



PPPM/SET/2569-009

23 April 2026

Subject: Clarification of Information in the Financial Statements for the Year 2025

To: The President
The Stock Exchange of Thailand (SET)

According to the submission of the 2025 annual financial statements by PP Prime Public Company Limited (PPPM) (the “Company”), the auditor has raised an observation regarding a material uncertainty related to going concern. This is due to the Company’s continuous net losses over the past three years and the fact that its shareholders’ equity is less than 100% of its paid-up capital. Specifically, in the 2025 financial statements, the Company reported a net loss of 214 million Baht.

The Company would like to provide the following clarifications and information via the Stock Exchange of Thailand’s system:

1. Allowance for Impairment of Long-term Loans to Other Parties

Question : According to the information disclosed in the 2024 financial statements, the Company entered into a debt compromise agreement with one specific third-party trade receivable, which involved a modification of the repayment terms. Subsequently, in 2025, the Company initiated legal proceedings against the said debtor following a default on the agreed terms. Consequently, an allowance for impairment amounting to 49 million Baht was recorded. “The Stock Exchange of Thailand (SET) requests the Company to clarify the rationale behind the modification of repayment terms for the aforementioned debtor, the relationship between the Company and the counterparty, and the measures taken by the Company to monitor and pursue debt recovery. Furthermore, the Company is required to disclose the progress of such debt recovery efforts concurrently with the submission of every quarterly financial statement, or upon any significant developments, until the process is fully concluded.

Clarification : The Company wishes to clarify that during 2024, there was a specific trade receivable—a company with no affiliation or relationship to the Company—that had an outstanding balance for goods totaling 69.76 million Baht, which had been overdue for a significant period. Despite the Company’s regular follow-ups and debt collection efforts, the debtor remained





unresponsive and failed to make payments, citing insufficient liquidity as the reason for the delay.

Consequently, the Company and the said debtor engaged in discussions to reach a mutual solution. These discussions resulted in a debt compromise and acknowledgment of debt agreement for the aforementioned amount. Under this agreement, the Company allowed the debtor to settle the outstanding balance plus interest through installments, in accordance with the terms and conditions mutually agreed upon by both parties as specified in the contract.

Following the execution of the debt compromise and acknowledgment of debt agreement, the Company consistently followed up with the debtor for payments as stipulated in the contract. However, the debtor failed to comply with the agreed terms. Consequently, on October 9, 2025, the Company initiated legal proceedings against the debtor due to the default under said agreement.

As disclosed in the 2025 financial statements, the Company recorded an expected credit loss (allowance for impairment) of 49 million Baht on long-term loans to other parties. This accounting treatment aligns with the current situation where the Company is suing the debtor for breach of the compromise agreement. Management is of the opinion that there is a risk of non-recovery, based on the debtor's past payment history as well as forward-looking information and factors that may impact their ability to pay.

Furthermore, the Company has appointed legal counsel to conduct an asset search and pursue litigation. Most recently, on April 22, 2026, the Civil Court held a witness examination for both the plaintiff and the defendant. During the proceedings, the defendant proposed a debt repayment plan. A subsequent negotiation to finalize the commencement date and the amount of the first installment is scheduled for May 5, 2026.

The Company will continue to disclose any progress regarding debt recovery or litigation alongside the submission of quarterly financial statements, or whenever there is a significant development.

2. Commitments and Contingent Liabilities

Question : According to Note 36 (b) to the financial statements, on August 15, 2025, the Company was sued in a civil case regarding leasehold rights by a new lessor. The plaintiff sought to revoke



the lease agreement, demanded the return of the leased area, and claimed damages of 28 million Baht (equivalent to 8% of total shareholders' equity), plus a monthly loss of benefit of 700,000 Baht with interest.

Subsequently, on February 29, 2026, the Court of First Instance rendered a judgment ordering the Company to pay 12 million Baht in compensation for the loss of benefit, plus interest at 5% per annum, and a monthly loss of benefit of 300,000 Baht. The Company is currently in the process of preparing an appeal.

Pursuant to the Regulations of the Stock Exchange of Thailand (SET), listed companies are required to disclose information immediately when the company or its subsidiaries are involved in significant legal disputes, as detailed in the referenced Regulation 2. However, the Company has not yet disclosed information regarding the aforementioned dispute. Therefore, the SET requests the Company to comply with the prescribed criteria and report the progress of the case alongside the submission of every quarterly financial statement until the litigation is concluded.

Clarification : The Company wishes to provide the details regarding the legal dispute as follows. On September 15, 2025, the Company received a summons and a copy of the complaint from the Phra Khanong Civil Court. The key details are as follows:

1) **Date of Litigation:** August 15, 2025

2) **Parties Involved:** OK Cash Co., Ltd. (Plaintiff), a subsidiary of Asia Capital Group Public Company Limited (holding 99.99% shares).

3) **Summary of the Dispute:**

In November 2024, the Company's management was notified by a new leasehold rights owner that the original owner of the land—where the Company holds building usage rights—had transferred said leasehold rights to them. Subsequently, on August 15, 2025, the Company was sued in a civil case concerning a leasehold rights dispute. The Plaintiff (the new leasehold rights owner) filed a lawsuit naming the Company as the Second Defendant, seeking to revoke the lease agreement the Company had entered into with its counterparty and demanding the return of the leased building area.



Additionally, the Plaintiff claimed damages for loss of benefits from rental and service fees that the Company had collected from sub-lessees prior to the filing date, totaling 27.69 million Baht plus interest. They also claimed ongoing damages for loss of benefits at 700,000 Baht per month plus interest, calculated from the filing date until the Company returns the premises to the Plaintiff.

4) Actions Taken and Key Schedule for Future Proceedings:

The Company appointed legal counsel to contest the case through the judicial process. Between October 20 and December 24, 2025, the Company filed a statement of defense and participated in the witness examinations for both parties. A closing statement was submitted to the Court on January 15, 2026.

On February 26, 2026, the Court of First Instance rendered a judgment ordering the Company to revoke the lease agreement and pay compensation for the loss of benefits to the Plaintiff in the amount of 11.89 million Baht, plus interest at 5% per annum from the day following the filing date (August 15, 2025) until payment is completed. Furthermore, the Company was ordered to pay for the loss of benefits at 300,000 Baht per month from the filing date until the return of the disputed area. Currently, the Company is in the process of preparing an appeal and a motion for a stay of execution.

5) Potential Impacts on Business Operations:

Currently, there are 4 sub-lessees generating a total rental income of 483,500 Baht per month, with related expenses of approximately 360,000 Baht per month. If the Company ultimately loses the case, in addition to the damages awarded by the court, the Company will lose its leasehold rights for the remainder of the contract term.

However, in 2024, the Company had already fully recorded an allowance for impairment on these leasehold rights, totaling 68.47 million Baht. As the current judgment is only from the Court of First Instance and is not yet final, the Company believes there are valid points to contest or seek justice in the Court of Appeals and the Supreme Court. The Company will disclose any significant progress or changes via the Stock Exchange of Thailand's information system.



Please be informed accordingly.

Yours sincerely,

(Mr. Wiboon Rasmeepaisarn)

Chief Executive Officer

PP Prime Public Company Limited

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