

PP PRIME PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND
SEPARATE FINANCIAL INFORMATION
(UNAUDITED)**

31 MARCH 2023

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of PP Prime Public Company Limited

I have reviewed the interim consolidated financial information of PP Prime Public Company Limited and its subsidiaries (the Group), and the interim separate financial information of PP Prime Public Company Limited (the Company). These comprise the consolidated and separate statements of financial position as at 31 March 2023, the related consolidated and separate statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

Except as explained in the paragraph below, I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Basis for qualified conclusion

Refer to Note no. 15 to the interim financial information, resulted in a dispute between a subsidiary of the Group in Japan and the buyer over 15 projects in the geothermal power plant sales contract dated 25 February 2019 (Contract No. 1). The dispute also includes another power project asset sales contract for four plants, dated 5 April 2019 (Contract No. 2). Afterwards, the buyer made an offer to the subsidiary asking to negotiate to purchase 2 power plants. However, power plant purchase prices and other obligations in each contract are not yet agreed. As a result, I expressed a qualified opinion that except for the possible effects from any adjustments need to be made or any additional disclosures were necessary to the consolidated financial statements of the Group and the separate financial statements of the Company for the year ended 31 December 2022 including a qualified conclusion on the matter for the interim consolidated financial information of the Group and the interim separate financial information of the Company for the three-month period ended 31 March 2022, presented herein for corresponding figures. The case is still no progress from the date of my report. In addition, there is uncertainty for the negotiation and the outcome of the dispute is not yet finalised. I was unable to review the contract dispute outcome and other obligations in the contract and unable to determine whether any adjustments or any disclosures on this matter were necessary, which are circumstances beyond the control of the Company. Had I been able to review this matter, matters might have come to my attention indicating that any adjustments or any additional disclosures in the notes to the interim financial information might be necessary to the interim financial information for the three-month period ended 31 March 2023 due to the binding of such contracts.

Qualified conclusion

Except for the adjustments or disclosures that may arise from the events discussed in the basis for qualified conclusion paragraph. Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Emphasis of matter

I draw attention to Note no. 2 to the interim financial information which states that as of 31 March 2023, the Group had current liabilities exceeding current assets by Baht 22 million. In addition, the Group has continuing operating losses. Consequently, the Stock Exchange of Thailand (SET) has posted a C (Caution) sign on securities of the Company. Such events or situations indicate that there is a material uncertainty which may raise significant doubts to the Group's ability to continue as a going concern. My conclusion is not modified in respect of this matter.

PricewaterhouseCoopers ABAS Ltd.

Sa-nga Chokenitisawat

Certified Public Accountant (Thailand) No. 11251

Bangkok

15 May 2023

PP Prime Public Company Limited
Statements of Financial Position
As at 31 March 2023

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 31 March 2023 Baht	Audited 31 December 2022 Baht	Unaudited 31 March 2023 Baht	Audited 31 December 2022 Baht
Assets					
Current assets					
Cash and cash equivalents		29,105,749	45,319,052	28,043,517	33,605,998
Trade and other receivables, net	8	212,831,192	232,318,039	147,518,872	166,700,010
Inventories, net	9	123,826,903	144,187,889	12,285,363	16,721,237
Deposits at banks as collateral	10	50,153,950	66,821,543	50,153,950	66,821,543
Short-term borrowings to related parties, net	21 (c)	35,522	-	-	-
Other current assets		9,564,561	8,289,694	844,794	689,351
Total current assets		425,517,877	496,936,217	238,846,496	284,538,139
Non-current assets					
Deposits at banks as collateral	10	7,807,457	7,807,457	-	-
Investment in subsidiaries and an associate, net		-	-	549,385,650	549,385,650
Financial assets measured at fair value through other comprehensive income		21,311,632	21,642,743	21,311,632	21,642,743
Long-term borrowings to related parties, net	21 (d)	-	-	-	-
Investment properties		239,270,365	239,270,365	111,600,790	111,600,790
Property, plant and equipment, net	11	564,391,157	572,240,284	1,368,213	1,124,903
Right-of-use assets, net		20,587,310	21,007,504	20,587,310	21,007,504
Intangible assets, net		4,613,294	5,041,122	8,877	10,854
Deferred tax assets, net		47,637,943	47,311,603	47,637,943	47,311,603
Advance payments, net	12	-	-	-	-
Other non-current assets		26,165,552	20,490,368	7,645,731	6,893,996
Total non-current assets		931,784,710	934,811,446	759,546,146	758,978,043
Total assets		1,357,302,587	1,431,747,663	998,392,642	1,043,516,182

Director _____

Date _____

The accompanying notes form part of this interim financial information.

PP Prime Public Company Limited
Statements of Financial Position
As at 31 March 2023

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 31 March 2023 Baht	Audited 31 December 2022 Baht	Unaudited 31 March 2023 Baht	Audited 31 December 2022 Baht
Liabilities and equity					
Current liabilities					
Bank overdraft and short-term borrowings					
from financial institutions	14	34,387,707	80,688,346	29,806,393	69,924,447
Short-term borrowings from a related party and others	14, 21 (e)	256,475	260,914	-	-
Trade and other payables	13	140,672,887	136,836,821	91,760,375	117,192,194
Current portion of long-term borrowings					
from financial institutions	14	63,200,308	267,611,198	62,392,413	266,789,319
Current portion of debentures	14	39,000,000	78,000,000	39,000,000	78,000,000
Current portion of lease liabilities		146,312	217,154	146,312	217,154
Current portion of employee benefit obligations		484,591	437,130	484,591	437,130
Income tax payable		9,784,456	758,842	-	-
Advance received from sales of geothermal power plants	15	153,884,700	156,548,400	-	-
Other current liabilities		5,371,649	6,388,628	1,677,834	622,784
Total current liabilities		447,189,085	727,747,433	225,267,918	533,183,028
Non-current liabilities					
Long-term borrowings from financial institutions, net	14	167,589,764	5,922,748	161,960,148	-
Debentures, net	14	39,000,000	-	39,000,000	-
Convertible debentures	16	8,000,000	-	8,000,000	-
Deferred tax liabilities, net		59,348,487	59,348,487	-	-
Employee benefit obligations		32,632,858	31,496,589	13,724,032	13,202,302
Other non-current liabilities		1,421,700	1,101,700	1,421,700	1,101,700
Total non-current liabilities		307,992,809	97,869,524	224,105,880	14,304,002
Total liabilities		755,181,894	825,616,957	449,373,798	547,487,030

The accompanying notes form part of this interim financial information.

