

**PP PRIME PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
INTERIM FINANCIAL INFORMATION
MARCH 31, 2019
AND INDEPENDENT AUDITOR'S REPORT ON REVIEW
OF INTERIM FINANCIAL INFORMATION**

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of PP PRIME Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position as at March 31, 2019, the related consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in shareholders' equity, and the consolidated and separate statements of cash flows for three-month period ended March 31, 2019 and the condensed notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my reviews in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on the reviewed interim financial information.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 "Interim Financial Reporting".

Material Uncertainty Related to Going Concern

I draw attention to Note 1.2 of the consolidated financial statements relating to the going concern of the Group. The consolidated statements of financial position. As at 31 March 2019, the group has current liabilities exceeds current assets amounting to Baht 221 million (the company Baht 1,517 million). The current liabilities funded various investment projects; debenture of Baht 714 million that mature in third quarter of 2019 and short-term borrowing from financial institutions and promissory notes from financial institutions and non-related parties and non-related persons of Baht 254 million those mature in first and second quarters of 2019.

As at 31 March 2019 the company has long-term loan from financial institutions of Yen 2,017 million (Baht 586 Million). The company was unable to maintain the debt to equity ratio that stipulated in the loan agreement which constitutes a breach of agreement. As a result, the bank may demand payment of the loan immediately.

The Company's management believes that this event will not have a significant impact on the Company. On April 29, 2019, the company has received the attenuation to follow the contract from the lender bank.

In addition the management is preparing the following matters.

1. Board of Directors Meeting No. 8/2018 dated May 18, 2018 (Note 7) approved the Company to sell the 15 geothermal power plant projects located in the same vicinity in Oasa-Tsurumi, Beppu city, Oita prefecture, Japan approximately JPY 320 million per project or equivalent to approximately THB 91.71 million per project. Total project value is not less than JPY 4,800 million or equivalent to approximately THB 1,375.69 million. On June 21, 2018, the Company entered into a sale-purchase agreement of Power Plant Projects with a buyer (Relocation Group), the Company received the deposit of JPY 200 million (approximately of Baht 59.98 million), the agreement indicated that the buyer (Relocation Group) will pay remaining amounting of JPY 4,600 million to the company within February 2019.

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

2. Offering and allocation of the company's newly issued ordinary shares to the existing shareholders in proportion of their existing stock (Right Offering) amounting to Baht 281,525,344 per Note 26.

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

Emphasis of matter

Without expressing modified in respect of these matters, I draw attention to the Note 10.1 to the consolidated financial statements, the Company has an investment in the ordinary shares of a related company that is listed on the Market for Alternative Investment (MAI), representing approximately 14% of the total share capital of that company. Some shareholders of the Company are also shareholders of that company. The Company has informed us that the Company has no intention to participate in the management of that company and also has no influence over it. The outstanding balance of this investment as at March 31, 2019 is approximately Baht 172.98million is 5.37% of total assets of the Group, This is considered as an asset with risk being concentrated in only one related company. The value of the investment depends on the operating results and the future market price of this related company and on Company's decisions regarding the sale of the investment.

(Mr. Jadesada Hungsapruet)

Certified Public Accountant

Registration No. 3759

Karin Audit Company Limited

Bangkok, Thailand

May 15, 2019

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2019

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
		"UNAUDITED"		"UNAUDITED"	
	Note	"REVIEWED"	"AUDITED"	"REVIEWED"	"AUDITED"
Assets					
Current assets					
Cash and cash equivalents		18,782	20,506	7,424	16,396
Current investments					
Available - for - sale securities	4	33	34	33	34
Trade and other current receivables	3, 5	262,523	323,335	406,226	424,980
Short-term loans	3, 11	99,374	-	-	-
Inventories	6	216,138	261,867	64,236	261,867
Other current assets		5,655	6,096	5,399	5,865
Disposal groups classified as held for sale	7	1,166,641	1,197,773	-	-
Total current assets		1,769,146	1,809,611	483,318	709,142
Non - current assets					
Investment in associate	9	-	-	-	-
Investments in subsidiaries	8	-	-	870,193	81,807
Other long - term investments	10	377,948	323,605	377,948	323,605
Trade and other non - current receivables	5	-	-	-	-
Long - term loans	3, 11	64,621	169,112	1,768,561	1,768,561
Investment properties	12	38,439	38,685	38,439	38,685
Property, plant and equipment	13	658,655	675,301	31,878	594,978
Goodwill		13,378	13,651	-	-
Other intangible assets	14	11,216	11,508	192	11,490
Deferred tax assets		75,619	89,709	75,619	89,708
Other non - current assets					
Restricted bank deposits		7,895	7,865	7,895	7,865
Advances payment	15	194,412	195,723	130,365	130,365
Other		7,139	5,107	5,013	5,096
Total other non - current assets		209,446	208,695	143,273	143,326
Total non-current assets		1,449,322	1,530,266	3,306,103	3,052,160
Total assets		3,218,468	3,339,877	3,789,421	3,761,302

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT MARCH 31, 2019

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
		"UNAUDITED"		"UNAUDITED"	
Note		"REVIEWED"	"AUDITED"	"REVIEWED"	"AUDITED"
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings from financial institutions	16	337,355	549,948	337,355	549,948
Trade and other current payables	3, 17	226,602	297,769	366,066	293,950
Short-term borrowings	3	287			
Current portion of long - term liabilities	18	1,292,974	1,320,487	1,292,974	1,320,487
Current income tax payable		7,284	82	-	-
Other current liabilities		4,891	4,717	3,481	3,429
Liabilities included in disposal groups					
classified as held for sale	7	121,419	128,830	-	-
Total current liabilities		1,990,812	2,301,833	1,999,876	2,167,814
Non - current liabilities					
Long - term loan	18	404,659	201,352	404,659	201,352
Deferred tax liabilities		5,794	4,248	5,794	4,248
Non - current provisions for employee benefits		20,450	19,434	9,416	19,434
Total non - current liabilities		430,903	225,034	419,869	225,034
Total liabilities		2,421,715	2,526,867	2,419,745	2,392,848

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT MARCH 31, 2019

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
		"UNAUDITED"		"UNAUDITED"	
	Note	"REVIEWED"	"AUDITED"	"REVIEWED"	"AUDITED"
Shareholders' equity					
Share capital					
Authorized share capital					
843,813,359 ordinary shares of Baht 1 each	20	843,813	843,813	843,813	843,813
Issued and paid share capital					
563,050,687 ordinary shares of Baht 1 each		563,051	563,051	563,051	563,051
Share premium - ordinary shares		489,125	489,125	489,125	489,125
Capital reserve for share-based payment transactions		41,479	41,479	41,479	41,479
Retained earnings					
Appropriated - Legal reserve		56,845	56,845	56,845	56,845
Unappropriated		257,633	308,155	784,502	826,772
Other components of shareholders' equity		(611,380)	(645,645)	(565,326)	(608,818)
Total shareholders' equity		796,753	813,010	1,369,676	1,368,454
Total liabilities and shareholders' equity		3,218,468	3,339,877	3,789,421	3,761,302

Director

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STATEMENT OF COMPREHENSIVE INCOME

"REVIEWED"

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2019

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Revenues					
Revenues from sales		512,081	416,053	422,763	403,258
Other income					
Gain on investments in securities		1,225	553	1,225	553
Interest income		1,430	2,379	4,260	6,061
Profit on foreign exchange		13,043	1,647	13,032	-
Other		2,181	16,527	1,543	3,683
Total revenues		529,960	437,159	442,823	413,555
Expenses					
Cost of sales		433,438	355,135	386,019	343,912
Cost of distributions		21,569	17,990	21,569	17,990
Administrative expenses		61,066	53,918	39,076	43,572
Other expenses - Loss on foreign exchange		18,872	-	-	9,340
Finance costs		33,828	28,930	33,645	28,930
Total expenses		568,773	455,973	480,309	443,744
Share of loss from investments in associates	9	-	-	-	-
Profit (loss) before income tax expenses		(38,813)	(18,814)	(37,486)	(30,189)
Tax expenses (tax Income)		11,709	1,661	4,784	(1,595)
Profit (loss) for the period		(50,522)	(20,475)	(42,270)	(28,594)

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"

"REVIEWED"

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Other comprehensive income :					
Other comprehensive income to be reclassified					
to profit or loss in subsequent period :					
Exchange differences on translation of financial statements					
in foreign currency		(9,227)	5,913	-	-
Gain (loss) on changes in value of available - for - sale investments					
- net of income tax		43,492	(73,152)	43,492	(73,152)
Other comprehensive income (expense) for the period		34,265	(67,239)	43,492	(73,152)
Total comprehensive income (expense) for the period		(16,257)	(87,714)	1,222	(101,746)
Earning (Loss) per share (Baht: Shares)	21	(0.09)	(0.04)	(0.08)	(0.05)

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

"UNAUDITED"

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

"REVIEWED"

