,566	3,086
Later than 1 year but not later than 5 years	16,041	15,337
Later than 5 years	143,781	148,100
	<u>163,388</u>	<u>166,523</u>

The movements of rights in power purchase agreements payable are as follows:

	Consolidated financial statements	
	2019	2018
	Baht	Baht
	Thousand	Thousand
At 1 January	166,523	94,270
Adjustment	(361)	-
Additions of liabilities	-	74,456
Repayments of liabilities	(10,504)	(6,337)
Finance cost (Note 30)	7,730	4,134
At 31 December	<u>163,388</u>	<u>166,523</u>

## 21 Bill of exchange

The movements of bill of exchange are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
At 1 January	-	-	433,091	-
Additions during the year	-	-	298,026	439,000
Additions from business combination (Note 18.1)	310,749	-	-	-
Redemption during the year	(311,100)	-	(750,100)	-
Amortisation of deferred interest	351	-	18,633	25,025
Receivable from guaranteed investment	-	-	350	-
<u>Less</u> Deferred interest	-	-	-	(30,934)
At 31 December	-	-	-	433,091

On 3 May 2018, the Company issued bill of exchange totalling Baht 439 million for a period within 12 months from the issued date. The maturities for amounts of Baht 298 million and Baht 141 million are on 28 January 2019 and 3 May 2019, respectively. The carrying interest rates are at 8.75% and 10.00% per annum, respectively.

On 28 January 2019, the Company issued bill of exchange amounting to Baht 311 million for a period within 6 months from the issued date with maturity on 30 July 2019, the carrying interest rate is 8.75% per annum.

## 22 Borrowings

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Current borrowings	140,166	111,077	-	-
Non-current borrowings	1,590,402	1,451,816	-	-
	1,730,568	1,562,893	-	-

## 22 Borrowings (Cont'd)

The movements of long-term borrowings from financial institutions are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
At 1 January	1,562,893	1,205,020	-	-
Additional borrowing:				
- Additions net of debt issuance costs	287,446	793,620	-	-
- Interest	79,446	61,813	-	-
Repayment of borrowings:				
- Principal	(124,564)	(441,059)	-	-
- Interest	(79,459)	(61,565)	-	-
Amortisation of debt issuance costs	3,193	5,064	-	-
Exchange differences on translating financial statements	1,613	-	-	-
At 31 December	1,730,568	1,562,893	-	-

Borrowings are presented netting-off debt issuance costs of Baht 22.56 million (2018: Baht 24.54 million).

The fair values of current borrowings are equivalent to their carrying amounts, as the impact of discounting is not material. The fair values of non-current borrowings are based on discounted cash flows using a discount rate based upon the borrowing rate of 2.50% to 4.88% per annum (2018: 4.50% to 4.99% per annum) and are within the level 2 of the fair value hierarchy.

The borrowing are secured by the pledge of all share certificates of subsidiaries, property, plant and equipment (Note 15) and saving accounts (Note 9).

The loan agreements contain covenants imposed on the Group as specified in the agreements, related to such matters as dividend payment, transfer of share capital, merger or consolidation with other entities and maintenance of certain debt servicing ratios.

## 22 Borrowings (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank borrowings	THBFIX + 3.70%	THBFIX + 3.70%	-	-
	4.50 - 5.00%	4.50 - 5.00%		
	1 year TAIBOR + 1.30%			

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand

## Maturity of long-term borrowings:

Within 1 and 2 years	139,563	117,889	-	-
Later 2 years and 5 years	418,725	354,849	-	-
Later than 5 years	1,032,114	979,078	-	-
Total long-term borrowings	1,590,402	1,451,816	-	-

## 23 Debentures

The movements of debentures are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht Thousand	2018 Baht Thousand	2019 Baht Thousand	2018 Baht Thousand
At 1 January	-	-	197,357	600,000
Additions	-	-	-	200,000
Additions from business combination (Note 18.1)	200,000	-	-	-
Redemption of debenture	(200,000)	-	(200,000)	(600,000)
Amortisation of deferred debenture issuing cost	-	-	2,643	18,223
<u>Less</u> Deferred debenture issuing costs	-	-	-	(20,866)
At 31 December	-	-	-	197,357

On 4 May 2018, the Company offered and issued the Company's debenture no. 1/2018 amounting to Baht 200 million for a repayment term within 15 months from the issued date with maturity on 4 August 2019, the carrying interest rate is 7.25% per annum.