PP Prime Public Company Limited
Statements of Financial Position
As at 31 March 2023

	Note	Consolidated financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		31 March	31 December	31 March	31 December
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	18				
Authorised share capital					
14,975,241,114 ordinary shares					
at par value of Baht 1 each					
(31 December 2022: 14,975,241,114 ordinary shares					
at par value of Baht 1 each)		14,975,241,114	14,975,241,114	14,975,241,114	14,975,241,114
Issued and paid-up share capital					
11,165,162,178 ordinary shares					
fully paid-up of Baht 1 each					
(31 December 2022: 10,594,091,201 ordinary shares					
fully paid-up of Baht 1 each)		11,165,162,178	10,594,091,201	11,165,162,178	10,594,091,201
Premium on share capital		612,679,954	612,679,954	612,679,954	612,679,954
Discount on share capital		(9,293,441,910)	(8,776,721,033)	(9,293,441,910)	(8,776,721,033)
Share-based payment		41,479,200	41,479,200	41,479,200	41,479,200
Retained earnings (deficit)					
Appropriated					
- Legal reserve		56,845,152	56,845,152	56,845,152	56,845,152
Unappropriated		(2,110,974,965)	(2,016,996,282)	(1,955,707,475)	(1,954,611,956)
Other components of equity		130,371,084	94,752,514	(77,998,255)	(77,733,366)
Equity attributable to owners of the parent		602,120,693	606,130,706	549,018,844	496,029,152
Non-controlling interests		-	-	-	-
Total equity		602,120,693	606,130,706	549,018,844	496,029,152
Total liabilities and equity		1,357,302,587	1,431,747,663	998,392,642	1,043,516,182

The accompanying notes form part of this interim financial information.

PP Prime Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2023

	Consolidated		Separate	
	financial information		financial information	
	2023	2022	2023	2022
Note	Baht	Baht	Baht	Baht
Revenues from sales	354,277,851	218,079,472	354,232,851	212,410,243
Cost of sales	(351,107,472)	(216,459,586)	(327,003,288)	(204,534,954)
Gross profit	3,170,379	1,619,886	27,229,563	7,875,289
Other income	3,148,766	2,974,200	4,795,414	4,563,741
Selling expenses	(21,386,703)	(8,232,756)	(21,386,703)	(8,232,756)
Administrative expenses	(33,779,125)	(26,741,554)	(18,058,561)	(15,304,277)
Reversal of expected credit (loss)	(1,708,934)	2,074,750	7,352,685	2,074,750
Other gain (loss), net	(29,622,264)	(27,725,266)	2,348,781	19,953,339
Finance costs	(3,664,553)	(15,969,941)	(3,636,816)	(15,643,630)
Loss before income tax	(83,842,434)	(72,000,681)	(1,355,637)	(4,713,544)
Income tax	(10,136,249)	(995,184)	260,118	(9,637,319)
Loss for the period	(93,978,683)	(72,995,865)	(1,095,519)	(14,350,863)
Other comprehensive income (expense) :				
Items that will not be reclassified subsequently to profit or loss, net of tax				
Gains on revaluation of land	-	809,600	-	809,600
Changes in fair value of equity investments at fair value through other comprehensive income	(264,889)	3,973,334	(264,889)	3,973,334
Total items that will not be reclassified subsequently to profit or loss, net of tax	(264,889)	4,782,934	(264,889)	4,782,934
Items that will be reclassified subsequently to profit or loss				
Currency translation differences	35,883,459	27,331,737	-	-
Total items that will be reclassified subsequently to profit or loss	35,883,459	27,331,737	-	-
Other comprehensive income (expense) for the period, net of tax	35,618,570	32,114,671	(264,889)	4,782,934
Total comprehensive expense for the period	(58,360,113)	(40,881,194)	(1,360,408)	(9,567,929)
Loss attributable to:				
Owners of the parent	(93,978,683)	(72,995,865)	(1,095,519)	(14,350,863)
Non-controlling interests	-	-	-	-
	(93,978,683)	(72,995,865)	(1,095,519)	(14,350,863)
Total comprehensive expense attributable to:				
Owners of the parent	(58,360,113)	(40,881,194)	(1,360,408)	(9,567,929)
Non-controlling interests	-	-	-	-
	(58,360,113)	(40,881,194)	(1,360,408)	(9,567,929)
Loss per share				
Basic loss per share	20	(0.0087)	(0.0326)	(0.0001)

The accompanying notes form part of this interim financial information.

PP Prime Public Company Limited
Statement of Changes in Equity (Unaudited)
For the three-month period ended 31 March 2023

Consolidated financial information														
Notes	Retained earnings (deficit)						Other components of equity							Total equity Baht
	Issued and paid-up share capital Baht	Premium on share capital Baht	Discount on share capital Baht	Share-based payment Baht	Appropriated -		Assets revaluation surplus Baht	Measurement of equity			Total other components of equity Baht	Total owners of the parent Baht	Non- controlling interests Baht	
					Legal reserve Baht	Unappropriated Baht		investment at fair value through other comprehensive income Baht	Currency translation differences Baht					
Opening balance as at 1 January 2022	2,133,643,872	612,679,954	(1,263,172,717)	41,479,200	56,845,152	(1,535,939,388)	237,551,737	(78,040,629)	(106,219,309)	53,291,799	98,827,872	-	98,827,872	
Convertible debentures	215,969,992	-	(124,440,992)	-	-	-	-	-	-	-	91,529,000	-	91,529,000	
Total comprehensive income (expense) for the period	-	-	-	-	-	(72,995,865)	809,600	3,973,334	27,331,737	32,114,671	(40,881,194)	-	(40,881,194)	
Closing balance as at 31 March 2022	2,349,613,864	612,679,954	(1,387,613,709)	41,479,200	56,845,152	(1,608,935,253)	238,361,337	(74,067,295)	(78,887,572)	85,406,470	149,475,678	-	149,475,678	
Opening balance as at 1 January 2023	10,594,091,201	612,679,954	(8,776,721,033)	41,479,200	56,845,152	(2,016,996,282)	238,080,897	(78,516,926)	(64,811,457)	94,752,514	606,130,706	-	606,130,706	
Convertible debentures	571,070,977	-	(516,720,877)	-	-	-	-	-	-	-	54,350,100	-	54,350,100	
Total comprehensive income (expense) for the period	-	-	-	-	-	(93,978,683)	-	(264,889)	35,883,459	35,618,570	(58,360,113)	-	(58,360,113)	
Closing balance as at 31 March 2023	11,165,162,178	612,679,954	(9,293,441,910)	41,479,200	56,845,152	(2,110,974,965)	238,080,897	(78,781,815)	(28,927,998)	130,371,084	602,120,693	-	602,120,693	

The accompanying notes form part of this interim financial information.

