

**PP PRIME PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES (FORMER NAME
“THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)
FINANCIAL STATEMENTS
DECEMBER 31, 2018
AND INDEPENDENT AUDITOR’S REPORT**

Independent Auditor's Report

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

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

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

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

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

In addition the management is preparing the following matters.

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

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

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

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

Emphasis of matters

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

Key Audit Matters

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

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

Other Matters

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

Other Information

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

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

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards from the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

(Mr. Jadesada Hungsapruerk)

Certified Public Accountant

Registration No. 3759

Karin Audit Company Limited

Bangkok, Thailand

February 26, 2019

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018

(Unit : Baht)

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

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2018

(Unit : Baht)

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

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2018

(Unit : Baht)

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

Director

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Note			(Restated)		
Revenues					
	Revenues from sales	2,060,977,303	1,822,329,930	1,984,351,945	1,790,732,106
	Other income				
	Gain on investments in securities	1,597,175	4,818,750	1,597,175	4,818,750
	Interest income	8,736,858	26,201,527	21,393,256	92,822,746
	Reversed allowance of impairment on assets	4,533,289	-	1,635,229	-
	Reversed allowance of impairment on loans	-	-	270,800,000	-
	Reversed allowance of impairment on investment in subsidiary Company	-	-	77,774,553	-
	Other	45,604,889	22,173,479	27,842,658	15,876,760
	Total revenues	2,121,449,514	1,875,523,686	2,385,394,816	1,904,250,362
Expenses					
	Cost of sales	1,793,561,551	1,526,483,683	1,721,579,201	1,498,393,566
	Cost of distributions	95,425,161	73,876,477	95,425,161	73,875,787
	Administrative expenses	211,578,583	218,667,668	175,727,299	182,010,149
	Other expenses				
	Loss on impairment of loan to related parties	-	-	-	118,800,000
	Loss on impairment of assets	-	15,098,926	-	12,072,255
	Loss on impairment of goodwill	-	25,577,947	-	-
	(Profit) Loss on foreign exchange	(2,119,803)	61,560,185	6,321,370	16,867,159
	Expense of acquisition of a subsidiaries	-	98,052,877	-	-
	Finance costs	125,961,963	104,974,071	125,961,963	104,970,215
	Total expenses	2,224,407,455	2,124,291,834	2,125,014,994	2,006,989,131
	Share of loss from investments in associates	-	(613,502)	-	-
	Profit (loss) before income tax expenses	(102,957,941)	(249,381,650)	260,379,822	(102,738,769)
	Tax expenses (tax Income)	7,126,503	3,025,263	3,696,696	3,029,804
	Profit (loss) for the year	(110,084,444)	(252,406,913)	256,683,126	(105,768,573)

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2018

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

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit : Baht)

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

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit : Baht)

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

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

CASH FLOWS STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit : Baht)

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

The accompanying notes are an integral part of the financial statements.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

CASH FLOWS STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2018

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

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CASH FLOWS STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit : Baht)

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

Supplemental Disclosure of Cash flows information

Non - cash items

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

The accompanying notes are an integral part of the financial statements.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2018

1. GENERAL INFORMATION

1.1 Corporate information

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

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

1.2 Fundamental accounting assumptions

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

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

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

In addition the management is preparing the following matters.

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

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

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

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

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENT

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

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

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

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2.2 Basis of consolidation

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

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

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

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2018

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

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

3. New financial reporting standards

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

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

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

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

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

TFRS 15 Revenue from Contracts with Customers

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

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

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

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

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

During the current year, the Federation of Accounting Professions issued the set of 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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

Sales of goods

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

Sales of electricity

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

Rendering of services

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

Rental income

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

Interest income

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

Dividends

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

4.2 Cash and cash equivalents

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

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4.3 Trade accounts receivable and allowance for doubtful debts

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

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

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

4.4 Inventories

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

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

4.5 Investments

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

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

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

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

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

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

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

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

4.7 Investment properties

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

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

No depreciation is provided for land investment properties.

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

4.8 Property, plant and equipment/Depreciation

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

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

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

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Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

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

4.9 Intangible assets

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

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

The intangible assets with finite useful lives are as follows:

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

No amortisation is provided on software under installation.

4.10 Goodwill

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than

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the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.11 Related party transactions

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

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

4.12 Long-term leases

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

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

4.13 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset’s

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fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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

4.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

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

4.16 Provisions

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

4.17 Equity-settled share-based payment transactions

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

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

4.18 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

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4.19 Derivatives

Forward exchange contracts

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

4.20 Fair value measurement

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

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

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

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

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

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Impairment of equity investments

The Company treats available-for-sale investments, investments in subsidiaries and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where

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other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Allowance for impairment of loans

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

Property plant and equipment/Depreciation

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

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

Goodwill and intangible assets

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

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

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

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6. RELATED PARTY TRANSACTIONS

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

(Unit: Million Baht)

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

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

(Unit : Thousand Baht)

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

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	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Trade and other current payables – related parties</u> (Note 22)				
Related party (common director)	-	5	-	-
Related party (common director and shareholders)	22,773	4,250	22,773	4,250
Related parties (director of subsidiaries)	1,459	1,179	-	-
	24,232	5,434	22,773	4,250

Long – term loans to related party

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

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

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

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

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(Unit : Thousand Baht)

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

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

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

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Directors and management’s benefits

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

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

7. CASH AND CASH EQUIVALENTS

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

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

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

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8. CURRENT INVESTMENTS

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

8.1 Investments in trading securities (Mutual Fund)

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

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

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

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8.2 Bills of exchange

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

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

9. TRADE AND OTHER CURRENT RECEIVABLES

9.1 Trade and other current receivables

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

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

9.2 Trade and other non-current receivables

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

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10. INVENTORIES

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

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

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

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

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

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

Disposal groups classified as held for sale comprised:

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

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

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

12. RESTRICTED BANK DEPOSITS

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

13. INVESTMENTS IN SUBSIDIARIES

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

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

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

* Unit: Thousand US dollar

** Unit: Thousand Yen

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

Investments in Thai Luxe Enterprise (Thailand) Company Limited.

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

Investments in P PRIME SINGAPORE PTE. LTD.

Pursuant to the Board of Director Meeting No. 8/2018 convened on May 18, 2018, it resolved to approve that the Company (or its subsidiary) enters into the joint investment transaction with Rich Partners Co., Ltd. (“Rich Partners”), a company incorporated under Japanese law (or Rich Partners’ subsidiary), in the mixed-use development project under the project’s name “Riverside Tower” located in Da Nang City, Vietnam (the “Riverside Project”) which is being developed by Sun Frontier Investment Co., Ltd., a company incorporated under Vietnamese law under, The Company sets up its 100 percent wholly-owned subsidiary in Singapore, namely P PRIME SINGAPORE PTE. LTD. which will be the company to enter into the Investment in Riverside Project Transaction with Rich Partner’s subsidiary in Singapore.

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Investments in Origin Power Investment Co., Ltd.