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2019

(Unit : Thousand Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
Note						Other components of shareholders' equity			
						Other comprehensive income			
						Exchange	Surplus (deficit)	Total other	Total
	Issued and	Share premium	Capital reserve	Retained earnings		differences on	on changes	components of	shareholders'
	fully paid - up	- ordinary shares	for share - based	Appropriated	Unappropriated	translation of	in value of	shareholders'	shareholders'
	share capital		payment			financial statements	available - for - sale	equity	equity
	share capital	- ordinary shares	transactions			in foreign currency	investments		
Balance as at January 1, 2019	563,051	489,125	41,479	56,845	308,155	(36,827)	(608,818)	(645,645)	813,010
Changes in shareholders' equity :									
Total comprehensive income (expense) for the period	-	-	-	-	(50,522)	(9,227)	43,492	34,265	(16,257)
Balance as at March 31, 2019	563,051	489,125	41,479	56,845	257,633	(46,054)	(565,326)	(611,380)	796,753
Balance as at January 1, 2018	563,051	489,125	41,479	56,845	424,259	(43,840)	(151,105)	(194,945)	1,379,814
Changes in shareholders' equity :									
Total comprehensive income (expense) for the period	-	-	-	-	(20,475)	5,913	(73,152)	(67,239)	(87,714)
Balance as at March 31, 2018	563,051	489,125	41,479	56,845	403,784	(37,927)	(224,257)	(262,184)	1,292,100

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

"UNAUDITED"

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

"REVIEWED"

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2019

(Unit : Thousand Baht)

Separate financial statements								
	Note	Capital reserve				Other components of shareholders' equity		Total
		Issued and fully paid - up share capital	Share premium - ordinary shares	for share - based payment transactions	Retained earnings		Other comprehensive income	
					Appropriated	Unappropriated	Surplus (deficit) on changes in value of available - for - sale investments	Total other components of shareholders' equity
Balance as at January 1, 2019		563,051	489,125	41,479	56,845	826,772	(608,818)	(608,818)
Changes in shareholders' equity :								
Total comprehensive income (expense) for the period		-	-	-	-	(42,270)	43,492	43,492
Balance as at March 31, 2019		563,051	489,125	41,479	56,845	784,502	(565,326)	(565,326)
Balance as at January 1, 2018		563,051	489,125	41,479	56,845	573,266	(151,105)	(151,105)
Changes in shareholders' equity :								
Total comprehensive income (expense) for the period		-	-	-	-	(28,594)	(73,152)	(73,152)
Balance as at March 31, 2018		563,051	489,125	41,479	56,845	544,672	(224,257)	(224,257)

CASH FLOWS STATEMENTS

"REVIEWED"

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2019

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) before income tax expenses	(38,813)	(18,814)	(37,486)	(30,189)
Adjustments to reconcile profit (loss) to cash received (paid)				
Adjusted financial costs	33,828	28,930	28,625	28,930
Adjusted trade accounts and other current receivables (increase) decrease	40,389	(18,492)	10,769	(19,269)
Adjusted inventories (increase) decrease	45,872	(13,716)	(1,065)	(13,716)
Adjusted other assets (increase) decrease	4,263	(3,306)	(477)	(6,123)
Adjusted trade accounts and other current payable increase (decrease)	(8,007)	(18,214)	61,628	(13,014)
Adjusted other liabilities increase (decrease)	(1,013)	(835)	51	(477)
Depreciation and amortization	37,523	27,987	1,290	18,387
Adjusted provisions for employee benefits (reversal)	1,016	390	520	390
Adjusted unrealised on exchange loss (gain)	(27,387)	(1,647)	(13,032)	9,340
Adjusted bad debts and doubtful accounts (reversal)	12,292	5,792	12,292	5,792
Adjusted other reconcile profit (loss)				
- Loss (gain) on sales of available for sale securities	(1,225)	(553)	(1,225)	(553)
- Loss (gain) on sales of equipment	131	-	-	-
- Loss on discontinuance of assets	-	3,740	-	3,740
- Reversal of reduce cost of inventories to net realisable value	(143)	(292)	-	(292)
- Amortisation of deferred arrangement fees for debentures	5,020	1,015	5,020	1,015
- Interest income	(1,430)	(2,379)	(4,261)	(6,061)
Total adjustment to reconcile profit (loss)	141,129	8,420	100,135	8,089
Net cash provided by (used in) operating activities	102,316	(10,394)	62,649	(22,100)
Interest expenses	(83,256)	(29,052)	(28,695)	(29,052)
Tax received (paid)	(5,175)	(16,242)	-	(16,376)
Net cash provided by (used in) operating activities	13,885	(55,688)	33,954	(67,528)

CASH FLOWS STATEMENTS (CONTINUED)

"REVIEWED"

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2019

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
(Increase) decrease in restricted bank deposits	(30)	(30)	(30)	(30)
Cash paid Acquisition of investments in subsidiaries	-	-	(14,620)	-
Cash received from sales other equity instrument	7,352	435,731	7,352	435,731
Cash paid for purchases other equity instrument	(6,126)	(344,579)	(6,126)	(344,579)
Decrease in other current investments	-	(90,000)	-	(90,000)
Cash receipt from redeem held-to-maturity securities	-	80,500	-	80,500
Cash received from property, plant and equipment	11	-	-	-
Cash paid for property, plant and equipment	(1,914)	(9,952)	(1,026)	(9,952)
Cash paid for intangible assets	(89)	(3,171)	-	(3,171)
Cash paid for loans to related parties	-	(25,572)	-	(1,788)
Cash received from loans to other person or parties	1,759	-	-	-
Advance for acquisition of assets	-	(2,320)	-	(655)
Interest income	420	1,114	291	1,158
Net cash provided by (used in) investing activities	1,383	41,721	(14,159)	67,214
Cash flows from financing activities				
Cash received from borrowing				
From bill of exchange	47,000	-	47,000	-
From debenture	207,600	-	207,600	-
Cash received for borrowing from related parties	287	-	-	-
Cash paid for repayment of borrowing				
Borrowing from financial institutions	(275,010)	(4,304)	(275,010)	(4,304)
Long-term borrowing from financial institutions	(12,766)	-	(12,766)	-
Cash paid for repayment of liabilities under long - term lease agreements	(608)	(674)	(608)	(674)
Accounts payable - trust receipts increases	(13,940)	-	(13,940)	-
Bank overdrafts increase (decrease)	27,287	-	27,287	-
Payment of front end fee and debenture issuing costs	(8,330)	-	(8,330)	-
Net cash provided by (used in) financing activities	(28,480)	(4,978)	(28,767)	(4,978)

CASH FLOWS STATEMENTS (CONTINUED)

"REVIEWED"

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2019

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net cash and cash equivalents increase (decrease)				
before effect of exchange rate	(13,212)	(18,945)	(8,972)	(5,292)
Effect of exchange rate to cash and cash equivalents	18,703	5,913	-	-
Net in cash and cash equivalents increase (decrease)	5,491	(13,032)	(8,972)	(5,292)
Cash and cash equivalents at beginning of the period	13,291	48,293	16,396	14,707
Cash and cash equivalents from discontinued operations at the end of the period	24,989	-	-	-
Cash and cash equivalents at ending of the period	18,782	35,261	7,424	9,415

Supplemental Disclosure of Cash flows information

Non - cash items

Acquisition of assets that have not yet been paid	-	3,603	-	3,603
Disposal groups classified as held for sale	1,166,641	-	-	-
Past of liabilities in disposal groups classified as held for sale	121,419	-	-	-

The partial business transfer to Thai Luxe Enterprises (Thailand) Co.,Ltd.

by Net book Value of assets and liabilities are as follows:

Inventories	-	-	198,686	-
Other current assets	-	-	613	-
Property, plant and equipment	-	-	563,097	-
Other intangible assets	-	-	415	-
Other non - current assets	-	-	78	-
Non - current provisions for employee benefits	-	-	10,538	-

1. GENERAL INFORMATION

1.1 Corporate information

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

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

1.2 Going concern

As at 31 March 2019, the group has current liabilities exceeds current assets amounting to Baht 221 million (the company Baht 1,517 million). The current liabilities funded various investment projects; debenture of Baht 714 million that mature in third quarter of 2019 and short-term borrowing from financial institutions and promissory notes from financial institutions and non-related parties and non-related persons of Baht 254 million those mature in second and third quarters of 2019.

As at 31 March 2019 the company has long-term loan from financial institutions of JPY 2,017 million (Baht 586 Million) (Note 18.1). The company was unable to maintain the debt to equity ratio that stipulated in the loan agreement which constitutes a breach of agreement. As a result, the bank may demand payment of the loan immediately.

The Company’s management believes that this event will not have a significant impact on the Company. On April 29, 2019, the company has received the attenuation to follow the contract from the lender bank.

In addition the management is preparing the following matters.

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

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

- 2) Offering and allocation of the company’s newly issued ordinary shares to the existing shareholders in proportion of their existing stock (Right Offering). amounting to Baht 281,525,344 per Note 26.

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

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

2. BASIS FOR INTERIM FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 Basis for interim financial statements preparation

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No.34: “ Interim financial reporting” , whereby the Company chooses to present condensed interim financial statements. However, additional line items are presented in the financial statements to bring them into the full format similar to the annual financial statements.

The interim financial statements are prepared to provide information in addition to those included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. These interim financial statements should, therefore, be read in conjunction with the financial statements for the year ended December 31, 2018.

The interim financial statements are officially prepared in Thai language. The translation of these statutory financial statements to other language must conform to the Thai financial report.

2.2 Principles of consolidation

The consolidated financial statements have been prepared by including the financial statements of PP PRIME Public Company Limited and its subsidiary and also have been using the same principle of computation as were used in the consolidate statement for the year ended December 31, 2018.