PP Prime Public Company Limited
Statement of Changes in Equity (Unaudited)
For the three-month period ended 31 March 2023

	Separate financial information											
	Notes	Retained earnings (deficit)					Other components of equity				Total equity Baht	
		Issued and paid-up share capital Baht	Premium on share capital Baht	Discount on share capital Baht	Share-based payment Baht	Appropriated - Legal reserve Baht	Unappropriated Baht	Other comprehensive income (expense)				Total other components of equity Baht
								Assets revaluation surplus Baht	Measurement of equity investment at fair value through other comprehensive income Baht	Total other components of equity Baht		
Opening balance as at 1 January 2022		2,133,643,872	612,679,954	(1,263,172,717)	41,479,200	56,845,152	(1,054,111,779)	254,400	(78,040,629)	(77,786,229)	449,577,453	
Convertible debentures		215,969,992	-	(124,440,992)	-	-	-	-	-	-	91,529,000	
Total comprehensive income (expense) for the period		-	-	-	-	-	(14,350,863)	809,600	3,973,334	4,782,934	(9,567,929)	
Closing balance as at 31 March 2022		<u>2,349,613,864</u>	<u>612,679,954</u>	<u>(1,387,613,709)</u>	<u>41,479,200</u>	<u>56,845,152</u>	<u>(1,068,462,642)</u>	<u>1,064,000</u>	<u>(74,067,295)</u>	<u>(73,003,295)</u>	<u>531,538,524</u>	
Opening balance as at 1 January 2023		10,594,091,201	612,679,954	(8,776,721,033)	41,479,200	56,845,152	(1,954,611,956)	783,560	(78,516,926)	(77,733,366)	496,029,152	
Convertible debentures	16, 18	571,070,977	-	(516,720,877)	-	-	-	-	-	-	54,350,100	
Total comprehensive expense for the period		-	-	-	-	-	(1,095,519)	-	(264,889)	(264,889)	(1,360,408)	
Closing balance as at 31 March 2023		<u>11,165,162,178</u>	<u>612,679,954</u>	<u>(9,293,441,910)</u>	<u>41,479,200</u>	<u>56,845,152</u>	<u>(1,955,707,475)</u>	<u>783,560</u>	<u>(78,781,815)</u>	<u>(77,998,255)</u>	<u>549,018,844</u>	

The accompanying notes form part of this interim financial information.

PP Prime Public Company Limited
Statements of Cash Flows (Unaudited)
For the three-month period ended 31 March 2023

	Consolidated		Separate	
	financial information		financial information	
	2023	2022	2023	2022
Note	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Loss before income tax	(83,842,434)	(72,000,681)	(1,355,637)	(4,713,544)
Adjustments to reconcile loss before income tax to net cash provided by operations:				
- Depreciation and amortisation	15,218,684	25,459,993	603,651	940,732
- (Reversal of) expected credit loss	1,708,934	(2,074,750)	(7,352,685)	(2,074,750)
- Allowance for declining in value of inventories	9 227,178	564,791	-	-
- Interest income	(131,043)	(4,208)	(119,159)	(359,527)
- (Gain) on fair value measurement of investment property	-	(166,170)	-	(166,170)
- (Gain) on disposals of property, plant and equipment	(754,996)	(952,530)	(639,999)	-
- Unrealised (gain) on foreign exchange rate	(3,915,687)	(19,767,966)	(3,915,687)	(19,767,966)
- Finance costs	3,664,553	15,969,941	3,636,816	15,643,630
- Employee benefit expenses	1,183,730	1,274,690	569,191	605,636
Cash flows before changes in operating assets and liabilities	(66,641,081)	(51,696,890)	(8,573,509)	(9,891,959)
Changes in operating assets and liabilities				
- Trade and other receivables	18,286,836	(45,839,447)	17,391,773	(50,384,492)
- Inventories	9 20,133,808	(29,655,102)	4,435,874	(2,177,291)
- Other current assets	(1,274,867)	(217,680)	(155,443)	41,848
- Other non-current assets	(6,921,361)	(61,618)	(751,735)	-
- Trade and other payables	2,997,628	26,483,140	(26,083,399)	7,864,083
- Other current liabilities	(1,016,979)	(9,806,799)	1,055,050	293,525
- Other non-current liabilities	320,000	-	320,000	-
Cash (used in) operating activities	(34,116,016)	(110,794,396)	(12,361,389)	(54,254,286)
- Income tax received	-	1,132,121	-	-
- Income tax paid	(124,576)	-	-	-
- Interest paid	(2,966,563)	(19,749,896)	(2,940,131)	(19,423,769)
Net cash (used in) operating activities	(37,207,155)	(129,412,171)	(15,301,520)	(73,678,055)

The accompanying notes form part of this interim financial information.

PP Prime Public Company Limited
Statements of Cash Flows (Unaudited)
For the three-month period ended 31 March 2023

	Notes	Consolidated		Separate	
		financial information		financial information	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest received		314,865	2,090	222,172	-
Decreased from deposits at banks as collateral		16,664,837	-	16,664,837	-
Payments on short-term borrowings to related parties	21 (c)	(58,091)	-	-	-
Proceeds from long-term borrowings to related parties	21 (d)	-	-	13,854,936	-
Payments on long-term borrowings to related parties	21 (d)	-	-	(4,815,900)	(3,822,009)
Proceeds from disposals of property, plant and equipment		755,000	1,130,000	640,000	-
Purchases of property, plant and equipment and intangible assets		(7,173,752)	(664,194)	(332,021)	(129,663)
Net cash generated from (used in) investing activities		10,502,859	467,896	26,234,024	(3,951,672)
Cash flows from financing activities					
(Decreased) in bank overdraft and short-term borrowings from financial institutions		(46,300,639)	(609,002)	(40,118,054)	(4,000,000)
Payments on short-term borrowings from a related party and others		-	(15,000,000)	-	(15,000,000)
Payments on long-term borrowings from financial institutions	14	(38,847,817)	(10,104,124)	(38,656,189)	(9,890,698)
Payments of lease liabilities		(70,842)	(65,030)	(70,842)	(65,030)
Proceeds from convertible debentures issuance	16	62,350,100	62,529,000	62,350,100	62,529,000
Payments for redemption of debentures		-	(20,760,000)	-	(20,760,000)
Net cash (used in) generated from financing activities		(22,869,198)	15,990,844	(16,494,985)	12,813,272
Net decrease in cash and cash equivalents before effect of exchange rate					
		(49,573,494)	(112,953,431)	(5,562,481)	(64,816,455)
Effect of exchange rate on cash and cash equivalents		33,360,191	53,517,074	-	-
Net decrease in cash and cash equivalents					
		(16,213,303)	(59,436,357)	(5,562,481)	(64,816,455)
Opening balance		45,319,052	77,640,666	33,605,998	72,126,982
Closing balance		29,105,749	18,204,309	28,043,517	7,310,527
Non-cash transactions					
Account payables from purchase of property, plant and equipment		589,035	402,106	136,960	-
Subsidiary forgave debt to the Company		-	-	-	240,000,000
Conversion of debentures to ordinary shares	16	54,350,100	91,529,000	54,350,100	91,529,000

The accompanying notes form part of this interim financial information.