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

13.1 Business acquisition

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

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

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

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

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

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

	(Unit : Thousand Baht)		
	As previously reported	New adjusted	Restated
Assets			
Cash and cash equivalents	48,293	-	48,293
Total current investments	418,686	-	418,686
Trade and other current receivables	193,786	-	193,786
Inventories	217,857	-	217,857
Other current assets	29,656	-	29,656
Other long - term investments	858,930	-	858,930
Long - term loans	72,452	-	72,452
Investment properties	10,376	-	10,376
Property, plant and equipment	1,494,455	-	1,494,455
Goodwill	16,258	40,833	57,091
Other intangible assets	123,467	222,838	346,305
Deferred tax assets	39,778	-	39,778
Other non - current assets :			
Restricted bank deposits	7,796	-	7,796
Unallocated costs of business acquisition	205,856	(205,856)	-
Advances payment	181,845	-	181,845
Other non - current assets	10,464	-	10,464
Total assets	3,929,955	57,815	3,987,770

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

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

Subsidiaries indirectly held by the Company

13.1.1 P Green Energy Company limited

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

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

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

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

13.2 Dividend income

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

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14. INVESTMENTS IN ASSOCIATE

14.1 Details of associate:

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

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

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

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

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

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14.4 Summarised financial information about material associate

Summarised information about financial position

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

Summarised information about comprehensive income

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

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14.5 Investment in associate with capital deficit

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

(Unit : Million Baht)

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

15. OTHER LONG-TERM INVESTMENTS

(Unit : Thousand Baht)

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

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

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

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

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

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

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

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16. INVESTMENT PROPERTIES

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

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

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

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

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

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

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

(Unit : Thousand Baht)

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

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

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

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17. PROPERTY, PLANT AND EQUIPMENT

(Unit : Thousand Baht)

	Consolidated financial statement						Total
	Land and land improvement	Buildings and building improvement	Power plant, machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	
Cost:							
Net book value as at January 1, 2018	138,627	567,598	1,134,118	52,132	30,082	72,406	1,994,963
Additions	609	2,030	95,204	5,775	6,649	137,603	247,870
Disposals	-	-	(2,240)	(1,023)	(7,339)	-	(10,602)
Increased from acquisition of investments in subsidiaries	30,391	-	99,857	-	-	371,795	502,043
Transfers	-	26,042	204,748	733	-	(231,523)	-
Exchange difference on translation adjustment	(2,972)	(4)	(26,570)	(51)	-	(15,778)	(45,375)
31 December 2017	166,655	595,666	1,505,117	57,566	29,392	334,503	2,688,899
Additions	7	1,048	10,742	2,853	1,649	14,757	31,056
Disposals	-	-	(2,738)	(1,551)	(1,562)	-	(5,851)
Transfers	-	2,315	279,876	2,504	-	(284,695)	-
Exchange difference on translation adjustment	612	7	5,651	9	-	3,755	10,034
Assets classified as held for sale (Note 11)	(42,805)	-	(750,479)	(824)	-	-	(794,108)
Assets classified as investment property (Note 16)	(17,350)	(20,135)	-	-	-	-	(37,485)
Net book value as at December 31, 2018	107,119	578,901	1,048,169	60,557	29,479	68,320	1,892,545

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(Unit : Thousand Baht)

Consolidated financial statement							
Land and land improvement	Buildings and building improvement	Power plant, machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total	
Accumulated depreciation:							
1 January 2017	-	264,784	677,376	42,480	26,268	-	1,010,908
Depreciation for the year	-	25,415	63,810	4,134	1,835	-	95,194
Depreciation on disposals	-	-	(2,202)	(1,022)	(7,339)	-	(10,563)
Increased from acquisition of investments in subsidiaries	-	-	10,036	-	-	-	10,036
Exchange difference on translation adjustment	-	-	(1,449)	(19)	-	-	(1,468)
31 December 2017	-	290,199	747,571	45,573	20,764	-	1,104,107
Depreciation for the year	-	23,030	84,843	4,818	2,560	-	115,251
Depreciation on disposals	-	-	(2,673)	(1,550)	(1,562)	-	(5,785)
Increased from acquisition of investments in subsidiaries	-	-	-	-	-	-	-
Exchange difference on translation adjustment	-	31	449	8	-	-	488
Assets classified as held for sale (Note 11)	-	-	(73,420)	(525)	-	-	(73,945)
Assets classified as investment property (Note 16)	-	(8,506)	-	-	-	-	(8,506)
31 December 2018	-	304,754	756,770	48,324	21,762	-	1,131,610

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(Unit : Thousand Baht)

Consolidated financial statement							Total
Land and land improvement	Buildings and building improvement	Power plant, machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress		
Allowance for impairment loss:							
1 January 2017	209	2,300	72,858	-	-	-	75,367
Increase during year	1,635	169	13,295	-	-	-	15,099
Exchange difference on translation adjustment	-	-	(129)	-	-	-	(129)
31 December 2017	1,844	2,469	86,024	-	-	-	90,337
Increase during year	-	-	(2,999)	-	-	-	(2,999)
Exchange difference on translation adjustment	-	-	33	-	-	-	33
Assets classified as held for sale (Note 11)	-	-	68	-	-	-	68
Assets classified as investment property (Note 16)	(1,635)	(169)	-	-	-	-	(1,804)
31 December 2018	209	2,300	83,126	-	-	-	85,635
Net book value:							
31 December 2017	164,811	302,998	671,522	11,993	8,628	334,503	1,494,455
31 December 2018	106,910	271,847	208,273	12,233	7,717	68,320	675,300
Depreciation for the year							
2017 (Baht 80 million included in manufacturing cost, and the balance in administrative expenses)							95,194
2018 (Baht 108 million included in manufacturing cost, and the balance in administrative expenses)							115,251

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(Unit : Thousand Baht)

	Separate financial statements						Total
	Land and land improvement	Buildings and building improvement	machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	
Cost:							
1 January 2017	112,451	567,598	1,016,326	51,204	31,182	5,889	1,784,650
Additions	286	1,447	3,325	5,645	6,649	33,951	51,303
Disposals/write-off	-	-	(2,240)	(1,023)	(8,439)	-	(11,702)
Transfers	-	26,042	10,175	733	-	(36,950)	-
31 December 2017	112,737	595,087	1,027,586	56,559	29,392	2,890	1,824,251
Additions	7	1,048	11,514	2,853	1,649	11,999	29,071
Disposals/write-off	-	-	(2,738)	(1,551)	(1,562)	-	(5,851)
Transfers	-	2,315	11,806	2,504	-	(14,641)	1,984
Assets classified as investment property (Note 16)	(17,350)	(20,135)	-	-	-	-	(37,485)
31 December 2018	93,394	578,315	1,048,169	60,365	29,479	248	1,811,970

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES (FORMER NAME “THAI LUXE ENTERPRISES PUBLIC COMPANY LIMITED”)

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(Unit : Thousand Baht)

	Separate financial statements						Total
	Land and land improvement	Buildings and building improvement	machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	
Accumulated depreciation:							
1 January 2017	-	264,784	673,627	42,213	26,780	-	1,007,404
Depreciation for the year	-	25,395	46,097	3,933	1,858	-	77,283
Depreciation on disposals/write-off	-	-	(2,201)	(1,023)	(7,874)	-	(11,098)
31 December 2018	-	290,179	717,523	45,123	20,764	-	1,073,589
Depreciation for the year	-	22,943	41,919	4,638	2,560	-	72,060
Depreciation on disposals/write-off	-	-	(2,673)	(1,550)	(1,562)	-	(5,785)
Assets classified as investment property (Note 16)	-	(8,506)	-	-	-	-	(8,506)
31 December 2018	-	304,616	756,769	48,211	21,762	-	1,131,358
Allowance for impairment loss:							
1 January 2017	209	2,300	72,858	-	-	-	75,367
Depreciation for the year	1,635	169	10,268	-	-	-	12,072
31 December 2017	1,844	2,469	83,126	-	-	-	87,439
Increase during year	-	-	-	-	-	-	-
Assets classified as investment property (Note 16)	(1,635)	(169)	-	-	-	-	(1,804)
31 December 2018	209	2,300	83,126	-	-	-	85,635

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(Unit : Thousand Baht)

	Separate financial statements						Total
	Land and land improvement	Buildings and building improvement	machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	
Net book value:							
31 December 2017	110,893	302,439	226,937	11,436	8,628	2,890	663,223
31 December 2018	95,185	271,399	208,274	12,154	7,717	248	594,977
Depreciation for the year							
2017 (Baht 63 million included in manufacturing cost, and the balance in administrative expenses)							77,283
2018 (Baht 57 million included in manufacturing cost, and the balance in administrative expenses)							72,060

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During the year 2017, the Company recognised losses on impairment of property, plant and equipment amounting to Baht 12 million in profit or loss in the separate financial statements for the year ended 31 December 2017 because the recoverable amount of assets was lower than their carrying amount.