## 24 Employee benefit obligations

The Group operates an unfunded defined benefit plan for eligible employees in Thailand. Under the plan, the employees are entitled to Legal Severance Payment benefits ranging from 30 days to 400 days of final salary upon retirement.

The amounts recognised in the statement of financial position are determined as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht Thousand	2018 Baht Thousand	2019 Baht Thousand	2018 Baht Thousand
<b>Liability in the statement of financial position</b>				
Retirement benefit obligations	5,486	674	3,262	1,854
<b>Expense in the statement of comprehensive income</b>				
Retirement benefits	2,586	128	1,036	281
Remeasurement loss recognised in other comprehensive income	2,226	-	2,226	-
	4,812	128	3,262	281

## 24 Employee benefit obligations (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
At 1 January	674	546	1,854	1,573
Current service cost	116	113	116	199
Past service cost	2,451	-	227	-
Interest cost	19	15	19	82
Reverse brought forward balance	-	-	(1,854)	-
Transfer of employees	-	-	674	-
	3,260	674	1,036	1,854
Remeasurements:				
Loss from change in demographic assumptions	406	-	406	-
Loss from change in financial assumptions	307	-	307	-
Experience loss	1,513	-	1,513	-
At 31 December	5,486	674	3,262	1,854

In 2019, an amendment bill to the Labour Protection Law becomes effective. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment were recognised as past service cost during the year.

The significant actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	%	%	%	%
Discount rate	1.40 and 1.66	2.84	1.66	3.00
Salary growth rate	5.00	5.00	5.00	3.00 - 8.00



## 24 Employee benefit obligations (Cont'd)

Sensitivity analysis for each significant assumption used is as follows:

Consolidated financial statements						
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	%		%		%	
	2019	2018	2019	2018	2019	2018
Discount rate	0.50	0.50	Decrease by 4.77	Decrease by 8.85	Increase by 5.47	Increase by 9.81
Salary growth rate	0.50	0.50	Increase by 2.68	Increase by 9.91	Decrease by 2.53	Decrease by 9.04
Separate financial statements						
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	%		%		%	
	2019	2018	2019	2018	2019	2018
Discount rate	0.50	1.00	Decrease by 10.78	Decrease by 21.29	Increase by 12.51	Increase by 24.21
Salary growth rate	0.50	1.00	Increase by 6.12	Increase by 23.83	Decrease by 5.74	Decrease by 21.40

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

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

Through its retirement benefit obligations, the Group is exposed to a risk, the most significant of which is changes in bond yields. A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

## 24 Employee benefit obligations (Cont'd)

The weighted average duration of the defined benefit obligation for the consolidated and separate financial statements are 25.29 years and 26.26 years, respectively (2018: 23.04 years and 11 years, respectively).

Expected maturity analysis of undiscounted retirement benefits is as follows:

	Consolidated financial statements			
	Less than	Between	Over	Total
	1 year	1-2 years	3 years	
	Baht	Baht	Baht	
	Thousand	Thousand	Thousand	Thousand
<b>Retirement benefits</b>				
At 31 December 2019	-	619	19,040	19,659
At 31 December 2018	-	-	5,094	5,094

	Separate financial statements			
	Less than	Between	Over	Total
	1 year	1-2 years	3 years	
	Baht	Baht	Baht	
	Thousand	Thousand	Thousand	Thousand
<b>Retirement benefits</b>				
At 31 December 2019	-	-	15,080	15,080
At 31 December 2018	-	90	10,798	10,888