2.3 Significant accounting policies

These interim financial statements have been prepared by using the same accounting policies and methods of computation as were used in the preparation of the financial statements for the year ended December 31, 2018.

2.3.1 Financial reporting standards that becomes effective for fiscal years beginning on or after January 1, 2019.

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations including new accounting treatment guidance, which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

TFRS 15 Revenue from Contracts with Customers

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

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

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

2.3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements.

TFRS 16 Leases

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

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements.

2.4 Estimation

When preparing the interim financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation were the same as those applied in the preparation of annual financial statements for the year ended December 31, 2018.

3. RELATED PARTY TRANSACTIONS

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

3.1 The significant transactions with related parties for For the three – month period ended March 31, 2019 and 2018 are as follows:

(Unit: Million Baht)

	For the three – month period ended 31 March				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2019	2018	2019	2018	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	6	-	Cost prices
Interest income	-	-	4	4	3 - 8 percent per annum
Purchase of goods	-	-	387	-	Cost plus contract rate
<u>Transactions with associated company</u>					
Interest income	0.5	1	-	-	3 percent per annum
<u>Transactions with related companies</u>					
Sales of goods	41.8	47	-	47	Cost plus contract rate
Interest income	-	0.7	-	0.7	5 - 7 percent per annum
Purchase of raw materials	13	10	-	10	Market prices
Consulting fee	0.8	0.4	-	0.4	Contract prices

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
<u>Trade and other current receivables – related parties</u> (Note 5)				
Subsidiaries	-	-	172,410	111,872
Associate	5,990	5,559	-	-
Related party (common director)	2,301	1,662	-	-
Related party (common shareholders)	10,602	30,565	-	30,565
Related party (director of subsidiaries)	32	-	-	-
	<u>18,952</u>	<u>37,786</u>	<u>172,410</u>	<u>142,437</u>

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	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Trade and other current payables – related parties (Note 17)				
Related party (subsidiaries)	-	-	327,877	-
Related party (common director)	4	5	-	-
Related party (common director and shareholders)	12,166	22,773	-	22,773
Related parties (director of subsidiaries)	1,149	1,459	-	-
	<u>13,319</u>	<u>24,237</u>	<u>327,877</u>	<u>22,773</u>

loans to related parties

loans to related parties there are significant movements during the period as follows:

		(Unit : Thousand Baht)			
		Consolidated financial statements			
Loans to related parties	Relationship	Balance as at January 1, 2019	Increase during the period	Translation adjustment	Balance as at March 31, 2019
M - Luxe Energy Co., Ltd.*	Associate	74,738	-	(1,500)	73,238
Aulux Power Co., Ltd.**	Co-directors	90,271	(1,759)	(1,776)	86,736
Total		<u>165,009</u>	<u>(1,759)</u>	<u>(3,276)</u>	<u>159,974</u>

*The loans to related parties carried interest rate at 3 percent per annum and has maturity date on March 2020, And repayable at call.

** The loans to related parties carried interest rate at 3 percent per annum and are has maturity date on March 2020 and on March 2021

		(Unit : Thousand Baht)			
		Separate financial statements			
Loans to related parties	Relationship	Balance as at January 1, 2019	Increase during the period	Decrease during the period	Balance as at March 31, 2019
Thluxe Power Co., Ltd.	Subsidiary	157,000	-	-	157,000
PPSN Co., Ltd.	Subsidiary	589,370	-	-	589,370
Sumo Power Co., Ltd.	Subsidiary	83,729	-	-	83,729
Geothermal Power A Co., Ltd.	Subsidiary	557,619	-	-	557,619
Geothermal Power B Co., Ltd.	Subsidiary	375,939	-	-	375,939
P Green Energy Co., Ltd	Subsidiary	4,904	-	-	4,904
Total		<u>1,768,561</u>	<u>-</u>	<u>-</u>	<u>1,768,561</u>

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

Short – term loan

(Unit: Thousand Baht)				
	Consolidated financial statements			
	Balance as at January 1, 2019	Increase during the period	Translation adjustment	Balance as at March 31, 2019
Aulux Power Co., Ltd.*	-	287	-	287

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

3.3 Directors and management’s benefits

For the three-month periods ended March 31, 2019 and 2018, the Company and its subsidiaries had employee benefit expenses payable to their directors and managements as below.

	(Unit: Thousand Baht)			
	For the three – month period ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short – term employee benefits	4,795	6,480	3,086	5,202
Post – employment benefits	254	224	254	224
Other long – term benefits	3	-	3	-
Total	5,052	6,704	3,343	5,426

3.4 According to the Shareholders’ Meeting of the subsidiary and Business Transfer of animal feed production business to subsidiary.

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

3.4.1 According to the Shareholders’ Meeting of the subsidiary

In Year 2018

According to the Shareholders’ Meeting No. 1/2018 of Thai Luxe Enterprises (Thailand) Co., Ltd. on 28 December 2018 had significant details as followings;

1. The resolution was to acquire the partial transfer of business from PP Prime Public Company Limited which consisted of assets, liabilities, business licenses and all employees involved in the production of an animal feed, effective from 1 January 2019. The value of this business transfer will be based on the book value according to the rules of the partial business transfer. The transferred net asset value (All assets of the business that will be transferred are deducted by all liabilities of the transferred business) accounted for 809,904,400 Baht, Thai Luxe Enterprises (Thailand) Co., Ltd. have to increase the registered capital and allocate the newly issued ordinary shares to PP Prime Public Company Limited in order to comply with the rules of partial business transfer.

In this regard, PP Prime Public Company Limited and Thai Luxe Enterprises (Thailand) Company Limited will transfer and acquire the partial business transfer in accordance with the rules of the Royal Decree issued under the Revenue Code regarding to income tax exemption (Issue no. 516) BE 2554 and the announcement of the Director-General of the Revenue Department, on the subject of setting rules, procedures and conditions of partial business transfer for a public company Or limited company in order to exempt an income tax on 27 September 2011, including other announcements related to the matter (Referred as "Partial Business Transfer Rules").

2. According to the decision of the Shareholders' Meeting to acquire the aquatic animal feed manufacturing business from PP Prime Public Company Limited, the Meeting had a special resolution to increase the share capital by 809,904,400 Baht by issuing 80,990,440 ordinary shares with a par value of 10 Baht per share to PP Prime Public Company Limited. The allocation of the shares are as follows:
 - 2.1 To increase the capital by 795,039,400 Baht by issuing 79,503,940 new ordinary shares with a par value of 10 Baht each to PP Prime Public Company Limited, which is a shareholder of the Company, in exchange of the animal feed manufacturing business transfer to Thai Luxe Enterprises (Thailand) Co., Ltd. The net asset value of 795,039,400 Baht in lieu of payment of 79,503,940 shares at a par value of 10 Baht.
 - 2.2 To increase the capital by 14,865,000 Baht by issuing 1,486,500 new ordinary shares with a par value of 10 Baht each with payment in cash.

Due to the transfer of the business, it may be necessary that Thai Luxe Enterprises (Thailand) Co., Ltd. will acquire assets related to the animal feed manufacturing business in many occasions. The Board of Directors therefore is authorized to allocate newly issued ordinary shares occasionally, and to consider, determine, amend, and/or change the conditions and details relating to the allocation of the ordinary shares to PP Prime Public Company Limited in order to comply with the transfer of assets from PP Prime Public Company Limited in each occasion.

3. The Meeting had a special resolution to amend the Memorandum of Association No. 5 of the Company in order to comply with the increase of the registered capital of Thai Luxe Enterprises (Thailand) Co., Ltd. The Memorandum of Association will be modified periodically to be consistent with the amount of the registered capital of Thai Luxe Enterprises (Thailand) Co., Ltd. that is increased from the transfer of assets from PP Prime Public Company Limited in each occasion.

Year 2019

At the Annual General Meeting of Shareholders No. 1/2019 of Thai Luxe Enterprises (Thailand) Co., Ltd. on 8 February 2019, the following significant resolutions were made:

1. Approved the amendment of the details of the transfer of the animal feed manufacturing business from PP Prime Public Company Limited, which consisted of assets, liabilities, business licenses and all employees involved in the business. The business transfer with effect from 1 January 2019 ("Business Transfer Date") would be determined by the book value in accordance with the rules of partial business transfer. The net asset value (total assets of the transferred business deducted by total liabilities of the transferred business) to be transferred accounted for 809,904,400 Baht.

However, during the transfer process of such business, it was found that there were some assets that could not be transferred. Therefore, the value of the business transfer was reduced from 809,904,400 Baht to 773,765,631.64 Baht. In addition, there were some delayed transfers of certain assets. Hence, Thai Luxe Enterprises (Thailand) Co., Ltd. will issue new ordinary shares to PP Prime Public Company Limited in the amount of 418,078,470.00 Baht and will make cash payment for the remaining amount of 355,687,161.64 Baht. Due to the fact that there are some assets such as real estates, which PP Prime Public Company Limited still cannot transfer ownership to Thai Luxe Enterprises (Thailand) Co., Ltd., Thai Luxe Enterprises (Thailand) Co., Ltd. will make two payments for the remaining amount to PP Prime Public Company Limited as follows:

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

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

2. The decision to confirm the capital increase in accordance with the resolution of the Annual General Meeting of Shareholders No.1/2018 of Thai Luxe Enterprises (Thailand) Co., Ltd. as of the receiving of the payment of 43,269,847 shares at par value of 10 Baht, accounted for 432,698,470 Baht and the cancellation of the remaining of 37,720,593 shares.
3. An Approval to increase the capital of Thai Luxe Enterprises (Thailand) Co., Ltd. by 196,000,000 Baht by the issuance of 19,600,000 new ordinary shares at a par value of 10 Baht, in which to be used as money at full value
4. Significant resolution implying the amendment of the Memorandum of the Association no. 5 of Thai Luxe Enterprises (Thailand) Co., Ltd. to comply with the capital increase.