1 General information

PP Prime Public Company Limited (the Company) is a public limited company which is listed on the Stock Exchange of Thailand on 24 February 1984, which is incorporated and resident in Thailand. The address of the Company's registered offices are as follows:

Head office: No. 62 and 62/1 Moo 2, Ror Por Chor U-tapao Road, Nong Chumphon, Khao Yoi, Phetchaburi 76140.

Branch office: (1) No. 98 Moo 13, Bang Rieng, Kuan Niang, Songkla 90220.
(2) No. 2/50-51 Moo 2, Tha Chang, Mueang Chanthaburi, Chanthaburi 22000.
(3) No. 32/19 Moo 3, Wat Prudu, Mueang Surat Thani, Surat Thani 84000.
(4) No. 486 People Park Project Building, 3rd Floor E 1 Building, Onnuch Road, Onnuch, Suan Luang, Bangkok 10250.

For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

The principal business operations of the Group are manufacturing and distribution of aquatic animal feed and pet food and power plant for electricity generation and distribution.

This interim consolidated and separate financial information has been approved by the Board of Directors on 15 May 2023.

This interim consolidated and separate financial information has been reviewed, not audited.

2 Financial status

As at 31 March 2023, the Group has current liabilities exceed current assets in the interim consolidated financial information of Baht 22 million, and the Group has continuous operating loss. Consequently, the Stock Exchange of Thailand (SET) has posted a C (Caution) sign on securities of the Company. These events or circumstances indicated that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, the Group's management have policies and procedures to manage its liquidity risk and other circumstances. Short-term borrowings from financial institutions are credit facilities for the Group's operation which can be rolled over.

In addition, during the first quarter in 2023, the Group's management had performed the operations as follows:

- The Company amended the long-term borrowings from a financial institution agreement by extending the repayment term for current portion of long-term borrowings to be long-term borrowings which will due within three years, as disclosed in Note no. 14.
- The Company extended the maturity period for redemption of current portion of debentures for another one year, as disclosed in Note no. 14.

Management is confident that the Group will have sufficient working capital to operate and meet the Group's requirements and the Group can continue its operations for a period of next 12 months from the date of this report. Also, the Group is able to comply with the current and future financial obligations. Therefore, these interim consolidated and separate financial information is prepared on the going concern basis.

3 Basis of preparation

The interim consolidated and separated financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2022.

An English language version of these interim consolidated and separated financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

4 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2022.

New and amended Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2023 do not have material impact on the Group.

5 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2022.

6 Segment and revenue information

Chief Operating Decision Maker (CODM) is Chief Executive Officer of the Group who makes decisions about resource allocation and assesses the segment performance.

For the managerial purpose, Chief Operating Decision Maker considers the reporting segment of its business to examine the Group's performance by product lines as below:

- 1) Manufacturing and distribution of aquatic animal feed
- 2) Manufacturing and distribution of pet food
- 3) Power plant for electricity generation and distribution

Chief Operating Decision Maker considers performance of reporting segments from profit from operating segments.

Unallocated costs mainly represent corporate expenses.

Geographic information

Revenue from external customers based on locations of customers for the three-month periods ended 31 March are as follows;

	2023	2022
	Thousand Baht	Thousand Baht
Thailand	354,278	212,411
Japan	-	5,669
Total	354,278	218,080

PP Prime Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2023

Operating segments of the Group are as follows:

For the three-month period ended 31 March 2023 and 2022

	Unit: Thousand Baht											
	Domestic				Overseas		Total	Eliminated entries			Consolidated financial information	
	Aquatic animal feed		Pet food		Electricity generation and distribution						2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue from external customers	383,440	66,878	293,639	348,715	-	9,084	677,079	424,677	(322,801)	(206,597)	354,278	218,080
Total	383,440	66,878	293,639	348,715	-	9,084	677,079	424,677	(322,801)	(206,597)	354,278	218,080
Profit (loss) from operating segments	5,267	(1,434)	2,930	9,499	(1,404)	(1,537)	6,793	6,528	(3,623)	(4,908)	3,170	1,620
Other income											3,149	2,974
Selling and administrative expenses											(55,166)	(34,974)
Reversal of expected credit (loss)											(1,709)	2,075
Other gain (loss), net											(29,622)	(27,725)
Finance costs											(3,665)	(15,970)
Income tax											(10,136)	(995)
Loss for the period											(93,979)	(72,995)
Timing of revenue recognition												
At a point in time	383,440	66,878	293,639	348,715	-	9,084	677,079	424,677	(322,801)	(206,597)	354,278	218,080
Total revenue	383,440	66,878	293,639	348,715	-	9,084	677,079	424,677	(322,801)	(206,597)	354,278	218,080

PP Prime Public Company Limited
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For the interim period ended 31 March 2023

Disaggregation of revenue from contracts with customers for the separate financial information are as follows;

For the three-month period ended 31 March 2023 and 2022

	Unit: Thousand Baht					
	Domestic				Separate financial information	
	Aquatic animal feed		Pet food			
	2023	2022	2023	2022	2023	2022
Timing of revenue recognition						
At a point in time	206,503	34,198	147,730	178,212	354,233	212,410
Total revenue	206,503	34,198	147,730	178,212	354,233	212,410

7 Fair value estimation

The following table presents financial assets and liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount.

	Consolidated financial information/ Separate financial information							
	Level 1		Level 2		Level 3		Total	
	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Assets								
Financial assets at fair value through other comprehensive income								
Equity investments	7,881	8,212	-	-	13,419	13,419	21,300	21,631
Debt investments	-	-	12	12	-	-	12	12
Total Assets	7,881	8,212	12	12	13,419	13,419	21,312	21,643

The fair value of financial instruments in level 1 is based on the current bid price by reference to the Stock Exchange of Thailand.

During the period, there were no transfers within the fair value hierarchy.