## 25 Share capital

Consolidated financial statements						
	Authorised share capital		Issued and paid-up share capital			
	Number of shares Share Thousand	Ordinary shares Baht Thousand	Number of shares Share Thousand	Ordinary shares Baht Thousand	Deficits arising from reverse acquisition Baht Thousand	Total Baht Thousand
At 1 January 2019	25,508,354	25,508,354	14,881,482	14,881,483	(10,863,480)	4,018,003
Decrease of shares - 14 January 2019	(22,740,588)	(22,740,588)	-	-	-	-
Increase of shares - 15 January 2019	22,359,313	22,359,313	-	-	-	-
Decrease of shares - 27 May 2019	(22,359,313)	(22,359,313)	-	-	-	-
Increase of shares - 28 May 2019	22,746,515	22,746,515	-	-	-	-
Reverse acquisition - 26 July 2019	-	-	2,136,460	2,136,459	(1,559,619)	576,840
At 31 December 2019	25,514,281	25,514,281	17,017,942	17,017,942	(12,423,099)	4,549,843

## 25 Share capital (Cont'd)

	Separate financial statements					
	Authorised share capital		Issued and paid-up share capital			
	Number of shares Share Thousand	Ordinary shares Baht Thousand	Number of shares Share Thousand	Ordinary shares Baht Thousand	Share discount on business acquisition Baht Thousand	Total Baht Thousand
At 1 January 2019	25,508,354	25,508,354	2,136,460	2,136,460	-	2,136,460
Decrease of shares - 14 January 2019	(22,740,588)	(22,740,588)	-	-	-	-
Increase of shares - 15 January 2019	22,359,313	22,359,313	-	-	-	-
Decrease of shares - 27 May 2019	(22,359,313)	(22,359,313)	-	-	-	-
Increase of shares - 28 May 2019	22,746,515	22,746,515	-	-	-	-
Issue of shares for business acquisition - 26 July 2019	-	-	14,881,482	14,881,482	(10,863,480)	4,018,002
At 31 December 2019	25,514,281	25,514,281	17,017,942	17,017,942	(10,863,480)	6,154,462

## 25 Share capital (Cont'd)

Referred to the reverse acquisition in accordance with TFRS 3 "Business Combination", FC Group - the issuer of ordinary shares, is considered as acquiree in accounting term but acquirer in legal term, and PRA Group whose ordinary shares are purchased, is considered as acquirer in accounting term but acquiree in legal term. PRA Group is presented as parent company in the consolidated financial statements. PRA Group's legal capital is adjusted retrospectively using the exchange ratio to reflect the legal capital of FC Group. The deficits arising from reverse acquisition account is used as a contra account with FC Group's share capital balance, in order to present the balance of PRA's share capital before the business acquisition, combining the net assets of FC Group on the acquisition date, and the receivable from guaranteed investment.

Pursuant to the Annual General Meeting of Shareholders held on 29 April 2019, the resolution was passed to approve increase in authorised shares of 14,881,481,481 shares with a par value of Baht 1 per share, at the offering price of Baht 0.27 per share. The Company issued shares to shareholders on 26 July 2019.

## 26 Warrants

Type of warrant	Exercise price Per share	Exercise ratio Warrant : Share	Outstanding warrants as at 31 December 2019	
			Unit	Term of warrant
FC-W1	1.408	1:1.065	347,000,000	23 December 2010 - 22 December 2020
FC-W2	2.000	1:1.000	261,750,000	9 January 2013 - 22 December 2020

The movement of warrants for the year ended 31 December is as follows:

	Separate financial statements	
	2019 Baht Thousand	2018 Baht Thousand
At 1 January	37,964	37,964
Write-off	(646)	-
At 31 December	37,318	37,964

## 27 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
At 1 January	-	-	-	2,661
Appropriation during the year	17,193	-	-	-
Accumulated loss compensation	-	-	-	(2,661)
At 31 December	17,193	-	-	-

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. This reserve is not available for dividend distribution.

## 28 Other income

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Interest income				
- third parties	3,214	1,102	27,187	2
- related parties (Note 34.1)	877	708	5,981	55,702
Gain on sale of investment in subsidiaries	-	261	7,505	68,289
Gain from disposal of assets	-	-	-	45
Management service income	-	-	10,799	17,823
Other income				
- third parties	1,512	60	29,177	3,301
- related parties (Note 34.1)	66	-	40	9,229
	5,669	2,131	80,689	154,391

## 29 Expense by nature

The following expenditures, classified by nature, have been charged in arriving at the operating profit (loss).