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

	Stock value	(Unit : Baht)	
	Per share	As at 31 March 2019	
	(Baht)	Number of Shares	Amount
Authorized share capital			
The amount as of 1 January 2019	10	100,000.00	1,000,000.00
Increase the capital during the period	10	62,869,847.00	628,698,470.00
The balance as of 31 March 2019		62,969,847.00	629,698,470.00
Issued and paid-up share capital			
The amount as of 1 January 2019	10	100,000.00	1,000,000.00
<u>The 1st Increase in capital</u>			
Receive payment by remaining inventories balance	10	19,869,630.30	198,696,303.00
Receive payment by machine and tools	10	21,938,216.70	219,382,167.00
Receive payment by cash	10	1,462,000.00	14,620,000.00
The amount as of 8 February 2019		43,369,847.00	433,698,470.00
<u>The 2nd Increase in capital</u>			
Receive payment by cash	10	19,600,000.00	196,000,000.00
The amount as of 31 March 2019		62,969,847.00	629,698,470.00

The 1st Increase in capital

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

1. Thai Luxe Enterprises (Thailand) Co., Ltd. received the transfer of assets relating to an animal feed production business from PP Prime Public Company Limited who was the previous shareholder, based on the business transfer. The net asset value of 418,078,470 Baht was considered as the payment for shares by the following assets;

1. Remaining inventories balance	Total value 198,696,303.00 Baht
2. Machine and tools	Total value 219,382,167.00 Baht
Total assets value	Amount 418,078,470.00 Baht

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

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

Thai Luxe Enterprises (Thailand) Co., Ltd. issued 1,462,000 new ordinary shares at a par value of 10 Baht, accounted for 14,620,000.00 Baht to PP Prime Public Company Limited.

Thai Luxe Enterprises (Thailand) Co., Ltd. proceeded the registration of the capital increase and amendment of the Memorandum of Association of Thai Luxe Enterprises (Thailand) Co., Ltd. in order to comply with the capital increase, to the Department of Business Development Ministry of Commerce on 8 February 2019.

The 2nd Increase in capital

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

Thai Luxe Enterprises (Thailand) Co., Ltd. proceeded the registration of the capital increase and amendment of has the Memorandum of Association of Thai Luxe Enterprises (Thailand) Co., Ltd. in order to comply with the capital increase, to the Department of Business Development Ministry of Commerce on February 15, 2019.

The 3rd Increase in capital

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

Thai Luxe Enterprises (Thailand) Co., Ltd. proceeded the registration of the capital increase and amendment of has the Memorandum of Association of Thai Luxe Enterprises (Thailand) Co., Ltd. in order to comply with the capital increase, to the Department of Business Development Ministry of Commerce on 2 May 2019.

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

Assets and Liabilities transferred in 2019 are as followings;

	(Unit : Baht)
	Assets and Liabilities transferred between companies
Current Assets	
Ending inventories balance	198,696,303
Other receivables	612,894
Non-current Assets	
Property, building and equipment	64,666,270
Plant	216,201,311
Building	45,436,435
Machine	154,894,458
Land improvement	17,346,164
Shrimp pond	1
Fish pond	5,041
Artesian well	59,426
Factory equipment	32,194,883
Tools	20,703,423
Research tools	2,873
Office supplies	7,264,610
Office equipment	2,923,316
Decoration	1,136,902
Vehicle	13
Software	8,523,710
Office tools	261,707
Software waiting to be installed	2,758,103
Other non-current assets	77,790
	<u>773,765,633</u>

4. CURRENT INVESTMENTS

	(Unit : Baht)	
	Consolidated / Separate financial statements	
	March 31, 2019	December 31, 2018
Investments in trading securities (Mutual Fund)		
Investments in available – for – sale securities, cost	33,635	33,287
Add: Gain on changes in value of investments	(431)	348
Investments in available – for – sale securities, fair value	33,204	33,635

During the three-month period ended March 31, 2019, the movement of available-for-sale investments is as follows:

	(Unit: Baht)
	Consolidated / Separate financial statements
Book value as at January 1, 2019	33,635
Acquisition during the period	-
Disposal during the period – at cost	-
Gain (loss) on changes in value of available – for – sale investments during the period	(431)
Book value as at March 31, 2019	33,204

5. TRADE AND OTHER CURRENT RECEIVABLES

5.1 Trade and other current receivables

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
<u>Trade receivables – related party</u>				
Aged on the basis of due dates				
Not yet due	10,602	14,379	46,735	14,379
Past due				
Up to 3 months	-	16,186	9,450	16,186
3 – 6 months	-	-	-	-
6 – 12 months	-	-	-	-
Over 12 months	-	-	-	-
	<u>10,602</u>	<u>30,565</u>	<u>56,185</u>	<u>30,565</u>
<u>Trade receivables – unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	182,847	220,268	180,957	220,268
Past due				
Up to 3 months	39,750	55,856	39,609	55,856
3 – 6 months	20,848	8,057	20,848	8,057
6 – 12 months	8,550	7,229	8,550	7,229
Over 12 months	8,130	17,184	8,130	17,184
Total	<u>260,125</u>	<u>308,594</u>	<u>258,094</u>	<u>308,594</u>
Less: Allowance for doubtful debts	<u>(27,104)</u>	<u>(28,441)</u>	<u>(27,104)</u>	<u>(28,441)</u>
Total trade receivables – unrelated parties – net	<u>233,021</u>	<u>280,153</u>	<u>230,990</u>	<u>280,153</u>
	<u>243,623</u>	<u>310,718</u>	<u>287,175</u>	<u>310,718</u>
<u>Other current receivables</u>				
Amounts due from related parties	900	854	2,326	2,026
Amounts due from unrelated parties	8,279	3,109	630	168
Interest receivable – related parties	7,423	6,367	113,899	109,846
Interest receivable – unrelated parties	106	153	4	88
Advance corporate income tax	2,192	2,134	2,192	2,134
Total other receivables	<u>18,900</u>	<u>12,617</u>	<u>119,051</u>	<u>114,262</u>
	<u>260,523</u>	<u>323,335</u>	<u>406,226</u>	<u>424,980</u>

5.2 Trade and other non-current receivables

These represent the balance of long outstanding debts amounting to Baht 58 million (2018: Baht 44 million) due from various trade debtors against whom the Company has taken legal actions. As at March 31, 2019, the Company has set up an allowance for doubtful accounts amounting to Baht 58 million (2018: Baht 44 million) in its accounts by taking into consideration the auction price and the value of the related collaterals

6. INVENTORIES

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	March 31, 2019	December31, 2018	March 31, 2019	December31, 2018
Finished goods	72,424	69,650	64,647	69,650
Raw materials	101,441	160,603	-	160,603
Raw materials in transit	15,553	-	-	-
Packing materials and supplies	11,698	14,146	-	14,146
Spare parts	30,905	33,208	-	33,208
Total	232,021	277,607	64,647	277,607
Less Allowance for decline values	(15,883)	(15,740)	(411)	(15,740)
	216,138	261,867	64,236	261,867

For three-month period ended March 31, 2019 and 2018, the movements of allowances for obsolete of inventories are as follows :

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2562	2561	2562	2561
Beginning balance as at January 1	15,740	13,900	15,740	13,900
Increase	143	2,902	-	2,902
Reversal/ Disposal during the period	-	(1,062)	(15,329)	(1,062)
Ending balance as at March 31	15,883	15,740	411	15,740

Allowances for obsolete of inventories was shown in cost of sale in statements of income.

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

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

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

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As at February 21, 2019, relocation House Corporation (Relocation Group) has transferred the right and obligation of sale contract to Beppu Forest Power Co., Ltd. And extend to June 30, 2019.

As at April 17, 2019, the Company has received additional deposit amount of JPY 400 million (approximately of Baht 116.28 million.)