Valuation techniques

Valuation techniques used to measure fair value level 2

Fair value of debt instruments is determined from contractual cash flows, discounted at the rate derived from observable market price of other quoted debt instruments of the counterparties.

Valuation techniques used to measure fair value level 3

Equity investments are valued by using Adjusted Book Value Approach, which is a valuation method by adjusting the accounting balance of the net assets of the entity with the items that affect the carrying amount to reflect the real value.

8 Trade and other receivables, net

	Consolidated financial information		Separate financial information	
	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
<u>Trade receivables - third parties, net</u>				
Not yet due	142,269	132,228	127,651	121,688
Within 3 months	18,555	16,124	18,555	16,124
3 months - 6 months	2,888	660	2,888	660
6 months - 12 months	660	-	660	-
Over 12 months	71,210	76,704	71,210	72,373
	235,582	225,716	220,964	210,845
<u>Less</u> Expected credit loss	(79,890)	(76,924)	(79,890)	(76,924)
	155,692	148,792	141,074	133,921
<u>Trade receivables - related parties, net</u>				
Not yet due	-	23,388	-	23,388
Within 3 months	-	7,909	-	7,909
	-	31,297	-	31,297
<u>Less</u> Expected credit loss	-	(1,173)	-	(1,173)
	-	30,124	-	30,124
<u>Other receivables, net</u>				
Other receivables - third parties	90,002	86,824	7,599	3,813
Other receivables - related parties	2,140	2,174	4,320	4,320
	92,142	88,998	11,919	8,133
<u>Less</u> Expected credit loss	(35,110)	(35,803)	(5,573)	(5,680)
	57,032	53,195	6,346	2,453
<u>Accrued interest income, net</u>				
Accrued interest income - third parties	521	609	99	202
Accrued interest income - related parties	5,560	5,656	88,994	88,994
	6,081	6,265	89,093	89,196
<u>Less</u> Expected credit loss	(5,974)	(6,058)	(88,994)	(88,994)
	107	207	99	202
Total trade and other receivables, net	212,831	232,318	147,519	166,700

9 Inventories, net

	Consolidated financial information		Separate financial information	
	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Raw materials	73,019	95,512	-	-
Work-in-process	747	1,529	-	-
Finished goods	24,225	22,219	12,285	16,721
Spare parts	25,668	25,905	-	-
Factory supplies	7,510	6,138	-	-
	131,169	151,303	12,285	16,721
<u>Less</u> Allowance declining in value for obsolescence and damaged of inventories				
- Raw materials	(268)	(194)	-	-
- Spare parts	(5,353)	(5,357)	-	-
- Factory supplies	(1,253)	(1,564)	-	-
Net realisable value lower than cost				
- Finished goods	(468)	-	-	-
	(7,342)	(7,115)	-	-
	123,827	144,188	12,285	16,721

10 Deposits at banks as collateral

As at 31 March 2023, a current portion of deposits at banks as collateral represents fixed deposits with a local commercial bank with maturity of twelve-month term and saving deposits with local commercial banks amounting to Baht 50.00 million and Baht 0.15 million, respectively (31 December 2022: Baht 50.00 million and Baht 16.82 million, respectively). The deposits are pledged as security for bank overdraft facilities and long-term borrowings from a financial institution (Note no. 14). A non-current portion of deposits at banks as collateral represents fixed deposits with maturity of more than twelve-month term amounting to Baht 7.81 million which the Group pledged as a security of bank guarantees for electrical usage.

11 Property, plant and equipment, net

	Consolidated financial information Thousand Baht	Separate financial information Thousand Baht
For the three-month period ended 31 March 2023		
Opening net book amount	572,240	1,125
Additions	7,452	425
Disposals, net	-(⁽¹⁾)	-(⁽¹⁾)
Depreciation	(14,371)	(182)
Translation differences	(930)	-
Closing net book amount	564,391	1,368

(⁽¹⁾) The balance is below Baht 1 thousand

As at 31 March 2023 and 31 December 2022, the land of the Group are stated at the revalued amounts according to the appraisal reports of independent appraisers of 2022. The fair value of land is Baht 256.74 million. The revaluation surplus net with applicable deferred income taxes was recognised to other comprehensive income and is shown as "Gains on asset revaluation" in equity.

The fair value of land is based on the comparative market value method. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size and the locations. The fair value is within level 2 of the fair value hierarchy.

As at 31 March 2023, the Group has property, plant and equipment at the net book value of Baht 527.17 million (31 December 2022: Baht 528.40 million) to pledged as collaterals for long-term borrowings from financial institutions and debentures (Note no. 14).

As of 31 March 2023, partial of property, plant and equipment transferred by the Company to a subsidiary from the Partial Business Transfers are not yet able to transfer the legal ownership to the subsidiary. However, the subsidiary has the ability to command for usage and get the benefit from such assets from the normal production of the subsidiary.

12 Advance payment, net

Details of advance payment are as follows;

	Consolidated financial information		Separate financial information	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
1. Advance payment for construction of geothermal power plants	26,417	26,874	-	-
2. Advance payment for hot spring rights	30,777	31,310	-	-
3. Advance payment for Riverside project	12,997	12,997	12,997	12,997
4. Advance payment for wind power plant	59,568	60,599	-	-
Total	129,759	131,780	12,997	12,997
<u>Less</u> Expected credit loss	(129,759)	(131,780)	(12,997)	(12,997)
Advance payment, net	-	-	-	-

1. Advanced payment for construction of geothermal power plants

The advanced payment is a deposit for land to build geothermal power plants. Sumo Power Company Limited, a subsidiary of the Company, paid a deposit of JPY 103 million for land to construct two power plants to two private companies.

Then, Sumo Power Company Limited entered a land transfer agreement for a plot of land located in Beppu, Oita, Japan with the first private company. The first private company transferred the plot of land to the second private company. However, the first private company was obligated to transfer this plot of land to Sumo Power Company Limited. The total asset transfer price was JPY 300 million. Sumo Power Company Limited has already paid the private company JPY 50 million.

On 26 May 2020, Sumo Power Company Limited took legal action against the second company regarding the transfer of ownership of the land and a claim for JPY 1 million in damages from the first company.

On 5 September 2022, the Company assigned the lawyer to withdraw the case and on 14 September 2022, the court judged that the Company's claims were dismissed. Therefore, the case is finalised and completed.

2. Advanced payment for hot spring rights

The advanced payment is a deposit for the royalties from four units of hot spring from the construction of geothermal power plants project, worth JPY 120 million. S-Power Company Limited and Otomeyama Energy Co., Ltd., the subsidiaries, paid the deposit in June 2016.