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Depreciation (Note 15)	96,406	60,839	2,816	5,789
Professional and advisory fee	38,732	55,984	9,613	34,822
Salary, wages and employee benefits	52,336	35,511	36,416	28,515
Amortisation of intangible assets (Note 16, 17)	26,388	17,681	2,804	4,896
Operation and maintenance	19,053	11,438	-	5,517
Bad debts and allowance for doubtful accounts	5,000	28,969	-	525,297
Impairment of assets	-	-	8,652	383,917
Loss on assignment of claims in liabilities	-	-	-	38,152

## 30 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Interest expenses				
- financial institutions	79,446	56,092	-	-
- debentures	-	-	8,184	22,436
- third parties	3	-	7,806	894
- related parties (Note 34.1)	148	901	75	6,169
Amortisation of debt issuance costs	3,193	6,118	-	-
Cost of discounting on rights in power purchase agreement liabilities (Note 20)	7,730	4,134	-	-
Cost of discounting on decommissioning liabilities	521	128	-	-
Interest on finance lease liabilities	35	71	78	185
Interest on promissory note	2,244	2,452	-	-
Interest on bill of exchange	-	-	18,633	25,025
Interest on bank overdraft	21	-	1,043	2,043
	93,341	69,896	35,819	56,752

## 31 Income tax

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
<b>Current tax:</b>				
Current tax on profits for the year	-	-	-	-
<b>Deferred tax:</b>				
Origination and reversal of temporary differences	1,576	(2,484)	207	-
<b>Total income tax</b>	<b>1,576</b>	<b>(2,484)</b>	<b>207</b>	<b>-</b>

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
<b>Profit (loss) before tax</b>	<b>270,593</b>	<b>187,195</b>	<b>(57,203)</b>	<b>(945,672)</b>
Tax calculated at a tax rate of 20% (2018: 20%)	(54,119)	(37,439)	11,441	189,134
<b>Tax effect of:</b>				
Associate's results reported net of tax	63,620	58,719	-	-
Income not subject to tax	23,024	17,511	-	-
Additional deductible expenses	-	1,188	-	-
Expenses not deductible for tax purpose	(5,584)	(12,540)	(7,964)	(181,843)
Write-off deferred tax assets	(135)	(852)	-	-
Tax losses for which no deferred tax asset was recognised	(26,594)	(29,509)	(3,270)	(7,291)
Utilisation of previously unrecognised tax losses	1,364	438	-	-
<b>Tax charge</b>	<b>1,576</b>	<b>(2,484)</b>	<b>207</b>	<b>-</b>



### 32 Promotional privileges

The Group has 8 certificates of promotional privileges from the Board of Investment for the production of electricity generated from solar power.

Subject to certain imposed conditions, the privileges include an exemption of import duty on imported machinery, an exemption of corporate income tax on income derived from the promoted operations which is not over than 100% of investment excluded land and working capital for a period of 8 years from the date the promoted operations commenced generating revenues (the commercial operation date) and an exemption of corporate income tax varies by the amount of working capital excluded land and actual working capital on the date operation commenced.

Subsidiaries' revenue from sales of electricity as per the statements of comprehensive income for the years ended 31 December 2019 and 2018 wholly derive from promoted operations.

### 33 Earnings per share

The calculation of earnings per share of the consolidated financial statements is as follow:

- a) Earnings per share for the year ended 31 December 2019 with the reverse acquisition basis are calculated by dividing the profit (loss) for the year by the weighted average of number of ordinary shares during the year, as follows:
  - Weighted average number of ordinary shares during the year of Prime Road Alternative Company Limited multiplied by the exchange ratio and
  - Outstanding ordinary shares at the acquisition date to the date of year end of Prime Road Power Public Company Limited.
- b) The comparative earnings per share are calculated by dividing the net profit for the year of Prime Road Alternative Company Limited by the weighted average number of ordinary shares during the year of Prime Road Alternative Company Limited multiplied by the exchange ratio.