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

Disposal groups classified as held for sale comprised:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	March 31, 2019	December 31, 2018
Cash and cash equivalents	24,989	17,774
Trade and other current receivables	39,977	30,638
Other current assets	1,871	7,616
Property, plant and equipment	693,326	720,231
Other intangible assets	336,668	349,893
Deferred tax assets	4,512	4,692
Other non - current assets	22,097	22,843
Goodwill	43,201	44,086
Total	1,166,641	1,197,773

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	March 31, 2019	December 31, 2019
Trade account payable	4,037	4,640
Current income tax payable	2,089	5,533
Other current liabilities	59,270	60,457
Deferred tax liabilities	56,023	58,200
Total	121,419	128,830

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8. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as presented in separate financial statements as at March 31, 2019 and December 31, 2018 are as follows:

Company's name	(Unit : Thousand Baht)									
	Paid-up capital		Shareholding		Cost		Provision for impairment of investments		Carrying amounts based on cost method - net	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
			(%)	(%)						
Subsidiaries directly held by the Company										
Thuxe Global Business Co., Ltd.	3,000	3,000	100	100	3,000	3,000	-	-	3,000	3,000
Thuxe Power Co., Ltd.	100,000	100,000	100	100	100,000	100,000	(22,225)	(22,225)	77,775	77,775
Thailuxe Enterprises (Thailand) Co., Ltd.	629,698	1,000	100	100	789,386	1,000	-	-	789,386	1,000
P PRIME SINGAPORE PTE. LTD.	32	32	100	100	32	32	-	-	32	32
Investments in subsidiaries directly held by the Company - net					892,418	104,032	(22,225)	(22,225)	870,193	81,807
Subsidiaries held through Thuxe Power Limited										
Thuxe Investments Limited	10*	10*	100	100	-	-	-	-	-	-
Origin Power Investment Co., Ltd.	0.1*	0.1*	100	100	-	-	-	-	-	-
Subsidiaries held through Thuxe Investments Limited										
Thuxe Holdings Limited	10*	10*	100	100	-	-	-	-	-	-
Geothermal Power A Co., Ltd.	10*	10*	100	100	-	-	-	-	-	-
Geothermal Power B Co., Ltd.	10*	10*	100	100	-	-	-	-	-	-
Subsidiaries held through Origin Power Investment Co., Ltd.										
Wind Power A Co., Ltd.	0.1*	0.1*	100	100	-	-	-	-	-	-
Subsidiaries held through Thuxe Holdings Limited										
Sumo Power Co., Ltd.	1,000**	1,000**	100	100	-	-	-	-	-	-
Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company	10**	10**	100	100	-	-	-	-	-	-
P Green Energy Co., Ltd.	1,000**	1,000**	100	100	-	-	-	-	-	-
Subsidiaries held through Geothermal Power A Co., Ltd.										
Fino Binary Power Plant LLC.	10**	10**	100	100	-	-	-	-	-	-
NIS Binary Power Plant LLC.	10**	10**	100	100	-	-	-	-	-	-
Lena Power Station No.1 LLC.	5,000**	5,000**	100	100	-	-	-	-	-	-
Subsidiaries held through Geothermal Power B Co., Ltd.										
PPSN Co., Ltd.	12,000**	12,000**	100	100	-	-	-	-	-	-
SNS Power Co., Ltd.	500**	500**	100	100	-	-	-	-	-	-
Dual Energy Binary - Power Plant No.1 LLC.	100**	100**	100	100	-	-	-	-	-	-
Subsidiaries held through Sumo Power Co., Ltd.										
Otomeyama Energy Co., Ltd.	500**	500**	100	100	-	-	-	-	-	-
S-Power Co., Ltd.	500**	500**	100	100	-	-	-	-	-	-
Total investments in subsidiaries - net					892,418	104,032	(22,225)	(22,225)	870,193	81,807

* Unit: Thousand US dollar

** Unit: Thousand Yen

8.1 Dividend income

During the three – month ended March 31, 2019 and 2018, The Company has not dividend income from the investments in subsidiaries.

9. INVESTMENTS IN ASSOCIATE

		(Unit : Thousand Baht)		
		Consolidated financial statements		
		Carrying amounts based		
Company's name	Shareholding percentage	on equity method		
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
	(%)	(%)		
M-Luxe Energy Co., Ltd.	25	25	-	-
Total			-	-

9.1 Investment in associate with capital deficit

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

		(Unit : Million Baht)	
		Unrecognised share of losses during the period/the years	
		For the three – month period	For the year ended
Associate company		ended March 31, 2019	December 31, 2018
M-Luxe Energy Co., Ltd.		0.19	0.70

10. OTHER LONG-TERM INVESTMENTS

		(Unit : Thousand Baht)	
		Consolidated / Separate financial statements	
		March 31, 2019	December 31, 2018
Investments in available – for – sale securities – cost		1,080,384	1,080,384
Less: Loss on changes in value of investments		(705,886)	(760,229)
Investments in available – for – sale securities – fair value		374,498	320,155
Other investments – cost		5,000	5,000
Less: Provision for impairment of investment		(1,550)	(1,550)
Other investments – net		3,450	3,450
Total		377,948	323,605

During the three – month period ended March 31, 2019, the movement of available – for – sale is as follows:

	Consolidated / Separate financial statements	
	Number of shares	Amount
	(Thousand Shares)	(Thousand Baht)
Book value as at January 1, 2019	142,371	1,080,384
Acquisition during the period	3,604	6,126
Increase number of shares form Stock dividend and Warrants	9,273	-
Disposal during the period - at cost	(3,604)	(7,351)
Profit (loss) recognized in the income statement	-	1,225
Gain (loss) on changes in value of Available – for – sale		
investments during the period	-	(705,886)
Book value as at March 31, 2019	151,644	374,498

10.1 The Company invested in ordinary shares of ASIA Capital Group Public Company Limited, a related company listed on the Market for Alternative Investment (MAI). The investment in these shares represents approximately 14 percent of that company’s paid-up share capital, and some shareholders of the Company are also shareholders of this company. The Company has no intention to take part in the management of this company and has no influence over it. As at March 31, 2019, the investments have amount 43.25 million shares (Book value of Baht 172.98 million) is 5.37% of total assets of the Group this is concentration risk asset in only one related company. The value of the Company's investments depends on the operating results and future market prices of related company and the company will decide to sell this investment.

10.2 As at March 31, 2019, the Company has led Available-for-sale amount 117.34 million shares (Book value of Baht 319.22 million) pledge as collateral for short-term loans. As a guarantee for the issuance of debentures. As discussed in Note 16 and 18.2 to the consolidated financial statements, respectively.

As at April 22, 2019, the Company has paid short – term loans in full amount and the Company has redeemed the collateral of investment in available – for – sale securities amount 12 million shares (Book value of baht 48 million) as discussed in Note 16.

10.3 During the three – month period ended 31 March 2019, the Company sold available-for-sale securities with book value totaling Baht 6.13 million and recognised (after tax) gain on the sale amounting to Bath 1.23 million.

11. LONG – TERM LOANS

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Long –term loans				
Long – term loans to subsidiaries (Note 3.2)	-	-	1,768,561	1,768,561
Long – term loans to related parties (Note 3.2)	159,974	165,009	-	-
Long – term loans to other parties	4,021	4,103	-	-
Total long – term loans	163,995	169,112	1,768,561	1,768,561
Less : Current portion of long – term loans				
Long – term loans to subsidiaries (Note 3.2)	-	-	-	-
Long – term loans to related parties (Note 3.2)	(95,353)	-	-	-
Long – term loans to other parties	(4,021)	-	-	-
Total current portion of long – term loans	(99,374)	-	-	-
	64,621	169,112	1,768,561	1,768,561

Long – term loans to other parties

Movements of the long-term loan account during the three-month period ended March 31, 2019 are as follows:

	(Unit : Thousand Baht)
	Consolidated
	financial statements
Net book value as at January 1, 2019	4,103
Increase	-
Decrease	-
Translation adjustment	(82)
Net book value as at March 31, 2019	4,021

The long – term loans to other parties carried interest rate at 3 percent per annum and repayable at call.

12. INVESTMENT PROPERTIES

	(Unit : Thousand Baht)
	Consolidated / Separate financial statements
Net book value as at January 1, 2019	38,685
Transfer in (out)	-
Depreciation for period	(245)
Net book value as at March 31, 2019	38,439

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

The fair value of the investment properties stated below:

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	March 31, 2019	December 31, 2018
Land not being used in operation/land for rent	76,555	76,555
Office building for rent	57,762	57,762

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

The Company have pledge of Investment Properties at cost approximately Baht 74 million as collateral against credit line received from financial institutions and debenture as disclosed in the Note 16 and 18.2 to the consolidated financial statements.

13. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the three-month period ended March 31, 2019 are summarised below.

	(Unit : Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at January 1, 2019	1,395,532	594,978
Acquisitions during period – at cost	1,914	1,026
Disposals during period – at cost	(145)	-
Depreciation for period	(30,694)	(1,029)
Disposals during period – at accumulated depreciation	3	-
Transfer in (out) to the subsidiary	-	(563,097)
Exchange difference on translation adjustment	(14,629)	-
Assets classified as held for sale (Note 7)	(693,326)	-
Net book value as at March 31, 2019	658,655	31,878

- * Assets that the Company Transfer to subsidiaries as described in Note 3.4 to financial statements. Some items are not yet able to transfer ownership according to the law to the subsidiary. However, the subsidiary has the ability to order usage. And the benefit from such assets from the use of the normal production of the subsidiary.

As at 31 March 2019, the Company had equipment and motor vehicles with net book values of Baht 6 million (2018: Baht 7 million), which were acquired under financial lease agreements.

As at March 31, 2019, the Company has certain buildings and equipment which have been fully depreciated but are still in use. Book value before deducting accumulated depreciation and allowance for impairment of such assets amounted to approximately Baht 149 million (2018: Baht 813 million).

The Company have pledge of Property, plant and equipment at cost approximately Baht 616 million as collateral against credit line received from financial institutions as disclosed in the Note 18.1 to the consolidated financial statements.

14. OTHER INTANGIBLE ASSETS

Movements of the intangible assets accounts during the three-month period ended March 31, 2019 are summarised below.