In addition, as described in Note 19.1 in 2017 to the consolidated financial statements, the subsidiary evaluated the impairment of power plant, machinery and equipment for the geothermal power generation in Japan and noted that the recoverable amount of the assets was lower than the carrying amount therefore the subsidiary recognised loss on impairment of power plant, machinery and equipment amounting to Baht 3 million in profit or loss in the consolidated financial statements for the year ended 31 December 2017.

In 2018, As discussed in Note 11 Board of Directors Meeting No. 8/2018 convened on May 18, 2018, to approved that the Company disposes of the 15 geothermal power plant projects located in the same vicinity in Oasa-Tsurumi, Beppu city, Oita prefecture, Japan which have already commenced their commercial operations (the “Power Plant Projects”) at the purchase price of approximately JPY 320 million per one power plant project or equivalent to approximately THB 91.71 million per one power plant project, making a total purchase price for the Power Plant Projects of not less than JPY 4,800 million or equivalent to approximately THB 1,375.69 million and then on June 21, 2018, the Company has a sale contract of Power Plant Projects with the buyer (Relocation Group), the Company has received the deposit amounting of JPY 200 millions (approximately of Baht 59.98 millions), according to sale contract indentify that the buyer (Relocation Group) will pay remaining amounting of JPY 4,600 millions within February 2019 so that the Company therefore recognised allowance for Power plant, machinery and equipment to Baht 3 million in statement of income in consolidated financial statement for the year ended 31 December 2018

As at 31 December 2018, the Company had equipment and motor vehicles with net book values of Baht 7 million (2017: Baht 7 million), which were acquired under financial lease agreements.

As at 31 December 2018, certain items of buildings and equipment of the Company were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 813 million (2017: Baht 667 million).

As at December 31, 2018, the Company has certain buildings and equipment which have been fully depreciated but are still in use. Book value before deducting accumulated depreciation and allowance for impairment of such assets amounted to approximately Baht 813 million (2017: Baht 667 million)

The Company have pledge of Property, plant and equipment at cost approximately Baht 363 million as collateral against credit line received from financial institutions and bills of exchange from the company and other persons as disclosed in the Note 23.1 to the consolidated financial statements.

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18. INTANGIBLE ASSETS

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

(Unit : Thousand Baht)

	Consolidated financial statements											
	2018						2017					
	Computer software	Patent	Hot spring rights	Power purchase agreement right	Software under installation	Total	Computer software	Patent	Hot spring rights	Power purchase agreement right	Software under installation	Total
Cost	19,668	470	105,820	292,652	2,758	421,368	18,259	470	74,504	271,866	1,609	366,708
<u>Less</u> Accumulated amortisation	(10,589)	(305)	(5,757)	(42,823)	-	(59,474)	(9,161)	(246)	(3,461)	(7,040)	-	(19,908)
<u>Less</u> Allowance for impairment	(494)	-	-	-	-	(494)	(494)	-	-	-	-	(494)
Net Book Values	8,585	165	100,063	249,829	2,758	361,400	8,604	224	71,043	264,826	1,609	346,306

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(Unit : Thousand Baht)

	Seperate financial statements							
	2018				2017			
	Computer software	Patent	Software under installation	Total	Computer software	Patent	Software under installation	Total
Cost	19,627	470	2,758	22,855	18,259	470	1,609	20,338
<u>Less</u> Accumulated amortisation	(10,566)	(305)	-	(10,871)	(9,161)	(246)	-	(9,407)
<u>Less</u> Allowance for impairment	(494)	-	-	(494)	(494)	-	-	(494)
Net Book Values	8,567	165	2,758	11,490	8,604	224	1,609	10,437

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The reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	346,306	106,403	10,437	8,252
Acquisition	2,517	48,934	2,517	3,463
Increased from acquisition of investments				
in subsidiaries	-	222,838	-	-
Decreased from disposal of investments				
in subsidiaries	-	-	-	-
Amortisation	(26,570)	(8,278)	(1,464)	(1,278)
Exchange difference translation adjustment	39,147	(23,591)	-	-
Total	361,400	346,306	11,490	10,437
Assets classified as held for sale (Note 11)	(349,893)	-	-	-
Net book value at end of year	11,507	346,306	11,490	10,437

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19. GOODWILL

The Company allocated goodwill acquired through business combinations to the cash generating units (CGUs) for annual impairment testing as follows:

(Unit: Thousand Baht)

	PPSN Company Limited	Sumo Power Company Limited	Fino Binary Power Plant Limited Liability Company	NIS Binary Power Plant Limited Liability Company	Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company	Dual Energy Binary - Power Plant No.1 Limited Liability Company	Total
As at 31 December 2017							
Goodwill	89,695	105,634	29,015	12,353	12,342	12,336	261,375
Less: Allowance for impairment loss	(88,623)	(90,448)	(17,678)	(2,318)	(2,029)	(3,188)	(204,284)
Goodwill - net	1,072	15,186	11,337	10,035	10,313	9,148	57,091
As at 31 December 2018							
Goodwill	98,647	118,795	29,143	12,467	12,459	12,439	283,950
Less: Allowance for impairment loss	(97,500)	(103,500)	(17,678)	(2,318)	(2,029)	(3,187)	(226,212)
Goodwill - net	1,147	15,295	11,465	10,149	10,430	9,252	57,738

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The reconciliation of the net book value of goodwill for the years 2018 and 2017 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2018	2017
Net book value at beginning of year	57,091	19,082
Increased from acquisition of investments in subsidiaries	-	69,861
Impairment loss	-	(25,213)
Exchange difference translation adjustment	44,733	(6,639)
Assets classified as held for sale (Note 11)	(44,086)	-
Net book value at end of year	<u>57,738</u>	<u>57,091</u>

19.1 During the year 2017, the Company and its subsidiaries has assessed all geothermal power plant projects in Japan for impairment, by comparing the carrying amounts and recoverable amounts of the CGUs. The Company and its subsidiaries determined the recoverable amounts of the CGUs on a value-in-use basis, by preparing projections of the cash flows that are expected to be generated from each group of assets in the future, with reference to financial projections approved by the management, under the key assumption that the power purchase agreements of the power plant projects would cover a period of 15 years. Other key assumptions of the value in use calculation can be summarised as follows:

Energy capacity (Unit: Kilowatt per hour)	83 - 100
Growth rates (Unit: Percent per annum)	0.1, 1.2
Pre-tax discount rates (Unit: Percent per annum)	3.0

The management determined growth rates based on long-term inflation rate and discount rates is the pre-tax rate that reflects the risks specific to each CGU.

Based on the impairment review of the assets above, In 2017 the Company and its subsidiaries recognised allowance for impairment loss on the geothermal power plant projects amounting to Baht 29 million. This consisted of allowance for impairment loss amounting to Baht 26 million on new geothermal power plant projects that were purchased during the year 2017, which is recorded as impairment loss on Good will, and allowance for impairment loss of Baht 3 million on power plant, machinery and equipment.

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20. ADVANCES PAYMENT

	(Unit : Thousand Baht)			
	Consolidated		Separate financial	
	financial statements		statements	
	December	December	December	December
	31, 2018	31, 2017	31, 2018	31, 2017
Advance payment for construction of geothermal power plants	30,188	29,850	-	-
Advance payment for Hot spring rights	35,171	86,942	-	-
Advance payment for assets	64,800	65,053	64,800	65,053
Advance payment for Riverside Project	65,565	-	65,565	-
Total	195,724	181,845	130,365	65,053

Advance payment for construction of geothermal power plants

On December 13, 2017, a meeting of the Board of Directors of the Company passed a resolution to approve investment in 9 units of geothermal power plant in Japan, with a total project value of JPY 2,700 million (Baht 786 million). As at December 31, 2018, Sumo Power Company Limited, a subsidiary, has paid a deposit of JPY 103 million (Baht 29 million) for 2 units of power plant.