## 33 Earnings per share (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Net profit (loss) for the year	264,974	177,837	(56,996)	(945,672)
Number of weighted average of ordinary share for basic earnings per share				
Number of ordinary shares at the beginning of the year (thousand shares)	4,018	4,018	2,136,460	2,136,460
Number of increased and paid-up of ordinary shares (thousand shares)	-	-	14,881,482	-
	4,018	4,018	17,017,942	2,136,460
Exchange ratio	3,703.70	3,703.70		
Number of weighted average of ordinary shares during the year of Prime Road Alternative Company Limited (thousand shares)	14,881,482			
Outstanding ordinary shares at the acquisition date to the year end of Prime Road Power Public Company Limited (thousand shares)	17,017,942			
Number of weighted average of ordinary shares from reverse acquisition (thousand shares)	15,812,159	14,881,482		
Number of weighted average of ordinary share (thousand shares)			8,619,078	2,136,460
Basic earnings (loss) per share (Baht)	0.017	0.012	(0.007)	(0.442)

### 33 Earnings per share (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Adjustment for diluted earnings per share				
Number of weighted average of ordinary share and ordinary shares to be used for diluted earnings per share (thousand shares)	15,812,159	14,881,482	8,619,078	2,136,460
Diluted earnings (loss) per share (Baht)	0.017	0.012	(0.007)	(0.442)

Warrants were not included in the calculation of diluted earnings per share because the exercise price of the warrants was higher than the market price.

### 34 Related party transactions

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

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

The Company is controlled by PRG Development Company Limited, incorporated in Thailand, which owns 87.45% of the Company's total ordinary shares.

The Group's ultimate controlling party is Mr. Somprasong Panjalak.

## 34 Related party transactions (Cont'd)

## 34.1 Transactions with related parties

Transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
<b>Interest income</b>				
Subsidiaries	-	-	3,183	55,702
Associates	877	12	2,798	-
Related parties	-	696	-	-
	<u>877</u>	<u>708</u>	<u>5,981</u>	<u>55,702</u>
<b>Management fee</b>				
Subsidiaries	-	-	4,358	16,858
Associates	-	-	-	965
	<u>-</u>	<u>-</u>	<u>4,358</u>	<u>17,823</u>
<b>Other income</b>				
Subsidiaries	-	-	40	6,269
Related parties	66	-	-	2,960
	<u>66</u>	<u>-</u>	<u>40</u>	<u>9,229</u>
<b>Interest expense</b>				
Subsidiaries	-	-	75	1,222
Related parties	-	-	-	3,950
Directors	148	901	-	997
	<u>148</u>	<u>901</u>	<u>75</u>	<u>6,169</u>
<b>Purchase of goods and services</b>				
Subsidiaries	-	-	112	1,237
Related parties	-	-	-	4,603
	<u>-</u>	<u>-</u>	<u>112</u>	<u>5,840</u>

### 34 Related party transactions (Cont'd)

#### 34.2 Outstanding balances arising from sales and purchases of goods and services

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
<b>Accrued income</b>				
Subsidiaries	-	-	1,521	-
<b>Amounts due from related parties</b>				
Subsidiaries	-	-	1,511	18,053
Related parties	1,506	1,184	-	44,826
	1,506	1,184	1,511	62,879
<b>Advance payment</b>				
Related parties	21,670	21,612	-	-
<b>Interest receivable</b>				
Subsidiaries	-	-	-	68,316
Associates	811	12	-	-
	811	12	-	68,316
<b>Advance payment for investment in associate</b>				
Associate	-	55,696	-	-
<b>Deposit on sales of investment agreement</b>				
Related party	-	-	-	5,000
<b>Amounts due to related parties</b>				
Subsidiaries	-	-	-	136
Related parties	-	-	-	113
Directors	126	80	106	-
	126	80	106	249
<b>Accrued interest expenses</b>				
Subsidiaries	-	-	75	1,341
Related parties	-	-	-	1,717
Directors	6,396	6,311	-	973
	6,396	6,311	75	4,031

## 34 Related party transactions (Cont'd)

## 34.3 Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Short-term loans to				
Subsidiaries	-	-	-	271,460
Associates	33,206	864	-	-
	33,206	864	-	271,460