3. Advanced payment for the Riverside project

The advanced payment is a deposit of JPY 210 million, for a joint venture in a mixed-use real estate project under the Riverside Tower Project (“Riverside Project”) in Da Nang, Vietnam. The Company will invest in the amount not exceeding JPY 3,100 million, as part of a joint investment in the project. The Company would have the right to sell and receive all returns from the sale of the project’s condominium units, which accounted for at least 50% of the project’s total residential area. The Company would be guaranteed a minimum investment return of 6% per year of the Company’s total investment. The Company would pay the rest of the investment when the conditions specified in the investment contract were met. However, if the conditions weren’t completely fulfilled within the specified period, the Company would have the right to request the deposit be paid back in full.

On 2 July 2018, the Company entered a memorandum of understanding with the joint investment company’s shareholders. The shareholders agreed to transfer all their shares to the Company at its par value (JPY 10 million) as collateral for the Company’s JPY 210 million deposit payment. The Company has already paid JPY 10 million for the shares used as collateral.

On 30 July 2019, the Company issued a letter to cancel the investment and requested for the deposit to be refunded in full. This is due to the delay in the development of the project and the higher cost of developing such a project.

In November 2019 and May 2020, the Company received JPY 171 million and JPY 5 million of the deposit, respectively, as a refund with JPY 44 million remaining. The Company was in the process of collecting the rest of the money and would continue to take legal action.

4. Advanced payment for wind power plant

The advanced payment is for investment in the construction of seven units of wind power plants in Japan, with a total value of JPY 247 million. In 2017, the Group’s subsidiary paid the advance payment of JPY 232 million to Aura Green Energy Co., Ltd. (a Japanese juristic person joint venture with PPSN Co., Ltd.). The seven wind power plants were in operation and have made sales revenue since 2017.

In December 2019, the Company assigned its legal advisor to send a notice to Aura Green Energy Co., Ltd. regarding the transfer of ownership in the wind power plants but Aura Green Energy Co., Ltd. opposed that the power plants had been handed over to the subsidiary, which doesn’t match the facts. As at 30 May 2022, the Company filed Aura Green Energy Co., Ltd., the contracting party, to hand over the power plants and any electricity charges received earlier to the Group’s subsidiary.

Subsequently, on 24 October 2022, Aura Green Energy Co., Ltd. filed a counter argument by referring to a memorandum of understanding dated 25 June 2022 which specified that PPSN Co., Ltd. does not have any claims against Aura Green Energy Co., Ltd. and will withdraw the lawsuit. However, the Company’s legal advisor gave the opinion to file a counter argument for the validity of the memorandum of understanding. Currently, it is in the process of examination of evidence relating to the memorandum of understanding.

On 12 May 2023, the court considered the evidence of PPSN Co., Ltd. relating to the payment for the construction of wind power plants to Aura Green Energy Co., Ltd. The court ordered Aura Green Energy Co., Ltd. to admit or deny the evidence and file a counter argument. The court scheduled for the next hearing on 22 June 2023.

13 Trade and other payables

	Consolidated financial information		Separate financial information	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade payables - third parties	66,785	71,800	78	78
Trade payables - related parties	-	239	43,799	61,719
Other payables - third parties	22,313	20,258	5,318	5,266
Other payables - related parties	1,650	1,678	-	9,787
Accrued interest expenses - third parties	9,281	8,722	9,281	8,722
Accrued interest expenses - related parties	35	35	-	-
Accrued expenses - third parties	17,025	10,521	9,700	8,036
Accrued specific business tax	23,584	23,584	23,584	23,584
	140,673	136,837	91,760	117,192

14 Borrowings and debentures

	Consolidated financial information		Separate financial information	
	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Current				
Bank overdraft	24,388	60,688	19,806	49,924
Short-term borrowings from a financial institution	10,000	20,000	10,000	20,000
Short-term borrowings:				
- A related party (Note no. 21 (e))	256	261	-	-
Current portion of borrowings:				
- Financial institutions	63,200	267,611	62,392	266,789
- Debentures	39,000	78,000	39,000	78,000
Total current borrowings and debentures	136,844	426,560	131,198	414,713
Non-current				
Long-term borrowings from financial institutions, net	167,590	5,923	161,960	-
Debentures, net	39,000	-	39,000	-
Total non-current borrowings and debentures	206,590	5,923	200,960	-
Total borrowings and debentures	343,434	432,483	332,158	414,713

As at 31 March 2023 and 31 December 2022, all borrowings comprise of Thai Baht currency and Yen currency.

On 14 February 2023, the Company has signed an amendment to the long-term borrowings from a financial institution agreement by amended the repayment term from 60 instalments to 96 instalments. As a result, the final instalment will due in February 2026.

As at 31 March 2023, bank overdrafts, short-term borrowings, long-term borrowings from financial institutions, and debentures were secured by pledge of deposits bank account of Baht 50.15 million (31 December 2022: Baht 66.82 million) (Note no.10) and investment properties at a fair value of Baht 108.25 million (31 December 2022: Baht 183.60 million) and property, plant and equipment at a net book value of Baht 527.17 million (31 December 2022: Baht 528.40 million) (Note no. 11).

The movements of long-term borrowings for the three-month period ended 31 March 2023 are as follows:

	Consolidated financial information Thousand Baht	Separate financial information Thousand Baht
Opening balance	273,534	266,789
Repayment	(38,848)	(38,656)
Unrealised gain on exchange rate	(3,781)	(3,781)
Translation differences	(115)	-
Closing balance	230,790	224,352

As at 31 March 2023, the Group had financial credit facilities of long-term borrowings from local financial institutions totalling JPY 2,235 million, which have been fully drawn down.

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The movements of debentures for the three-month period ended 31 March 2023 are as follows:

	Consolidated and Separate financial information Thousand Baht
Opening balance	78,000
Redemption of debentures	-
Closing balance	78,000

As at 31 March 2023, the balance of the debentures issued by the Company is Baht 78 million, which has been offered to investors by private placement. The interest of the debentures, which is registered holders, shall be paid every 6 months. Significant details are as follows:

No.	Issue date	Maturity date	Par value per unit (Baht)	Units (Thousand units)	Total value (Thousand Baht)	Interest rate (% per annum)	Condition
1/2018	8 May 2018	8 May 2024	1,000	78.00	78,000	7.06	Unsubordinated, secured, and with a debenture holders' representative

Debentures No. 1/2018

On 29 March 2023, the debenture holders' meeting No. 1/2023 resolved to approve the amendments to the terms and conditions of debenture series TLUXE205A (No. 1/2018) as follows:

- 1) Approved the extension of the redemption maturity period of the debentures for another year by amending the redemption date from 8 May 2023 to 8 May 2024. And approved dividing the Baht 78 million repayment of unredeemed debenture principal as of 15 March 2023 into two instalments of Baht 39 million each, due on 8 November 2023 and 8 May 2024, respectively.
- 2) Approved a revision in the interest rate by increasing the interest rate by 0.10% per annum, from 7.06% to 7.16%, from 1 January 2024 onwards, and
- 3) Approved the release of the mortgaged land and buildings of the Company from being collateral for the debentures and approved the use of leasehold rights for certain areas of the leased building to be registered as replacement business collateral.