Advance payment for Hot spring rights

On December 13, 2017, a meeting of the Board of Directors of the Company passed a resolution to approve investment in 9 units of geothermal power plant in Japan, with a total project value of JPY 2,700 million (Baht 786 million). As at December 31, 2018, Sumo Power Company Limited, a subsidiary, has paid a deposit of JPY 103 million (Baht 30 million) for 2 units of power plant.

Advance payment for assets

According to the meeting of the Board of Directors of PP Prime Public Company Limited No. 2/2016 on February 26, 2016, has approved the investment in the rental of People Park Onnut Project which is a home office building with a total rental area of 8 rooms, with a total area of 1,369.30 square meters, with a lease term of 18 years, a total rental fee of Baht 72 million to extend the pet food business to a PET CENTER or a full service pet center for animal lovers. As of December 31, 2018, the home office building has 100% progress. Currently, the contractor is in the process of collecting the details of the work.

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Advance payment for Riverside Project

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

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

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

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

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

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21. SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

	Interest rate (% per annum)	Maturity date	(Unit : Thousand Baht)	
			Consolidated / Separate financial statements	
			December 31, 2018	December 31, 2017
Bank overdrafts			277	-
Promissory note from financial institutions	4.50	8 April 2019	180,000	180,000
Bills of exchange from the Company and other persons	7.00 - 7.50	27 March and 27 March 2019	71,937	-
Short-term loan from financial institutions	5.75	28 February 2019	230,000	230,000
Trust Receipt Payable			69,497	-
			551,711	410,000
Deferred front end fee			(1,763)	(1,239)
			549,948	408,761

Bills of exchange from the Company other persons

Bills of exchange from other persons, the securities used are as follows:

1. Pledge of available-for-sale securities of amount 46.85 million shares (Book value of Baht 114.21 million), with a value of not less than 1.5 - 2 times of the credit line, as mentioned in Note 15.2 .
2. Related persons of the Company pledge the ordinary shares of PP PRIME Public Company Limited with a value of not less than 2 times the credit line, There is no charge between them.

Short-term loan from financial institutions

Guaranteed by

1. Guaranteed by pledge of shares, Investment in available-for-sale securities in the amount of 30.50 million shares (book value of Baht 207.40 million), with a value of not less than 1.2 times the loan amount (Note 15.2) and the Company has signed the letter of consent for Bank to be able to process sell shares that are placed as collateral if the Company violates the payment terms.
2. The use of business collateral under the Business Security Act 2015 by bank deposits of the business (Note 7)
3. Bring 7 power plants in Japan as collateral , and pledge 4 Japanese company shares (PPSN Company Limited, Sumo Power Co., Ltd., SNS Power Co., Ltd., Lena Power Station No.1 Limited Liability Cooperation), which own 7 power plants. Note 13)

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

22. TRADE AND OTHER CURRENT PAYABLES

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2018
Trade payables – related party	22,304	3,980	22,304	3,980
Trade payables – unrelated parties	211,914	87,010	211,914	87,010
Other payables – related parties	1,459	1,179	-	-
Other payables – unrelated parties	14,854	13,675	14,612	8,239
Other payables for purchases of assets	5,427	4,409	3,688	4,409
Accrued interest – related party	-	5	-	-
Accrued interest –unrelated parties	10,619	12,385	10,619	12,381
Accrued expenses – related party	469	270	469	270
Accrued expenses – unrelated parties	30,718	41,025	30,344	40,497
Total trade and other current payables	297,764	163,938	293,950	156,786

23. LONG-TERM LOAN

As at December 31, 2018 and 2017 are as follows.

(Unit : Thousand Baht)

	Consolidated / Separate financial statements	
	December 31, 2018	December 31, 2017
Long-term loan		
Long-term loan from financial institutions	611,230	646,678
Debentures	906,666	1,242,811
Liabilities under hire purchase and financial lease agreements	3,943	4,924
Total long-term loan	1,521,839	1,894,413

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	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	December 31, 2018	December 31, 2017
Less: Current portion of long – term		
Long-term loan from financial institutions	(611,230)	(40,185)
Debentures	(707,221)	(983,830)
Liabilities under hire purchase and financial lease agreements	(2,036)	(1,867)
Total current portion of long – term	(1,320,487)	(1,025,882)
	201,352	868,531

23.1 Long – term loan from financial institutions

Movements of the long-term loan account during the year period ended December 31, 2018 are as follows:

	(Unit : Thousand Baht)
	Consolidated financial statements
Balance as at January 1, 2018	646,678
<u>Add</u> Increase	-
<u>Less</u> Payment	(42,554)
Exchange differences on translation adjustment	7,620
Deferred financial fee	(514)
Balance as at December 31, 2018	611,230

		(Unit : Thousand Baht)	
		Consolidated / Separate financial statements	
Interest rate (% per annum)	Maturity date	December 31, 2018	December 31, 2017
JPY LIBOR (3 months) plus 3%	Repayable in monthly installments commencing from the fourth month after the loan is drawn down (November 2017), with 35 installments of JPY 14.5 million each and the balance payable in the thirty six installment	611,230	646,678
Less: Portion due within one year		(611,230)	(40,185)
Long-term loan - net of current portion		-	606,493

In accordance with the conditions specified in the agreement, this loan amounting to JPY 2,060 million (Baht 611 million) is secured by the pledge of land and buildings of the Company and the Company has to mortgage property of

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the geothermal power plant projects in Japan, pledge power purchase agreements and shares of the companies that own the geothermal power plant projects, pledge or transfer the rights in the electricity revenue accounts of 4 of the companies, which consist of 8 power plants.

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

As at 31 December 2018, the Company was unable to maintain the debt-to-equity ratio stipulated in the loan agreement, which constitutes a breach of the agreement. As a result, the bank may demand payment of the loan immediately and charge interest on the defaulted loan principal at the default rate. Currently, the Company's management is in process of negotiating with the bank to provide a waiver from compliance with the agreement and the Company's management believes that this event will not have a significant impact on the Company because the bank lender will grant the waiver.

Therefore showing loans from financial institutions in the amount of 2,060 million baht (equivalent to 611 million baht) as liabilities due within one year in full amount

23.2 Debentures

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	December 31, 2018	December 31, 2017
Debentures	914,000	1,246,700
Less: Deferred arrangement fee for debentures	(7,334)	(3,889)
Debentures – net of arrangement fee	906,666	1,242,811
Less: Portion due within one year	(707,221)	(983,830)
Debentures – net of current portion	(199,445)	258,981

Movements of the debentures accounts during the year period ended December 31, 2018 are summarised below.

	(Unit : Thousand Baht)
	Consolidated / Separate financial statements
Balance as at January 1, 2018	1,246,700
Issuance of debentures	653,500
Redemption of debentures	(986,200)
Deferred arrangement fee for debentures	(7,334)
Balance as at December 31, 2018	906,666

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As at December 31, 2018, the balance of the debentures issued by the Company is Baht 914 million. Such debentures were offered to investors by private placement. The debentures pay interest every 3 months. Significant details are as follows:

Issue date	Units	Par value per 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	6.3	July 26, 2019
<u>Registered holders of Debentures unsubordinated and unsecured debentures, which do have a debenture holders' representative.*</u>					
August 2, 2018	319,500	1,000	320	7.25	August 2, 2019
September 3, 2018	134,000	1,000	134	7.25	September 3, 2019
<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	7.0	May 8, 2020

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

** As at December 31, 2018, guarantee by pledge investment available for sale amount 63.10 million shares (Book value of Baht 101.53 million) and pledge investment property, book value Baht 160 million, the Company has to comply with conditions that the value of guarantee not less than 1.10 times of the credit line and the Company has to remain the ratio of guarantee to value of debenture not less than 1.10 : 1

23.3 Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	December 31, 2018	December 31, 2018
Liabilities under finance lease agreements	4,924	5,133
Less : Deferred interest expenses	(981)	(209)
Total	3,943	4,924
Less : Portion due within one year	(2,036)	(1,867)
Liabilities under finance lease agreements - net of current portion	1,907	3,057