The movements of short-term loans to related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
At 1 January	864	-	271,460	506,231
Additions	34,678	890	50,078	86,826
Additions from business combination (Note 18.1)	30,070	-	-	-
Repayments of borrowings	(856)	-	(265,947)	(1,350)
Foreign currency translation differences	(1,480)	(26)	-	-
<u>Less</u> Allowance for doubtful debts	-	-	(54,501)	(320,247)
Transfer to assets under Share Subscription Agreement (Note 18.3)	(30,070)	-	(1,090)	-
At 31 December	33,206	864	-	271,460

## 34 Related party transactions (Cont'd)

### 34.3 Short-term loans to related parties (Cont'd)

Short-term loans to related parties are in form of loan agreements due within 2020 and carrying interest rates ranging from 2.64% to 12.50% per annum (2018: 2.64% to 12.50% per annum).

Loans are current portion. The fair value is equivalent to the book value since the effect of the discount rate is insignificant.

### 34.4 Long-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Long-term loans to				
Subsidiaries	-	-	-	44,982
Related parties	-	-	-	-
	-	-	-	44,982

## 34 Related party transactions (Cont'd)

## 34.4 Long-term loans to related parties (Cont'd)

The movements of long-term loans to related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
At 1 January	-	169,600	44,982	53,757
Additions from acquisition of subsidiaries	-	950	-	-
Repayments of borrowings	-	(950)	-	(8,775)
Decrease due to disposal of subsidiary	-	(117,600)	-	-
Transfer to long-term loan to third parties (Note 13)	-	(52,000)	-	-
Transfer to assets under Share Subscription Agreement (Note 18.3)	-	-	(44,982)	-
At 31 December	-	-	-	44,982

Long-term loans to related parties are in form of loan agreements with maturity within 2020 and carrying interest rates ranging from 12.50% to 12.63% per annum (2018: 12.50% to 12.63% per annum).

## 34.5 Short-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Short-term loans from Related party	-	-	-	69,240



### 34 Related party transactions (Cont'd)

#### 34.5 Short-term loans from related parties (Cont'd)

The movements of short-term loans from related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
At 1 January	-	-	69,240	-
Additions	30	14,400	219,262	131,110
Additions from business combination				-
(Note 18.1)	27,164	-	-	
Repayments of borrowings	-	(14,400)	(288,502)	(61,870)
Transfer from long-term loans from related parties (Note 34.6)	-	-	27,164	-
Transfer to assets under Share Subscription Agreement (Note 18.3)	(27,194)	-	(27,164)	-
At 31 December	-	-	-	69,240

Short-term loans from related parties are in form of loan agreements due within 2020 and carrying interest rates ranging from 1.00% to 10.00% per annum (2018: 1.00% to 12.00% per annum).

Borrowings are current portion. The fair value is equal to the book value since the effect of the discount rate is insignificant.

## 34 Related party transactions (Cont'd)

## 34.6 Long-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Long-term loans from				
Subsidiaries	-	-	33,565	30,657
Directors	10,074	12,574	-	-
Related parties	-	-	-	27,165
	10,074	12,574	33,565	57,822

The movements of long-term loans from related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
At 1 January	12,574	40,824	57,822	58,040
Additions	12,500	10,800	33,565	-
Repayments of borrowings	(15,000)	(39,050)	(28,891)	-
Transfer to short-term loans				
from related parties (Note 34.5)	-	-	(27,164)	-
Foreign currency translation				
differences	-	-	(1,767)	(218)
At 31 December	10,074	12,574	33,565	57,822

Long-term loans from related parties are in form of loan agreements with maturity during 2021 to 2023 and carrying interest rates ranging from 0.75% to 6.50% per annum (2018: 0.00% to 15.00% per annum).

## 34 Related party transactions (Cont'd)

## 34.6 Long-term loans from related parties (Cont'd)

The carrying amount and fair value of long-term loans from related parties are as follows:

		Consolidated financial statements			
		Carrying amount		Fair value	
		2019	2018	2019	2018
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Long-term loans from					
Directors		10,074	12,574	9,204	11,391
		Separate financial statements			
		Carrying amount		Fair value	
		2019	2018	2019	2018
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Long-term loans from					
Subsidiaries		33,565	30,657	30,949	30,658
Related parties		-	27,165	-	25,126
		33,565	57,822	30,949	55,784

The fair value of borrowings is calculated from future cash flows that is discounted at market interest rates at the rate from 2.50% to 4.88% per annum (2018: 4.50% to 6.25% per annum) and are within the level 2 of the fair value hierarchy.