	(Unit : Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2019	361,400	11,490
Acquisitions during period	89	-
Transfer in (out) to the subsidiary (Note 3.4)	-	(11,282)
Amortisation for the period	(6,584)	(16)
Exchange difference on translation adjustment	(7,022)	-
Assets classified as held for sale (Note 7)	(336,668)	-
Net book value as at March 31, 2019	11,216	192

15. ADVANCES PAYMENT

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Advance payment for construction of geothermal power plants	29,582	30,188	-	-
Advance payment for Hot spring rights	34,465	35,170	-	-
Advance payment for assets	64,800	64,800	64,800	64,800
Advance payment for Riverside Project	65,565	65,565	65,565	65,565
Total	194,412	195,723	130,365	130,365

Advance payment for assets

According to the meeting of the Board of Directors of PP Prime Public Company Limited No. 2/2016 on February 26, 2016, has approved the investment in the rental of People Park Onnut Project which is a home office building with a total rental area of 8 rooms, with a total area of 1,369.30 square meters, with a lease term of 18 years, a total rental fee of Baht 72 million to extend the pet food business to a PET CENTER or a full service pet center for animal lovers. As of March 31, 2019, the home office building has 100% progress. Currently, the contractor is in the process of collecting the details of the work.

Advance payment for Riverside Project

Board of Directors Meeting No.8/2018 convened on May 18, 2018, to approved that the Company enters into the joint investment transaction with Rich Partners Co., Ltd. (“Rich Partners”) in the mixed-use development project under the project’s name “Riverside Tower” located in Da Nang City, Vietnam (the “Riverside Project”) which is being developed by Sun Frontier Investment Co., Ltd. (“Sun Frontier Investment”), a company incorporated under Vietnamese law. The Company will invest in the Riverside Project for the investment amount of not more than JPY 3,100 million or equivalent to THB 911.83 million (based on the exchange rate of THB 29.4140 per JPY 100 as announced by the Bank of Thailand on May 17, 2018). Under the joint investment agreement which to be entered into between the Company and Rich Partners (the “Joint Investment Agreement”), the Company will be entitled to the rights to sell the residential units and receive the consideration from the sale of residential units in the Riverside Project selected by the Company and agreed with Rich Partners the approximate area of which will be not less than 50 percent of the total residential area of the Riverside Project, whereby the Company’s investment return shall be guaranteed at the rate of not less than six percent per annum in respect of the total investment amount of the Company, the terms and conditions of which are currently being negotiated and shall further be executed by the Company and Rich Partners Co., Ltd.

On June 25, 2018, the Company has paid a deposit amount of JPY 210 million (approximately of THB 62.31 million), whilst the remaining investment amount shall be payable to Rich Partners upon completion of all the conditions precedent so specified under the Joint Investment Agreement. If any of the conditions precedent cannot be completed within the specific timeframe, the Company shall be entitled to receive full amount of deposit from Rich Partners.

On July 2, 2018, the Company has memorandum of agreement with shareholder and Rich Partners Co., Ltd., the shareholder of Rich Partners Co., Ltd. agrees to transfer all of the shares in Rich Partners Co., Ltd. at its par value (JPY 10 million) as security against payment of deposit and to ensure that Rich Partners Co., Ltd. and its shareholder shall comply with all conditions precedent under the Joint Investment Agreement which include inter alia Rich Partners Co., Ltd. or its subsidiary acquiring the entire equity stake in Sun Frontier Investment Co., Ltd. Upon all conditions precedent having been completely fulfilled by Rich Partners Co., Ltd. the Company shall transfer the shares of Rich Partners Co., Ltd. back to Rich Partners’ shareholder at its par value, On July 10, 2018, the Company has paid amount of JPY 10 million (approximately of THB 3 million)

According to the resolution of the Board of Directors Meeting No. 2/2019 on February 7, 2019, the resolution was signed in the letter to extend the project period. There are important conditions as follows.

- 1) various licenses In the implementation of the project Must be completed by March 31, 2019, currently shareholders and Rich Partners Co.,Ltd. is in the process of requesting various licenses.
- 2) The Company has the right to continue the project or not which the Company will consider and notify within 31 May 2019
- 3) extend the duration of "Joint Investment Agreement" to be dated June 30, 2019

16. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

	Interest rate (% per annum)	Maturity date	(Unit : Thousand Baht)	
			Consolidated / Separate financial statements	
			March 31, 2019	December 31, 2018
Bank overdrafts			27,564	277
Promissory note from financial institutions	4.50	9 April 2019	180,000	180,000
Bills of exchange from the Company and other persons	7.00 - 7.50	6 May to 19 June 2019	44,373	71,937
Short-term loan from financial institutions	5.75	31 May 2019	29,990	230,000
Trust Receipt Payable			55,557	69,497
			337,484	551,711
Deferred front end fee			(129)	(1,763)
			337,355	549,948

Promissory note from financial institution.

As at April 9, 2019 the Company has redeemed the bill of exchange which on due date amount of baht 180 million and has issued the new bill of exchange amount of baht 150 million with interest rate 4.4% Per annum, maturity date on July 9, 2019

That promissory note was guaranteed by mortgage the land and construction of Company as cost of baht 12 million.

Bills of exchange from the Company other persons

Pledge of available-for-sale securities of amount 23.74 million shares (Book value of Baht 86.20 million), as mentioned in Note 10.2 .

As at May 7, 2019, the Company has paid the bill of exchange of other company and other person which on amount of baht 10 million with due date whole amount.

Short-term loan from financial institutions

Guaranteed by

1. Guaranteed by pledge of shares, Investment in available-for-sale securities in the amount of 30.50 million shares (book value of Baht 122 million), with a value of not less than 1.2 times the loan amount (Note 10.2) and the Company has signed the letter of consent for Bank to be able to process sell shares that are placed as collateral if the Company violates the payment terms.
2. The use of business collateral under the Business Security Act 2015 by bank deposits of the business
3. Bring 7 power plants in Japan as collateral , and pledge 4 Japanese company shares (PPSN Company Limited, Sumo Power Co., Ltd., SNS Power Co., Ltd., Lena Power Station No.1 Limited Liability Cooperation), which own 7 power plants. (Note 8)

Under the loan agreement the Company must comply with condition of financial terms as specified in the agreement, such as maintaining debt to equity ratio.

Then as at April 22, 2019, the Company has paid the short term loans of financial institution with whole amount and the Company has redeemed that collateral in full amount.

17. TRADE AND OTHER CURRENT PAYABLES

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Trade payables – related party	-	22,304	317,231	22,304
Trade payables – unrelated parties	157,985	211,914	2,522	211,914
Other payables – related parties	12,837	1,459	10,538	-
Other payables – unrelated parties	16,975	14,854	2,255	14,612
Other payables for purchases of assets	1,755	5,427	1,755	3,688
Accrued interest – related party	5	5	-	-
Accrued interest –unrelated parties	10,829	10,619	10,828	10,619
Accrued expenses – related party	477	469	108	469
Accrued expenses – unrelated parties	25,739	30,718	20,829	30,344
Total trade and other current payables	226,602	297,769	366,066	293,950

18. LONG-TERM LOAN

As at March 31, 2019 and December 31, 2018 are as follows.

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	March 31, 2019	December 31, 2018
Long-term loan		
Long-term loan from financial institutions	585,754	611,230
Debentures	1,108,511	906,666
Liabilities under hire purchase and financial lease agreements	3,368	3,943
Total long-term loan	1,697,633	1,521,839
Less: Current portion of long – term		
Long-term loan from financial institutions	(585,754)	(611,230)
Debentures	(705,341)	(707,221)
Liabilities under hire purchase and financial lease agreements	(1,879)	(2,036)
Total current portion of long – term	(1,292,974)	(1,320,487)
	404,659	201,352

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2019

“UNAUDITED”
“REVIEWED”

18.1 Long – term loan from financial institutions

Movements of the long-term loan account during the three-month period ended March 31, 2019 are as follows:

	(Unit : Thousand Baht)
	Consolidated / financial statements
Balance as at January 1, 2019	611,744
<u>Add</u> Increase	-
<u>Less</u> Payment	(12,766)
Exchange differences on translation adjustment	(12,773)
Total	586,205
Deferred financial fee	(451)
Balance as at March 31, 2019	585,754

		(Unit : Thousand Baht)	
		Consolidated / Separate financial statements	
		March 31, 2018	December 31, 2017
Interest rate (% per annum)	Maturity date		
JPY LIBOR (3 months) plus 3%	Repayable in monthly installments commencing from the fourth month after the loan is drawn down (November 2017), with 35 installments of JPY 14.5 million each and the balance payable in the thirty six installment	585,754	611,230
Less: Portion due within one year		(585,754)	(611,230)
Long-term loan - net of current portion		-	-

In accordance with the conditions specified in the agreement, this loan amounting to JPY 2,017 million (Baht 586 million) is secured by the pledge of land and buildings of the Company and the Company has to mortgage property of the geothermal power plant projects in Japan, pledge power purchases agreements and shares of the companies that own the geothermal power plant projects, pledge or transfer the rights in the electricity revenue accounts of 4 of the companies, which consist of 8 power plants.

The loan agreements contain several covenants which, among other things, require the Company to maintain a debt-to-

As at 31 March 2019, the Company was unable to maintain the debt-to-equity ratio stipulated in the loan agreement, which constitutes a breach of the agreement. As a result, the bank may demand payment of the loan immediately and on April 29, 2019, the Company has received the attenuation to follow the contract from lender bank.