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The Company has entered into the finance lease agreements with leasing companies for rental of vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 4 years and such contract cannot be terminated

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	Consolidated / Separate financial statements					
	Less than 1 year		1-4 years		Total	
	2018	2017	2018	2017	2018	2017
Future minimum lease payments	2	2	2	3	4	5
Deferred interest expenses	-	-	-	-	-	-
Present value of future minimum lease payments	2	2	2	3	4	5

23.4 Unutilised credit facilities

On July 19, 2018, the Export-Import Bank of Thailand (EXIM Bank) has approved the loan agreement details are as follows;

- 1) Long-term credit facilities of up to 1,040 million Yen (or about 303.75 million Baht, based on announcement by the Bank of Thailand on July 19, 2018 at 0.292067 baht per yen). A total of 7 projects were installed in Japan, totaling 875 kW.
- 2) The FX forward contract amounted to 1,040 million Yen (or about 303.75 million Baht, based on announcement by the Bank of Thailand on July 19, 2018 at 0.292067 baht per yen).
- 3) JPY LIBOR (3M) + 3.00% per year or Prime Rate -1.50% per year
- 4) 3-year loan period 3 months (including Grace Period 3 months)

Guarantee of borrowings are as follows:

- 1) Mortgage land and constructions by cost estimate for external Valuator company have total value not lower than of Baht 122 millions
- 2) Mortgage land and machine of project in Japan.
- 3) Pledge and Assignments Power Purchase Agreement (PPA).
- 4) Transfer assignments the Benefit of casualty insurance policy, after constructions for EXIM Bank.
- 5) Pledge the stocks of company are as follows:
 - PPSN Limited Liability Company
 - Lena Power Station No.1 Limited Liability Company
 - SNS POWER Limited Liability Company
 - SUMO POWER Limited Liability Company

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- 6) Pledge or assignments with conditionals in deposit account of electric income from Power purchase Agency.
- 7) Pledge shares of PP Prime Public Company Limited amount 20,000,000 shares (ownership: the Related persons of company)

23.5 Debentures that have not been issued

According to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2018 held on 16 July 2018, Allocation of the newly issued convertible debentures with the right of conversion into ordinary shares of the Company (the “Convertible Debentures”) in the amount of not exceeding 980,000 units, at the offering price of Baht 1,000 per unit, representing the total offering value of not exceeding Baht 980,000,000 by way of private placement, major shareholders and/or financial institutions for a term of not exceeding 3 years from the issuance date of the Convertible Debentures, at the conversion ratio of 1 unit to 142 ordinary share(s) for capital increase (any fraction thereof in digit numbers shall be discarded), and at the conversion price of not less than Baht 7 per share. In this regard, the Company would consider allocating not exceeding 140,000,000 ordinary shares for capital increase of the Company at the par value of Baht 1 per share to accommodate the exercise of the right of conversion of the Convertible Debentures.

24. NON – CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and subsidiary and other long-term employee benefit plan, namely long service awards, were as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2018	2017
Provision for long-term employee benefits at beginning		
of year	13,545	11,674
<u>Included in profit or loss:</u>		
Current service cost	2,672	1,958
Interest cost	375	304
Actuarial loss	1,387	-
Past service costs and gains or losses on settlement	-	806
Past service costs due to changing benefit plans	(1,263)	-

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	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2018	2017
<u>Included in other comprehensive income:</u>		
Actuarial gain arising from		
Financial assumptions changes	3,294	-
Experience adjustments	(116)	-
Benefits paid during the year	(460)	(1,197)
Provision for long-term employee benefits at end of year	19,434	13,545

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

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2018	2017
Cost of sales	1,414	1,092
Selling and administrative expenses	1,757	1,976
Total expenses recognised in profit or loss	3,171	3,068

Significant actuarial assumptions are summarised below:

	Consolidated / Separate financial statements	
	2018	2017
	(% per annum)	(% per annum)
Discount rate	1.76 – 4.38	2.7
Salary increase rate	5 – 6.50	5.0
Turnover rate	0.0 – 30.00	0.0 - 35.0

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The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2018 are summarized below:

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	2018		2017	
	Increase	Decrease	Increase	Decrease
Discount rate (Increase/decrease 1%)	(1,917)	2,217	(761)	835
Salary increase rate (Increase/decrease 1%)	1,916	(1,684)	840	(774)
Turnover rate (Increase/decrease 20%)	(1,561)	1,953	(1,406)	1,821

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As at December 31, 2018, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

(Unit: Thousand Baht)

	Consolidated / Separate financial statements
Within 1 year	490
Over 1 and up to 5 years	3,054
Over 5 years	90,034

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment. The Company will reflect the effect of the change by recognizing past service cost as an expense in the statements of profit or loss, of the period in which the law is effective of Baht 4.07 million.

25. STATUTORY RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

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26. EXPENSES BY NATURE

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Salaries and wages and other employee benefits	172,750	158,607	166,871	153,107
Depreciation	115,251	95,194	72,561	77,283
Amortisation	26,570	7,107	1,464	1,278
Raw materials and consumables used	1,472,966	1,241,341	1,472,966	1,241,341
Changes in inventories of finished goods and work in process	24,846	7,391	24,846	7,391

27. INCOME TAX

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current income tax:				
Current income tax charge	7,246	30,569	-	29,554
Deferred tax:				
Relating to origination and reversal of temporary differences	(119)	(26,236)	3,697	(26,524)
Income tax expense reported in the statement of comprehensive income	7,127	4,333	3,697	3,030

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The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2018	2017
Deferred tax on (gain) loss from the change in value of available-for-sale investments	114,428	37,987
Deferred tax on actuarial gain	635	-
	<u>115,063</u>	<u>37,987</u>

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets				
Allowance for doubtful accounts	14,565	14,955	14,565	14,955
Allowance for diminution in value of inventories	3,148	2,780	3,148	2,780
Allowance for impairment on plant and equipment	11,854	14,345	11,854	14,345
Fair value of equipment through business combination	-	4,989	-	-
Provision for long-term employee benefits	3,887	2,709	3,887	2,709
Unrealised loss from revaluation of available-for-sale securities	56,255	-	56,255	-
Total	<u>89,709</u>	<u>39,778</u>	<u>89,709</u>	<u>34,789</u>

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(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deferred tax liabilities				
Unrealised gain from revaluation of available-for-sale securities	2,326	58,107	2,326	58,107
Intangible assets acquired through business combination	-	61,678	-	-
Deferred arrangement fees for loans and debentures	1,922	1,181	1,922	1,181
Total	4,248	120,966	4,248	59,288

As at December 31, 2018, the subsidiaries have tax deductible temporary differences unused tax losses totaling JPY 357 million (2017: JPY 396 million), on which deferred tax assets have not been recognised as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of the tax deductible temporary differences and unused tax losses.

The unused tax losses of the subsidiaries amounting to JPY 151 million will expire by 2026.

28. PROMOTIONAL PRIVILEGES

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

In addition, the Company has received promotional privileges which approved by the Board of Investment for the manufacture and distribution of feeds for aquatic animals, pursuant to the investment promotion certificate No. 1856 (2)/2556 issued on 19 May 2013 and the investment promotion certificate No. 1131 (2)/2558 issued on 4 February 2015. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (the investment promotion certificate No.

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1856(2)/2556 has not yet generated revenues and the investment promotion certificate No. 1311(2)/2558 has revenues generate on 30 April 2015) with the corporate income tax exempted capped at the amount of capital investment made, excluding in land and working capital. They also include a reduction of import duty on imported machinery as approved by the Board of Investment, an exemption from income tax on dividend paid to the shareholders from the profit of the promoted activities during the corporate income tax exemption period, and permission to deduct 25 percent of the amount in invested in the installation of facilities in addition to normal depreciation.