### 34 Related party transactions (Cont'd)

#### 34.7 Key management compensation

Key management includes directors (executive and non-executive), members of the executive committee. The compensation paid or payable to key management are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Salaries and other short-term				
employee benefits	11,651	3,926	7,823	8,982
Post-employee benefits	87	-	87	2
	11,738	3,926	7,910	8,984

#### 34.8 Significant agreements between associates and related parties

##### Land rental agreements

8 associates have entered into land lease agreements with Acme Energy Development Co., Ltd., a related party having common directors and shareholders, for using as solar power plant. All agreements are for a period of 30 years and will expire in 2042 to 2043. The associates have obligation to pay the rental as specified in the agreements.

##### Investment in long-term promissory notes

On 17 July 2019, Prime Energy Capital Co., Ltd. ("PEC") was transferred liabilities from investment in long-term promissory notes totaling Baht 311.98 million liable to 8 associates, from Prime Road Tech Co., Ltd. ("PRT"), a related party having common shareholders. On 19 July 2019, PEC issued 9 new promissory notes with the same amount, conditions and terms as the former promissory notes issued by PRT.

### 34.8 Significant agreements between associates and related parties (Cont'd)

As at 31 December 2019, long-term promissory notes are as follows:

		Redemption period	Redemption fee	Purchase Price	Accrued redemption	Total Baht	Face value at maturity date
			% per annum	Baht Thousand	Baht Thousand	Thousand	Thousand
Chiangmai Renewable Energy Co., Ltd.		3 August 2027	1.00	28,811	900	29,711	32,042
Golden Light Solar Co., Ltd.		3 August 2027	1.00	29,558	924	30,482	32,873
Bueng Samphan Solar Co., Ltd.		3 August 2027	1.00	24,159	756	24,915	26,869
Northwest Solar Co., Ltd.		3 August 2027	1.00	23,329	730	24,059	25,945
Solartech Energy Co., Ltd.		3 August 2027	1.00	24,007	751	24,758	26,699
Nine A Solar Co., Ltd.		3 August 2027	1.00	25,072	784	25,856	27,884
Infinite Alpha Capital Co., Ltd.		3 August 2027	1.00	28,580	893	29,473	31,785
ESPP Co., Ltd.		4 October 2027	1.00	37,499	1,187	38,686	41,792
ESPP Co., Ltd.		15 October 2116	1.00	82,858	2,588	85,447	223,851
				303,873	9,513	313,387	469,740

These promissory notes are due for repayment of principal together with interest upon maturity. The promissory notes are non-transferable but redeemable with redemption fee at 1.00% per annum.

## 34 Related party transactions (Cont'd)

## 34.8 Significant agreements between associates and related parties (Cont'd)

Movements of investment in long-term promissory notes are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
At 1 January	-	-	-	-
Additions during the year	469,740	-	-	-
Amortisation of deferred interest	(157,760)	-	-	-
<u>Less</u> Deferred interest	1,407	-	-	-
At 31 December	313,387	-	-	-

## 35 Commitments and contingencies

## 35.1 Power purchase agreements

## Domestic subsidiaries

As at 31 December 2019, subsidiaries have 8 Power purchase agreements with the Provincial Electricity Authority ("PEA") (2018: 8 agreements). Currently, the subsidiaries have commenced the production and distribution of electricity for all Power purchase agreements, with total electricity power generation of 40.64 megawatts.

The Power purchase agreements of subsidiaries require the subsidiaries to sell electricity generated from ground - mounted solar farms to the PEA under the Feed-in Tariff system (FiT) granted for periods of 25 years starting from commercial operation dates (COD).

## Overseas subsidiaries

As at 31 December 2019, subsidiaries in Republic of China (Taiwan) have 4 Power purchase agreements with Taiwan Power Company (2018: nil). Currently, the subsidiaries have commenced the production and distribution of electricity for all Power purchase agreements, with total electricity power generation of 6.00 megawatts.