The debentures No. 1/2018 are guaranteed by pledge shares of equity investments which measured at fair value through other comprehensive income of two listed companies on the Stock Exchange of Thailand with 6.62 million shares (carrying amount of Baht 7.88 million) and 18.90 million shares (carrying amount of Baht 13.42 million), respectively. The Company has also pledged leasehold rights which classified as an investment property measured at fair value of Baht 46.54 million (31 December 2022: land which classified as an investment property measured at fair value of Baht 121.90 million). In addition, the machines at the net book value of Baht 66.34 million (31 December 2022: Baht 67.25 million) were pledged as collaterals for debentures (Note no. 11).

15 Advance received from sales contract of geothermal power plants

The movements of advance received from sales contract of geothermal power plants are as follows;

	Consolidated financial information		Separate financial information	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance	156,548	174,383	-	-
Translation differences	(2,663)	(17,835)	-	-
Closing balance	153,885	156,548	-	-

On 21 June 2018, the Company entered a preliminary agreement on the sale of 15 geothermal power plants, which are commercially operated. The total purchase price was approximately JPY 4,800 million and was paid to Relocation House Corporation (Relocation Group), a company established under Japanese law (the buyer). The Company considered disposing the power plant projects by either selling shares in the Company's subsidiary who owned the power plant projects or disposing of the assets of the power plant projects. The Company received a deposit of JPY 200 million. According to a preliminary agreement (Memorandum of Understanding), the buyer (Relocation Group), was required to pay the remaining amount of JPY 4,600 million by February 2019.

Subsequently, in February 2019, Relocation Group transferred its rights and obligations under the preliminary agreement to Beppu Forest Power Co., Ltd. (BF Power), who shared directors with the asset seller subsidiary until 30 June 2019, and PPSN Co., Ltd. (PPSN), a subsidiary. BF Power entered a contract to purchase 15 power plant projects ("Power Plant Project") (Contract No. 1) on 25 February 2019. It was agreed that BF Power would pay a deposit of JPY 400 million and transfer 25% of BF Power's shares to PPSN on 15 March 2019. PPSN would transfer ownership of four power plants (part of the 15 plants above) to BF Power within 15 days of completing the payment.

On 5 April 2019, PPSN entered a contract to sell four power plants (Contract No. 2) to BF Power at a total price of JPY 800 million. This involved JPY 400 million to be paid within two weeks of the contract date and another JPY 400 million to be paid within one year of the contract date. PPSN has already received the deposit of JPY 400 million. The Group received a total deposit of JPY 600 million, represented as deposit received, and the transfer must be approved by the Board of Directors. The memorandum stated that BF Power has the right to terminate the contract if the transfer wasn't approved by the Board of Directors. The contract was created for four parties: BF Power, PPSN, Lena Power Station No.1 LLC (LENA) and the Company. BF Power and PPSN were the only party to sign the contract. The Company's legal advisor gave the following opinions on the second contract as follow.

1. If LENA could prove that it didn't authorise PPSN to sign the contract on its behalf, LENA wouldn't be bound to the contract.
2. If the Company could prove that it didn't authorise PPSN to sign the contract on its behalf, the Company wouldn't be bound to the contract.

The second former director at that time confirmed he didn't sign the contract, but the first former director signed it on his behalf. The legal advisor in Japan advised that this is a matter of true intention of entering a contract, according to Japanese law. If it conflicted with the intention of a signatory, this contract would be void. If it could be proven that the second former director didn't sign this contract, but the first former director signed it, this contract wouldn't be binding for PPSN.

In December 2019, the Company sent a notice requesting BF Power to pay the remaining amount of JPY 4,200 million to the Company by 31 January 2020. If BF Power failed to pay the rest of the money, the Company would exercise their right to terminate the contract and confiscate the deposit of JPY 600 million. The Company confirmed that they would sell the power plants at JPY 320 million each and didn't accept the contract that BF Power made later to buy the four power plants at JPY 200 million each.

During January 2020, PPSN and LENA were notified by the electricity buyers of subsidiaries in the electricity generating group totaling four power plants that the electricity charges paid to the subsidiaries for the period of January 2020 onwards has been placed at the Oita Legal Affairs Bureau, which currently has money deposited in the amount of JPY 11,383,944 and JPY 16,599,528.

On 18 June 2020, PPSN received a letter from BF Power referring to the second contract dated 5 April 2019 by BF Power to cancel the purchase of two power plants owned by LENA, a subsidiary of the Company. On 17 July 2020, PPSN received "a summons to report on the date of the first verbal statement and a request letter for a response letter" from BF Power. It demanded that PPSN should pay BF Power JPY 40,540,542 plus 3% of accrued interest per year, starting from 2 May 2020 until the payment was completed, and the cost of litigation. However, "the summons to report on the date of the first verbal statement and a request letter for a response letter" required PPSN to submit the testimony on 27 August 2020.

On 6 August 2020, PPSN received two copies of an order for a temporary seizure of assets from the Tokyo District Court in Japan. The order is summarised below.

1. According to order no. 1 for the temporary seizure of assets, the court ordered the temporary seizure of two of PPSN's plots of land where one power plant is located (power plant unit B). BF Power was required to place a guarantee of JPY 300,000. If PPSN could pay a security deposit of JPY 1,404,131, PPSN could request to suspend or withdraw the order.
2. According to order No. 2 on the temporary seizure of assets, the court ordered the temporary suspension of revenue from the sale of electricity generated by power plant unit B from 17 July 2020 to 16 July 2021. It also required BF Power to pay a guarantee of JPY 7.90 million. If PPSN could pay a security deposit of JPY 39,433,306, PPSN could request to suspend or withdraw the order.

In response, the Company assigned a lawyer to the case to file a petition to counter the two orders.

On 8 June 2021, an offset of debt and expenses of JPY 40.5 million was added with the next hearing date scheduled on 26 July 2021, which BF Power didn't file a counter argument as it was in the process of settlement negotiations. The next hearing date was scheduled on 20 January 2022.