The Company’s operating revenues for the years ended 31 December 2018 and 2017, divided between promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	2018	2017	2018	2017	2018	2017
Sales						
Domestic sales	414,831	342,056	1,569,361	1,448,150	1,984,192	1,790,206
Export sales	-	-	160	526	160	526
Total sales	414,831	342,056	1,569,521	1,448,676	1,984,352	1,790,732

29. SHARE CAPITAL

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

29.1 Approve the Company’s registered capital decrease by Baht 5,400,833, from the current registered capital of Baht 568,451,520 to be Baht 563,050,687, by way of cancellation of 5,400,833 ordinary shares allocated for 5,400,833 at the par value of Baht 1 per share.

29.2 Approve the amendment of Clause 4 of the Company’s Memorandum of Association to be in line with the Company’s registered capital decrease.

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

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Ordinary shares 563,050,687 shares (Five hundred sixty-three million fifty thousand Six Hundred and Eighty-Seven)

Preferred shares - shares (-).”

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

29.3 Approve the Company’s registered capital increase by Baht 280,762,672 from the current registered capital of Baht 563,050,687 to be Baht 843,813,359, by way of issuance of not exceeding 280,762,672 ordinary shares for capital increase at the par value of Baht 1 per share, as per the following details:

29.3.1 Capital increase by Baht 140,762,672, by way of issuance of 140,762,672 ordinary shares for capital increase at the par value of Baht 1 per share to accommodate the exercise of the Warrants

29.3.2 Capital increase by Baht 140,000,000, by way of issuance of 140,000,000 ordinary shares for capital increase at the par value of Baht 1 per share to accommodate the conversion of the Convertible Debentures

29.4 Approve the amendment of Clause 4 of the Company’s Memorandum of Association to be in line with the Company’s registered capital increase.

“Clause 4. The Company’s capital is Baht 843,813,359 (Eight Hundred Forty- Three Million Eight Hundred Thirteen Thousand Three Hundred and Fifty-Nine Baht)

divided into 843,813,359 shares (Eight Hundred Forty-Three Million Eight Hundred Thirteen Thousand Three Hundred and Fifty-Nine)

at the par value of divided into Baht 1 (One Baht) per share

Ordinary shares 843,813,359 shares (Eight Hundred Forty-Three Million Eight Hundred Thirteen Thousand Three Hundred and Fifty-Nine)

Preferred shares - shares (-).”

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

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30. WARRANTS NOT YET ISSUED AND OFFERED

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

Approved to propose the Extraordinary General Meeting of the Shareholders No. 1/2018 to consider approving the issuance and allocation of the warrants to purchase ordinary shares for capital increase of the Company No. 3 (TLUXE-W3) to the Company’s existing shareholders according to their shareholding percentage (Right Offering) (the “Warrants”) in the amount of not exceeding 140,762,672 units, free of charge, at the ratio of 4 existing ordinary share(s) to 1 unit of the Warrants (any fraction thereof shall be discarded), for a term of not exceeding 3 years from the issuance date of the Warrants, at the exercise ratio of 1 unit to 1 ordinary share(s) for capital increase, and at the exercise price of Baht 2 per share. In this regard, the Company would consider allocating not exceeding 140,762,672 ordinary shares for capital increase of the Company at the par value of Baht 1 per share to accommodate the exercise of the Warrants

31. EARNINGS PER SHARE

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

The following table sets forth the computation of basic earnings (loss) per share for the three-month and year periods ended December 31, 2018 and 2017:

	For the year period ended December 31			
	Consolidated financial		Separate financial	
	statements		statements	
	2018	2017	2018	2017
Earnings per share				
Profit (Loss) attributable to equity holders of the parent company	(110,088)	(252,407)	256,683	(105,769)
Number of common shares (Thousand Shares)	563,051	563,051	563,051	563,051
Profit (Loss) per share (Baht / Share)	(0.20)	(0.45)	0.46	(0.19)

32. SEGMENT INFORMATION

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

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

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

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

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

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

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The following tables present revenue and loss information regarding the Company’s and its subsidiaries’ operating segments for the years ended 31 December 2018 and 2017, respectively.

(Unit : Million Baht)

	Domestic				Overseas				Total segments		Eliminations		Consolidated	
	Aquatic animal feed		Pets food		Manufacturing and distributing frozen food		Production and distribution of electricity		2561	2560	2561	2560	2561	2560
	2561	2560	2561	2560	2561	2560	2561	2560						
Revenue form external customers	1,797	1,577	187	213	-	-	77	32	2,061	1,822	-	-	2,061	1,822
Total revenues	1,797	1,577	187	213	-	-	77	32	2,061	1,822	-	-	2,061	1,822
Results														
Segment profit (loss)	(11)	35	4	1	-	-	(29)	(28)	6	8	(3)	(3)	(39)	5
Gain (loss) on investments in securities													2	5
Interest income													9	26
Other income (expenses)													51	(138)
Loss on impairment of assets													-	(15)
Loss on unallocated costs of business acquisition													-	(26)
Share of loss from investments in associates													-	(1)
Finance cost													(126)	(105)
Profit (loss) before income tax expenses													(103)	(249)
Income tax expenses													(7)	(3)
Profit (loss) for the year													(110)	(252)

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Geographic information

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

	(Unit: Thousand Baht)	
	2018	2017
Thailand	1,984,351	1,790,732
Japan	76,567	31,598
Total	2,060,918	1,822,330

Non-current assets

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

	(Unit: Thousand Baht)	
	2018	2017
Thailand	780,614	753,842
Japan	159,361	1,346,694
Total	939,975	2,100,536

Major customers

For the years 2018 and 2017, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity’s revenues

33. PROVIDENT FUND

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and its employees contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 2 million (2017: Baht 2 million) were recognised as expenses.

34. COMMITMENTS AND CONTINGENT LIABILITIES

34.1 Power purchase agreements

As at December 31, 2018 a subsidiary entered into PPA with an unrelated company. The PPA is effective for a period of 15 years starting from scheduled commercial operation date. The sales quantity and its price must be complied with the agreement.

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34.2 Hot springs service agreement

As at December 31, 2018 the overseas subsidiaries have commitments in respect of power plant hot springs service agreements made with an unrelated company, amounting to approximately JPY 0.4 million per month per power plant for periods of 15 years from the commercial operation dates.

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

34.3 Power plant operation and maintenance agreement

As at December 31, 2018 an overseas subsidiary has commitments in respect of power plant operation and maintenance agreements made with an unrelated company, amounting to approximately JPY 0.1 million per month per power plant for 5 years starting from a project awarded date, which can be extended every 5 years, and has a maximum duration of 15 years, under the same conditions.

34.4 Property rights of land agreement

As at December 31, 2018 an overseas subsidiary has commitments in respect of property rights of land agreement with an unrelated company to operate in a project of electricity production from wind power amounting to approximately JPY 0.1 million per month per power plant. The term of this agreement is 21 years starting from an agreement signing date.

34.5 Capital commitments

As at December 31, 2018 the Company had capital commitments of approximately Baht 0.1 million (December 31, 2017: Baht 7 million), relating to acquisition and installation of machinery and equipment. In addition, the overseas subsidiaries had capital commitments of approximately JPY 2,351 million (December 31, 2017: JPY 1,981 million), relating to the construction of power plant.

34.6 Purchase of raw material commitments

As at December 31, 2018 the Company had purchase commitments of USD 1.3 million (December 31, 2017: USD 2 million) in respect of the purchase of raw materials for aquatic animal feed.

34.7 Lease and services commitments

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

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

	(Unit : Million Baht)	
	December 31, 2018	December 31, 2017
Payable:		
within 1 year	2	9
more than 1 year but not over 2 years	0.5	-

34.8 Long-term property lease commitment

As at December 31, 2018 the Company had space lease contracts commitments of approximately Baht 7.2 million for a full service center. The term of the lease is 18 years, starting from the date the possession of assets is delivered. At present, the leased space is under construction and has yet been delivered.