The Power purchase agreements of subsidiaries require the subsidiaries to sell electricity generated from ground - mounted solar farms to Taiwan Power Company under the Feed-in Tariff system (FiT) granted for periods of 20 years starting from commercial operation dates (COD).

### 35 Commitments and contingencies (Cont'd)

#### 35.1 Power purchase agreements (Cont'd)

##### Associates

As at 31 December 2019, associates have 10 Power purchase agreements with the Provincial Electricity Authority ("PEA") (2018: 10 agreements). Currently, the subsidiaries have commenced the production and distribution of electricity for all Power purchase agreements, with total electricity power generation per agreements of 72.0 megawatts and total installed electricity power generation capacity of 91.7 megawatts.

The agreements are for a period of 5 years and will be automatically renewed every 5 years until the contract termination. The Company has also been granted an adder amounting to Baht 8.0 per kilowatt-hour granted for a period of 10 years commencing from commercial operation date (COD).

#### 35.2 Non-cancellable operating leases - where a Group is the lessee

The subsidiaries have entered into operating lease agreements in respect of the lease of land in order to construct solar power plants. The terms of the agreements are 25 years.

The future minimum lease payments required under these non-cancellable operating lease contracts are as follows:

	Consolidated financial statements	
	2019	2018
	Baht	Baht
	Thousand	Thousand
Within 1 year	7,906	6,706
Later than 1 year but not later than 5 years	32,880	32,433
Later than 5 years	149,464	157,817
	<u>190,250</u>	<u>196,956</u>

A subsidiary in Republic of China (Taiwan) has entered into operating lease agreements in respect of the lease of land in order to construct solar power plants under 3 contracts made with Department of Irrigation of Yunlin, Republic of China (Taiwan). The terms of agreements are 20 years ended in 2039. Rent is calculated based on electricity sales. The rent for the year ended 31 December 2019 amounting to Baht 1.38 million has been recognised as expenses.

### 35 Commitments and contingencies (Cont'd)

#### 35.3 Commitment on service agreements for reviewing and monitoring the operation and maintenance of power plants

The subsidiaries have entered into the service agreements for reviewing and monitoring the operation and maintenance of power plants.

The future minimum payments committed were as follows:

	Consolidated financial statements	
	2019	2018
	Baht	Baht
	Thousand	Thousand
Within 1 year	19,203	18,988
Later than 1 year but not later than 5 years	28,970	48,190
	48,173	67,178

#### 35.4 Letter of guarantee

During May 2019, the Company has entered into a guaranteed credit agreement with a local financial institution for the issuance of letter of guarantee with credit limit not over than USD 0.50 million for the bid security of an oversea project. The Company has to pledged certain securities to the financial institution along with cash flow guaranteed from dividend income of Prime Energy Capital Co., Ltd.

### 36 Litigation

On 25 December 2018, a subsidiary was sued by an individual, who is a shareholder of the subsidiary in a lawsuit with a black case number Phor.7554/2561 regarding non-compliance with the MOU. The litigation filed with the Civil Court by the plaintiff requested the subsidiary to deliver 1,260 shares (9% of the paid-up capital) to the plaintiff, including a request to terminate filing process of the defendant to discharge the plaintiff from being a director of the subsidiary, and also demand the return of power to withdraw money and conduct transactions of the subsidiary.

As at 31 December 2019, the case is under consideration by the Civil Court. The management considers that there is no impact on the business operation and performance of the Group.



**37 Dividend**

At the Board of Director meeting no.11/2019 held on 17 July 2019, an interim dividend in respect of retained earnings of Baht 77.65 per share, amounting to a total of Baht 311.98 million was approved by the Board of Directors and paid by Prime Road Alternative Co., Ltd. in July 2019.

**38 Events occurring after the reporting period**

On 30 January 2020, PRG Development Company Limited ("PRGD") as a major shareholders of the Company has registered dissolution, liquidator of PRGD then transferred shares of the Company to shareholders of PRGD in accordance to shares' proportion. The stated change of the Company's major shareholders does not change the controlling power, management policy, structure of the Board of Directors and the executive management.



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