In addition, the company expects to pay all debts within the third quarter of 2019 in order to free the guarantee of all assets, including all remaining thermal power plants. To deliver to the buyer (Note 7)

Therefore showing loans from financial institutions in the amount of 2,017 million baht (equivalent to baht 586 million) as liabilities due within one year in full amount.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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AS AT MARCH 31, 2019

“UNAUDITED”
“REVIEWED”

18.2 Debentures

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	March 31, 2019	December 31, 2018
Debentures	1,121,600	914,000
Less: Deferred arrangement fee for debentures	(13,089)	(7,334)
Debentures – net of arrangement fee	1,108,511	906,666
Less: Portion due within one year	(705,341)	(707,221)
Debentures – net of current portion	403,170	199,445

Movements of the debentures accounts during the three-month period ended March 31, 2018 are summarised below.

	(Unit : Thousand Baht)
	Consolidated / Separate financial statements
Balance as at January 1, 2019	914,000
Issuance of debentures	207,600
Redemption of debentures	-
Total	1,121,600
Deferred arrangement fee for debentures	(13,089)
Balance as at March 31, 2018	1,108,511

As at March 31, 2019, the balance of the debentures issued by the Company is Baht 1,122 million. Such debentures were offered to investors by private placement. The debentures pay interest every 3 months. Significant details are as follows:

Issue date	Units	Par value per unit (Baht)	Total value (Million Baht)	Interest rate (% per annum)	Maturity date
<u>Registered holders of Debentures unsubordinated and unsecured debentures, which do not have a debenture holders' representative.*</u>					
July 26, 2017	260,500	1,000	261	6.30	July 26, 2019
<u>Registered holders of Debentures unsubordinated and unsecured debentures, which do have a debenture holders' representative.*</u>					
August 2, 2018	319,500	1,000	320	7.25	August 2, 2019
September 3, 2018	134,000	1,000	134	7.25	September 3, 2019

Issue date	Units	Par value per unit (Baht)	Total value (Million Baht)	Interest rate (% per annum)	Maturity date
<u>Registered holders of Debentures unsubordinated and secured debentures, which do have a debenture holders' representative.</u>					
May 8, 2018	200,000**	1,000	200	7.00	May 8, 2020
March 21, 2019	207,600***	1,000	208	8.50	March 18, 2021

* The conditions regarding the rights and obligations of the debenture issuer stipulate certain covenants, pertaining to matters such as the maintenance of debt-to-equity ratio.

** As at March 31, 2019, guarantee by pledge investment available for sale amount 63.10 million shares (Book value of Baht 86.21 million) and pledge investment property, book value Baht 48 million, under the regulation of right and duty of issuer, the Company has to follow some financial condition such as the value of the collateral not less than 1.10 times of credit line and maintain debt to equity ratio etc.,

***As at March 31, 2019, guarantee by pledge the shares of Thai Luxe Enterprises (Thailand) Co., Ltd amount 6.97 million shares (book value of baht 638.50 million), under the regulation of right and duty of issuer, the Company has to follow to some financial condition such as maintain debt to equity ratio.

19. PROMOTIONAL PRIVILEGES

The Company has received promotional privileges which approved by the Board of Investment for the manufacture and distribution of feeds for aquatic animals, pursuant to the investment promotion certificate No. 2091 (2)/2554 issued on August 31, 2011. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (June 1, 2012) with the corporate income tax exempted capped at the amount of capital investment made, excluding in land and working capital. They also include a reduction of import duty on imported machinery as approved by the Board of Investment and an exemption from income tax on dividend paid to the shareholders from the profit of the promoted activities during the corporate income tax exemption period.

In addition, the Company has received promotional privileges which approved by the Board of Investment for the manufacture and distribution of feeds for aquatic animals, pursuant to the investment promotion certificate No. 1856 (2)/2556 issued on June 19, 2013 and the investment promotion certificate No. 1131 (2)/2558 issued on February 4, 2015. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (the investment promotion certificate No. 1856(2)/2556 has revenues generate on May 16, 2018 and the investment promotion certificate No. 1311(2)/2558 has revenues generate on April 30, 2015) with the corporate income tax exempted capped at the amount of capital investment made, excluding in land and working capital. They also include a reduction of import duty on imported machinery as approved by the Board of Investment, an exemption from income tax on dividend paid to the shareholders from the profit of the promoted activities during the corporate income tax exemption period, and permission to deduct 25 percent of the amount in invested in the installation of facilities in addition to normal depreciation. and until on January 1, 2019, the Company has transferred business to Thai Luxe Enterprises (Thailand) Co., Ltd.

20. SHARE CAPITAL

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

1. Approve the Company’s registered capital decrease by Baht 5,400,833, from the current registered capital of Baht 568,451,520 to be Baht 563,050,687, by way of cancellation of 5,400,833 ordinary shares allocated for 5,400,833 at the par value of Baht 1 per share.
2. Approve the amendment of Clause 4 of the Company’s Memorandum of Association to be in line with the Company’s registered capital decrease.

“Clause 4. The Company’s capital is	Baht 563,050,687 (Five hundred sixty-three million fifty thousand Six Hundred and Eighty-Seven Baht)
divided into	563,050,687 shares (Five hundred sixty-three million fifty thousand Six Hundred and Eighty-Seven)
at the par value of divided into	Baht 1 (One Baht) per share
Ordinary shares	563,050,687 shares (Five hundred sixty-three million fifty thousand Six Hundred and Eighty-Seven)
Preferred shares	- shares (-).”

Subsequently, on July 26, 2018, the Company has completely registered the reduction of registered capital together with the amendment to Clause 4 of the Memorandum of Association of the Company to be accorded with the reduction of the registered capital as detailed above, with the Department of Business Development, the Ministry of Commerce

3. Approve the Company’s registered capital increase by Baht 280,762,672 from the current registered capital of Baht 563,050,687 to be Baht 843,813,359, by way of issuance of not exceeding 280,762,672 ordinary shares for capital increase at the par value of Baht 1 per share, as per the following details:
 - 20.3.1 Capital increase by Baht 140,762,672, by way of issuance of 140,762,672 ordinary shares for capital increase at the par value of Baht 1 per share to accommodate the exercise of the Warrants
 - 20.3.2 Capital increase by Baht 140,000,000, by way of issuance of 140,000,000 ordinary shares for capital increase at the par value of Baht 1 per share to accommodate the conversion of the Convertible Debentures
4. Approve the amendment of Clause 4 of the Company’s Memorandum of Association to be in line with the Company’s registered capital increase.

“Clause 4. The Company’s capital is	Baht 843,813,359 (Eight Hundred Forty- Three Million Eight Hundred Thirteen Thousand Three Hundred and Fifty-Nine Baht)
divided into	843,813,359 shares (Eight Hundred Forty-Three Million Eight Hundred Thirteen Thousand Three Hundred and Fifty-Nine)
at the par value of divided into	Baht 1 (One Baht) per share
Ordinary shares	843,813,359 shares (Eight Hundred Forty-Three Million Eight Hundred Thirteen Thousand Three Hundred and Fifty-Nine)
Preferred shares	- shares (-).”

Subsequently, on July 31, 2018, the Company has completely registered the increase of registered capital together with the amendment to Clause 4 of the Memorandum of Association of the Company to be accorded with the increase of the registered capital as detailed above, with the Department of Business Development, the Ministry of Commerce

21. EARNINGS PER SHARE

Basic earnings (loss) per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

The following table sets forth the computation of basic earnings (loss) per share for the three-month periods ended March 31, 2019 and 2018:

	For the three – month period ended March 31			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (Loss) attributable to equity holders of the parent company	(50,521)	(20,475)	(42,270)	(28,594)
Number of common shares (Thousand Shares)	563,051	563,051	563,051	563,051
Profit (Loss) per share (Baht / Share)	<u>(0.09)</u>	<u>(0.04)</u>	<u>(0.08)</u>	<u>(0.05)</u>

22. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows:

1. Aquatic animal feed segment
2. Pets food segment
3. Production and distribution of electricity segment

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for outsider transactions.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2019

“UNAUDITED”
“REVIEWED”

The following tables present revenue and profit (loss) information regarding the Company’s and its subsidiaries’ operating segments for the three-month periods ended March 31, 2019 and 2018, respectively.

(Unit : Million Baht)

	For the three-month period ended 31 March											
	Domestic				Overseas							
	Aquatic animal feed		Pets food		Production and distribution of electricity		Total segments		Eliminations		Consolidated	
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
Revenue form external customers	828	356	49	47	31	13	908	416	(396)	-	512	416
Total revenues	828	356	49	47	31	13	908	416	(396)	-	512	416
Results												
Segment profit (loss)	7	(3)	4	1	2	(11)	13	(13)	(17)	-	(4)	(13)
Gain (loss) on investments in securities											1	1
Interest income											1	2
Other income (expenses)											(3)	20
Share of loss from investments in associates											-	-
Finance cost											(34)	(28)
Loss before income tax expenses											(39)	(18)
Income tax expenses											(12)	(2)
Loss for the period											(51)	(20)

23. COMMITMENTS AND CONTINGENT LIABILITIES

23.1 Power purchase agreements

As at March 31, 2019 a subsidiary entered into PPA with an unrelated company. The PPA is effective for a period of 15 years starting from scheduled commercial operation date. The sales quantity and its price must be complied with the agreement.