34.9 Guarantees

As at December 31, 2018 the Company were outstanding bank guarantees of approximately Baht 8 million (December 31, 2017: Baht 8 million), issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee are relating to guarantee electricity use.

35. FINANCIAL INSTRUMENTS

35.1 Foreign currency risk

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, investments, trade and other receivables, restricted bank deposits, loans, short-term loans, trade and other payables, long-term loan, debentures and liabilities under long-term lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to other investments, trade and other receivables, and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of other current investments, trade and other receivables, and loans as stated in the statement of financial position.

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Interest rate risk

The Company and its subsidiaries are exposure to interest rate risk relates primarily to its cash at banks, investments, loans, short-term loans, long-term loans, debentures and liabilities under long-term lease agreements. Most of the Company’s and its subsidiaries’ financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities as at 31 December 2018 and 2017 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

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	Fixed interest rates		Floating		Non-interest		Effective							
	Within 1 year		1 - 5 years		Over 5 years		interest rate		Bearing		Total		interest rate	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
													(% p.a.)	(% p.a.)
Financial Assets														
Cash and cash equivalents	-	-	-	-	-	-	20	47	1	1	21	48	0.0 – 0.5	0.0 - 0.5
Current investments														
Trading securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	-	-	-	-	-	-	-	-	-	308	-	308	-	-
Others	-	110	-	-	-	-	-	-	-	-	-	110	-	5.4, 6.3
Trade and other receivables	-	-	-	-	-	-	-	-	321	194	321	194	-	-
Restricted bank deposits	8	8	-	-	-	-	-	-	-	-	8	8	0.9	1.0
Other long-term investments	-	-	-	-	-	-	-	-	324	859	324	859	-	-
Long-term loan to related party	-	-	145	72	-	-	-	-	-	-	145	72	3.0	3.0
	8	118	145	72	-	-	20	47	646	1,362	819	1,599		
Financial liabilities														
Short-term loans from financial institutions	550	409	-	-	-	-	-	-	-	-	550	409	4.5 – 7.5	4.8, 5.8
Trade and other payables	-	-	-	-	-	-	-	-	298	164	298	164	-	-
Short-term loans from related party	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term loan	-	-	-	-	-	-	611	647	-	-	611	647	JPY LIBOR (3 months) plus 3%	JPY LIBOR (3 months) plus 3%
Debentures	707	984	199	259	-	-	-	-	-	-	906	1,243	6.3 – 7.25	5.0 - 6.3
Liabilities under long-term lease agreements	2	2	2	3	-	-	-	-	-	-	4	5	1.17 – 5.12	1.1 - 8.5
	1,259	1,395	201	262	-	-	611	647	298	164	2,369	2,468		

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(Unit: Million Baht)

	Separate financial statements													
	Fixed interest rates						Floating		Non-interest		Effective			
	Within 1 year		1 - 5 years		Over 5 years		interest rate		Bearing		Within 1 year		1 - 5 years	
	2018	2017	2018	2017	2018	2018	2017	2018	2017	2018	2018	2017	2018	2017
												(% p.a.)	(% p.a.)	
Financial Assets														
Cash and cash equivalents	-	-	-	-	-	-	15	14	1	1	16	15	0.0 – 0.5	0.0 - 0.5
Current investments														
Trading securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	-	-	-	-	-	-	-	-	-	308	-	308	-	-
Others	-	110	-	-	-	-	-	-	-	-	-	110	-	5.4, 6.3
Trade and other receivables	-	-	-	-	-	-	-	-	425	281	425	281	-	-
Restricted bank deposits	8	8	-	-	-	-	-	-	-	-	-	8	0.9	0.9
Other long-term investments	-	-	-	-	-	-	-	-	324	859	324	859	-	-
Long-term loans to related parties	-	-	1,769	1,516	-	-	-	-	-	-	1,769	1,516	2.5 – 8.0	2.5 - 8.0
	8	118	1,769	1,516	-	-	15	14	750	1,449	2,542	3,097		
Financial liabilities														
Short-term loans from financial institutions	550	409	-	-	-	-	-	-	-	-	550	409	4.5 - 7.5	4.8 - 5.8
Trade and other payables	-	-	-	-	-	-	-	-	294	156	294	156	-	-
Long-term loan	-	-	-	-	-	-	611	647	-	-	611	647	JPY LIBOR (3 months) plus 3%	JPY LIBOR (3 months) plus 3%
Debentures	707	984	199	259	-	-	-	-	-	-	906	1,243	6.3 – 7.25	5.0 - 6.3
Liabilities under long-term lease agreements	2	2	2	3	-	-	-	-	-	-	4	5	1.17 – 5.12	1.1 - 8.5
	1,259	1,395	201	262	-	-	611	647	294	156	2,365	2,460		

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Foreign currency risk

The Company exposure to foreign currency risk arise mainly from trading transactions that are denominated in foreign currencies. The Company seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2018 and 2017, the balances of financial liabilities denominated in foreign currencies are summarised below.

The balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Financial liabilities		Average exchange rate	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	32.61	32.68
Japanese yen	-	-	0.29	0.29

35.2 Fair values of financial instruments

Since the majority of the Company and its subsidiary’s financial instruments are short-term in nature or carrying interest at rates close to the market interest rates. Loans given to and loans from others mostly bear interest rates close to the market rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

35.3 Determination of fair values

A number of the Group’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods (when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability).

The fair value of cash and cash equivalents, trade and other accounts receivable, short-term loans, other current assets, bank overdrafts, short-term borrowings, trade and other accounts payable and other current liabilities is taken to approximate the carrying value.

The fair value of investments in equity securities - available-for-sales, are determined by reference to their quoted bid prices at the reporting date.

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The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

Fair values and the carrying values of financial assets and liabilities other than the aforementioned were as follows:

(Unit: Million Baht)

	Consolidated / Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Financial assets measured at fair value								
Available-for-sale investments								
Equity instruments	320	855	-	-	-	-	320	855
Debt instruments*	-	-	0.03	308	-	-	0.03	308
Other current investments								
Bill of exchanges	-	-	-	110	-	-	-	110
Financial assets for which fair value are disclosed								
Investment properties	-	-	39	10	-	55	39	65
Financial liabilities for which fair value are disclosed								
Debentures	-	-	914	1,243	-	-	914	1,243

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

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

36. CAPITAL MANAGEMENT

The primary objective of the Company’s capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at December 31, 2018 the Group's debt-to-equity ratio was 3.11 : 1 (December 31, 2017: 1.85:1) and the Company's was 1.75 : 1 (December 31, 2017: 1.61:1).

37. EVENT AFTER THE REPORTING PERIOD

37.1 According to the Board of Directors' Meeting No. 2/2019 on 7 February 2019 approved to issue Name-Register of Unsubordinated and Unsecured Debentures with debenture holders' representatives, offering investors with limited amount not exceeding 500,000,000 baht, due in 2021. An interest rate of 8.50 % per annum, the company must pledge ordinary shares of Thai Luxe Enterprises (Thailand) Co., Ltd. as collateral for issuance debenture

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37.2 According to the Board of Directors’ Meeting No. 3/2019 of PP Prime Public Company Limited on 11 February 2019 had significant details as followings;

1. Approval to propose the Shareholders’ Meeting to consider approving the reduction of the Company’s registered capital by THB 280,762,672 from the existing registered capital of THB 843,813,359 to THB 563,050,687 by cancelling 280,762,672 authorized but unissued ordinary shares, with a par value of THB 1 per share.
2. Approval to propose the Shareholders’ Meeting to consider approving the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the Company’s registered capital, as per the following details:

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

3. Approval to propose the Shareholders’ Meeting to consider approving the Company’s registered capital increase by THB 331,525,344 from the existing registered capital of THB 563,050,687 to THB 894,576,031 by issuing 331,525,344 newly issued ordinary shares, with a par value of THB 1 per share.
4. Approving the amendment of Clause 4 of the Memorandum of Association to be in line with the Company’s registered capital increase as follows:

“Clause 4. Registered Capital	THB 894,576,031	(Eight Hundred Ninety-Four Million Five Hundred Seventy-Six Thousand and Thirty-One Baht)
Divided into	894,576,031 shares	(eight hundred ninety-four million five hundred seventy-six thousand and thirty-one shares)
Par Value per share	THB 1	(One Baht)
Classified into		
Ordinary Shares	894,576,031 shares	(eight hundred ninety-four million five hundred seventy-six thousand and thirty-one shares)
Preferred Shares	- shares	(-)”

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5. Approving the allocation of not exceeding 331,525,344 newly issued ordinary shares, with a par value of THB 1 per share, as per the following details:
- (1) To allocate not exceeding 281,525,344 newly issued ordinary shares, with a par value of THB 1 per share, by way of rights offering, as per the following details:
- (a) The shares shall be allocated at the ratio of 2 existing ordinary shares to 1 newly issued ordinary share at the offering price of THB 2 per share, any fraction thereof shall be disregarded.
 - (b) Should there be any newly issued ordinary shares remaining from the first round of allocation by way of rights offering, the Company shall allocate the remaining newly issued ordinary shares to the existing shareholders who have expressed their intention to subscribe for the newly issued ordinary shares beyond their rights (beyond their shareholding percentages) until there shall be no more newly issued ordinary shares left to be allocated to the shareholders.
 - (c) Should there be any shares remaining from the existing shareholders' subscription for the newly issued ordinary shares by rights offering on this occasion, the Company shall seek approval to reduce the Company's registered capital at the next Shareholders' Meeting.
 - (d) April 2, 2019 is scheduled to be the record date to determine the list of shareholders entitled to subscribe for the newly issued ordinary shares.
- (2) To allocate not exceeding 50,000,000 newly issued ordinary shares, with a par value of THB 1 per share, by way of private placement under the general mandate (representing approximately 8 percent of the Company's registered and paid-up capital as at the date of the Board of Directors' Meeting's resolution on such capital increase), whereby such issuance and offering may be made in full on a single occasion or in part on several occasions.

In this regard, the details of the allocation of the newly issued ordinary shares to the existing shareholders of the Company in proportion to the existing shareholding (Rights Offering) will occur before the allocation of the newly issued ordinary shares to the private placement under the general mandate (General Mandate). Various matters as discussed in article 1-5, must be approved by the shareholders' meeting again.

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6. Scheduled for the Extraordinary General Meeting of Shareholders No. 1/2019 to be held on March 25, 2019 at 13:30 hours to consider the following agenda:

Agenda Item 1	To consider approving the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2018;
Agenda Item 2	To consider approving the reduction of the Company's registered capital;
Agenda Item 3	To consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the reduction of the Company's registered capital;
Agenda Item 4	To consider approving the Company's registered capital increase;
Agenda Item 5	To consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the Company's registered capital increase;
Agenda Item 6	To consider approving the allocation of the Company's newly issued ordinary shares;
Agenda Item 7	To consider other matters (if any).

38. THE DECISION IN THE SHAREHOLDERS' MEETING OF SUBSIDIARIES AND THE TRANSFER OF ANIMAL FEED MANUFACTURING BUSINESS TO SUBSIDIARIES.

In Year 2018

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

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

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

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Assets and Liabilities transferred in 2019 are as followings;

	(Unit : Baht)
	<u>Assets and Liabilities</u> <u>transferred between companies</u>
Current Assets	
Cash and cash equivalents	14,620,000.00
Ending inventories balance	198,696,303.06
Other receivables	612,894.48
Non-current Assets	
Property, building and equipment	64,666,270.00
Plant	216,201,311.39
Building	45,436,434.68
Machine	154,894,458.19
Land improvement	17,346,164.35
Shrimp pond	1.00
Fish pond	5,040.52
Artesian well	59,426.12
Factory equipment	32,194,882.49
Non-current Assets	
Tools	20,703,422.64
Research tools	2,872.75
Office supplies	7,264,609.49
Office equipment	2,923,315.85
Decoration	1,136,902.30
Vehicle	13.00
Software	8,523,710.40
Office tools	261,706.64
Software waiting to be installed	2,758,103.29
Other non-current assets	414,867.50
Non-current Liabilities	
Estimation of Non-current Liabilities for employees benefits	10,538,040.00

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2. According to the decision of the Shareholders’ Meeting to acquire the aquatic animal feed manufacturing business from PP Prime Public Company Limited, the Meeting had a special resolution to increase the share capital by 809,904,400 Baht by issuing 80,990,440 ordinary shares with a par value of 10 Baht per share to PP Prime Public Company Limited. The allocation of the shares are as follows:

2.1 To increase the capital by 795,039,400 Baht by issuing 79,503,940 new ordinary shares with a par value of 10 Baht each to PP Prime Public Company Limited, which is a shareholder of the Company, in exchange of the animal feed manufacturing business transfer to Thai Luxe Enterprises (Thailand) Co., Ltd. The net asset value of 795,039,400 Baht in lieu of payment of 79,503,940 shares at a par value of 10 Baht.

2.2 To increase the capital by 14,865,000 Baht by issuing 1,486,500 new ordinary shares with a par value of 10 Baht each with payment in cash.

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

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

Year 2019

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

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

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However, during the transfer process of such business, it was found that there were some assets that could not be transferred. Therefore, the value of the business transfer was reduced from 809,904,400 Baht to 773,765,631.64 Baht (actual transfer accounted for 763,564,670.14 Baht). In addition, there were some delayed transfers of certain assets. Hence, Thai Luxe Enterprises (Thailand) Co., Ltd. will issue new ordinary shares to PP Prime Public Company Limited in the amount of 418,078,470.00 Baht and will make cash payment for the remaining amount of 355,687,161.64 Baht (actually accounted for 345,486,200.14 Baht). Due to the fact that there are some assets such as real estates, which PP Prime Public Company Limited still cannot transfer ownership to Thai Luxe Enterprises (Thailand) Co., Ltd., Thai Luxe Enterprises (Thailand) Co., Ltd. will make two payments for the remaining amount to PP Prime Public Company Limited as follows:

- 1) The compensation of business transfer accounted for 196,000,000 Baht will be paid within 60 days from the date of the business transfer
- 2) The remaining amount of the compensation of business transfer 159,687,161.64 Baht (Actual remaining 149,486,200.14 Baht) will be periodically paid by the date of Land and Buildings ownership transfer to its relevant
2. The decision to confirm the capital increase in accordance with the resolution of the Annual General Meeting of Shareholders No.1/2018 of Thai Luxe Enterprises (Thailand) Co., Ltd. as of the receiving of the payment of 43,269,847 shares at par value of 10 Baht, accounted for 432,698,470 Baht and the cancellation of the remaining of 37,720,593 shares.
3. An Approval to increase the capital of Thai Luxe Enterprises (Thailand) Co., Ltd. by 196,000,000 Baht by the issuance of 19,600,000 new ordinary shares at a par value of 10 Baht, in which to be used as money at full value
4. Significant resolution implying the amendment of the Memorandum of the Association no. 5 of Thai Luxe Enterprises (Thailand) Co., Ltd. to comply with the capital increase.

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

	Stock value Per share (Baht)	(Unit : Baht)	
		As at 15 February 2019	
		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 15 February 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		43,269,847.00	432,698,470.00
<u>The 2nd Increase in capital</u>			
Receive payment by cash	10	19,600,000.00	196,000,000.00
The amount as of 15 February 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 follows;

1. Thai Luxe Enterprises (Thailand) Co., Ltd. received the transfer of assets relating to an animal feed production business from PP Prime Public Company Limited who was the previous shareholder, based on the business transfer.

The net asset value of 418,078,470 Baht was considered as the payment for shares by the following assets;

1. Remaining inventories balance	Total value 198,696,303.00 Baht
2. Machine and tools	Total value 219,382,167.00 Baht
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.

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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.

39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company’s authorised director on 26 February 2019.