23.2 Hot springs service agreement

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

In November 2017 and January 2018, the subsidiaries entered into a memorandum of understanding with an unrelated company to waive hot springs service charges, in accordance with the conditions specified in the agreement.

23.3 Power plant operation and maintenance agreement

As at March 31, 2019 an overseas subsidiary has commitments in respect of power plant operation and maintenance agreements made with an unrelated company, amounting to approximately JPY 0.1 million per month per power plant for 5 years starting from a project awarded date, which can be extended every 5 years, and has maximum duration of 15 years, under the same conditions.

23.4 Property rights of land agreement

As at March 31, 2019 an overseas subsidiary has commitments in respect of property rights of land agreement with an unrelated company to operate in a project of electricity production from wind power amounting to approximately JPY 0.1 million per month per power plant. The term of this agreement is 21 years starting from an agreement signing date.

23.5 Capital Commitments

As at December 31, 2018 the Company had capital commitments of approximately Baht 0.1 million, relating to acquisition and installation of machinery and equipment.

As at March 31, 2019 the overseas subsidiaries had capital commitments of approximately JPY 2,351 million (December 31, 2018: JPY 2,351 million), relating to the construction of power plant.

23.6 Lease and services commitments

The Company has entered into several lease agreements in respect of office building space and service agreement and vehicle rental. The terms of the agreements are generally duration from 1 to 3 years.

Future minimum lease payments required under these non-cancellable leases and services contracts were as follows.

		(Unit : Million Baht)	
		March 31, 2019	December 31, 2018
Payable:			
within 1 year		1	2
more than 1 year but not over 2 years		0.5	0.5

23.7 Long-term property lease commitment

As at March 31, 2019 the Company had space lease contracts commitments of approximately Baht 7.2 million for a full service center. The term of the lease is 18 years, starting from the date the possession of assets is delivered. At present, the leased space is under construction and has yet been delivered.

23.8 Guarantees

As at March 31, 2019 the Company were outstanding bank guarantees of approximately Baht 8 million (December 31, 2018: Baht 8 million), issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee are relating to guarantee electricity use.

24. FINANCIAL INSTRUMENTS**24.1 Foreign currency risk**

The company and its subsidiaries have significant outstanding balances of financial liabilities denominated in foreign currencies are as follows:

Foreign currencies	Financial liabilities		Average exchange rate	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	31.98	32.61
Japanese yen	-	-	0.29	0.29

24.2 Fair value hierarchy

As at March 31, 2019 and December 31, 2018, the Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit : Million Baht)							
	Consolidated/Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Financial assets measured at fair value								
Available-for-sale investments								
Equity instruments	374	320	-	-	-	-	374	320
Debt instruments*	-	-	0.03	0.03	-	-	0.03	0.03
Financial assets for which fair value are disclosed								
Investment properties	-	-	38	39	-	-	38	39
Financial liabilities for which fair value are disclosed								
Debentures	-	-	1,122	914	-	-	1,122	914

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

During the current year, there were not transfer within the fair value hierarchy.

25. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at March 31, 2019 the Group's debt-to-equity ratio was 3.04 : 1 (December 31, 2018: 3.04 : 1) and the Company's was 1.77 : 1 (December 31, 2018: 1.75: 1).

26. EVENT AFTER THE REPORTING PERIOD

1. According to the resolution of the Annual General Meeting of Shareholders No. 1/2562 on April 24, 2019, has passed significant resolutions as follows:

- 1.1 Approved the reduction of the Company's registered capital of Baht 280,762,672, from the current registered capital of Baht 843,813,359 to be Baht 563,050,687 by cancelling 280,762,672 ordinary shares with par value of Baht 1 per share.
- 1.2 Approve the amendment of clause 4 of the Company's Memorandum of Association to be in line with the reduction of the Company's registered capital.

Subsequently, on April 30, 2019, the Company has completely registered the reduction of registered capital together with the amendment to Clause 4 of the Memorandum of Association of the Company to be accorded with the reduction of the registered capital as detailed above, with the Department of Business Development, the Ministry of Commerce.

- 1.3 Approved the increase of the Company's registered capital by allocating the newly issued ordinary shares of not exceeding 281,525,344 shares to the existing shareholders in proportion to their shareholding ratio (RO) as follows:

“The Meeting approved the increase of the Company's registered capital of Baht 281,525,344 from the current registered capital of Baht 563,050,687 to be Baht 844,576,031 by issuing 281,525,344 ordinary shares with par value of Baht 1 per share”

- 1.4 Approved the amendment of clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital.

Subsequently, on May 2, 2019, the Company has completely registered the increase of registered capital together with the amendment to Clause 4 of the Memorandum of Association of the Company to be accorded with the increase of the registered capital as detailed above, with the Department of Business Development, the Ministry of Commerce.

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

2. According to the resolution of the Board of Directors' Meeting No. 8/2562 held on 29 April 2019, has passed significant resolutions as follows:

- 2.1 Resolved to cancel the allocation of the Company's newly issued ordinary shares by way of private placement with specific purpose of use of proceeds (PP) in the amount not exceeding 50,000,000 shares, with a par value of THB 1 per share, and to cancel the allocation of the newly issued ordinary shares by way of private placement under the general mandate in the amount not exceeding 50,000,000 shares, with a par value of THB 1 per share, due to the fact that the capital increase process may take more than anticipated by the investors. Moreover, the market price is lower than the price which the Company expected to offer to the investors. The allocation of the newly issued ordinary shares by way of private placement under the general mandate may obstruct the future investment plan of the Company during this 1 (one) year after the Shareholders' Meeting has approved.

2.2 Resolved to propose the Shareholders' Meeting to consider approving the issuance and offering of the Warrants to Purchase the Company's Ordinary Shares No. 4 (PPPM-W4) in the amount not exceeding 281,525,344 units to the shareholders by way of right offering free of charge at the ratio of 3 existing ordinary shares to 1 unit of the Warrants, any fraction thereof shall be disregarded. The Warrants No. 4 (PPPMW4) shall have a term of 5 years from the issuance date of the Warrants with the exercise price of THB 1 per unit of the Warrants. Please refer to the initial details of the Warrants (Enclosure 1). In this regard, July 5, 2019 shall be the record date to determine the list of shareholders entitled to subscribe for the Warrants to Purchase the Company's Ordinary Shares No. 4 (PPPM-W4).

2.3 Resolved to propose the Shareholders' Meeting to consider reducing the Company's registered capital by THB 281,525,344 from the existing registered capital of THB 844,576,031 to THB 563,050,687 by cancelling 281,525,344 authorized but unissued ordinary shares, with a par value of THB 1 per share.

2.4 Resolved to propose the Shareholders' Meeting to consider approving the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the Company's registered capital, as per the following details:

“Clause 4. Registered Capital	THB 563,050,687 (Five Hundred Sixty-Three Million Fifty Thousand Six Hundred and Eighty-Seven Baht)
Divided into	563,050,687 shares (five hundred sixty-three million fifty thousand six hundred and eighty-seven shares)
Par Value per share	THB 1 (One Baht)
Classified into	
Ordinary Shares	563,050,687 shares (five hundred sixty-three million fifty thousand six hundred and eighty-seven shares)
Preferred Shares	- shares (-)”

2.5 Resolved to propose the Shareholders' Meeting to consider approving the Company's registered capital increase by THB 563,050,688 from the existing registered capital of THB 563,050,687 to THB 1,126,101,375 by issuing 563,050,688 newly issued ordinary shares, with a par value of THB 1 per share.

2.6 Resolved to propose the Shareholders' Meeting to consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the Company's registered capital increase, as per the details as follows:

“Clause 4. Registered Capital	THB 1,126,101,375 (One Thousand One Hundred Twenty-Six Million One Hundred One Thousand Three Hundred and Seventy-Five Baht)
Divided into	1,126,101,375 shares (one thousand one hundred twenty-six million one hundred one thousand three hundred and seventy-five shares)
Par Value per share	THB 1 (One Baht)
Classified into	
Ordinary Shares	1,126,101,375 shares (one thousand one hundred twenty-six million one hundred one thousand three hundred and seventy-five shares)
Preferred Shares	- shares (-)”

2.7 Resolved to propose the Shareholders’ Meeting to consider allocating not exceeding 281,525,344 newly issued ordinary shares, with a par value of THB 1 per share, to accommodate the exercise of the Warrants to Purchase the Company’s Ordinary Shares No. 4 (PPPM-W4) issued and offered to the shareholders by way of right offering (Warrant - RO).

2.8 Resolved to approve the scheduling of the Extraordinary General Meeting of Shareholders No. 1/2019 to be held on June 10, 2019 at 13.30 PM. at the conference room of PP Prime Public Company Limited at No. 62-62/1 Moo 2, U-Tapao Road, Tambon Nong Chumphon, Amphoe Khai Yoi, Phetchaburi Province.

3. Amendments to the law relating to the legal severance pay rates

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

4. As at April 9, 2019, the company has received the credit line from one financial institution that consists of current credit which consists of bank overdraft amount of baht 25 million, trust receipt, letter of credit amount of baht 150 million, Promissory note amount of bath 150 million, and forward contract line amount of baht 100 million that were guarantee by land with construction of the Company.

As at April 9, 2019, the Company has issued promissory note amount of baht 150 million under credit line that the Company received.

27. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company’s authorised director on May 15, 2019.