During the year 2022, BF Power didn't file a counter argument because it was still in the process of settlement negotiations and the Company has negotiated with BF Power for the sale of 2 power plants of PPSN. However, the conditions and obligation of the mentioned purchase will be presented for the settlement negotiations as the court scheduled for the next hearing on 29 May 2023.

16 Convertible debentures

At the Extraordinary General Meeting of Shareholders No.2/2022 held on 23 September 2022, shareholders approved the issuance and offering of convertible debentures not exceeding Baht 150 million divided into 1 tranche, which has a value not exceeding Baht 150 million divided into 30 sets. Baht 5 million per set.

By allocate specific investors i.e., Advance Opportunities Fund (AO Fund) and Advance Opportunities Fund 1 (AO Fund 1). In the issuance and offering of convertible debentures, the Company will gradually issue convertible debentures divide into each series of sub-sets. According to the Company's financial needs each time until the Baht 150 million limit is reached. However, the conversion timeframe is within one year from the date of the shareholders' meeting that approved the issuance of convertible debentures. If the Company does not issue all convertible debentures within one year, the Company may request a resolution at the shareholders' meeting to issue the unissued convertible debentures, depending on the Company's financial needs and has a resolution to approve the increase of the registered capital of the Company to support the exercise of the conversion rights of convertible debentures.

During the period ended 31 March 2023, the Company issued convertible debentures which is the type that can be converted to new ordinary shares of the Company which is unsubordinated and unsecured, with a face value of Baht 1,000 per 1 convertible debenture, bearing the interest rate of 1% per annum. The interest payment date is on 30 June and 31 December, and the maturity date of the redemption is 3 years from the date of issuance of the first tranche of debentures (6 January 2026). The conversion price of the debentures is the weighted average price of the Company's shares on the SET for not less than 7 consecutive business days but not exceeding 15 consecutive business days prior to the date of conversion by the convertible debenture holders.

Details of convertible debentures for the three-month period ended 31 March 2023 are as follows:

Consolidated / Separate financial information					
No.	Issuance date	Offering Price (Baht million)	Number of Convertible debentures	Conversion ratio	Conversion date
1/2023	6 January 2023	20	20,000	1 convertible debenture : 8,734 ordinary shares	6 January - 8 February 2023
2/2023	20 January 2023	5	5,000	1 convertible debenture: 8,418 ordinary shares	31 January - 8 February 2023
3/2023	3 February 2023	10	10,000	1 convertible debenture : 8,475 ordinary shares	8 February - 15 February 2023
4/2023	10 February 2023	10	10,000	1 convertible debenture : 9,019 ordinary shares	15 February - 24 February 2023
5/2023	17 February 2023	5	5,000	1 convertible debenture : 9,974 ordinary shares	24 February - 13 March 2023
6/2023	3 March 2023	10	10,000	1 convertible debenture : 10,685 ordinary shares	8 March - 28 March 2023
7/2023	24 March 2023	10	10,000	1 convertible debenture : 11,111 ordinary shares	24 March - 28 March 2023

The convertible debenture's liability component is stated at amortised cost until conversion to ordinary shares or maturity of the debentures. The convertible debenture's equity component is determined on the issuance date and there will be no change in the next accounting period.

During the period ended 31 March 2023, the convertible debenture holders exercised their rights to convert into ordinary shares in accordance with the terms and conditions of the convertible debentures, with a principal of Baht 62 million or 89% of the convertible debentures offered for sale. This represented 571 million ordinary shares which increased the Company's share capital from Baht 10,594 million to Baht 11,165 million and the discount on ordinary shares increased from Baht 8,164 million to Baht 8,681 million (Note no. 18), also have conversion convertible debentures of Baht 62 million or 89% of the convertible debentures offered for sale.

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The movements of convertible debentures during the three-month period ended 31 March 2023 are as follows;

	Consolidated / Separate financial information
	Convertible debenture - the liability component
	Thousand Baht
Opening balance	-
Convertible debentures issuance	70,000
<u>Less</u> Debenture issuance expense	(7,650)
Conversion to ordinary shares (Note no. 18)	(54,350)
Closing balance	8,000

17 Income taxes

The interim income tax expenses for three-month period ended 31 March 2023 and 2022 are accrued based on management's estimate using the same tax rate as applied to the annual income tax expense calculation. The estimated average annual tax rate used is 20%.

18 Share capital

The movements of share capital for the three-month period ended 31 March 2023 are as follows:

	Authorised share capital Thousand Share	Issued and fully paid-up capital			Discount on share capital Thousand Baht
		Number of ordinary shares Thousand Share	Ordinary shares Thousand Baht	Premium on share capital Thousand Baht	
Opening balance	14,975,241	10,594,091	10,594,091	612,680	(8,776,721)
Increase from conversion on convertible debentures (Note no. 16)	-	571,071	571,071	-	(516,721)
Closing balance	14,975,241	11,165,162	11,165,162	612,680	(9,293,442)

19 Warrants

The Group has allocated warrants to subscribe for ordinary shares to the existing shareholders of the Company through the approval of the shareholders' meeting as follow.

Issued by	Allocated to	Approval date	Issuance and Offering date	Determined exercising date		As at	Increase	Decrease during the period			As at	Outstanding warrants Million unit	
				First exercise	Last exercise	31 December 2022	during the period	Exercise ratio for ordinary share per 1 warrant	Issue of ordinary share during the period	Exercise price Baht	Amount Million Baht		31 March 2023
Company	Existing shareholder (PPPM-W4)	10 June 2019	23 September 2019	31 October 2019	31 July 2024	229	-	-	5.03	-	0.199	-	229
Company	Existing shareholder (PPPM-W5)	11 May 2022	1 July 2022	31 January 2023	30 June 2023	1,238	-	-	1.00	-	0.100	-	1,238
						1,467	-	-	-	-	-	-	1,467

20 Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to shareholders of the Company by the weighted average number of ordinary shares issued during the period.

Basic loss per share for the three-month period ended 31 March calculation details are as follows:

For the three-month period ended 31 March	Consolidated financial information		Separate financial information	
	2023	2022	2023	2022
Loss for the period attributable to shareholders of the parent company (Thousand Baht)	(93,979)	(72,996)	(1,096)	(14,351)
Weighted average number of ordinary shares during the period (Thousand shares)	10,846,988	2,239,315	10,846,988	2,239,315
Basic loss per share (Baht per share)	(0.0087)	(0.0326)	(0.0001)	(0.0064)

For the purpose of calculating diluted loss per share, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has diluted ordinary shares, which are convertible debentures and warrants to purchase ordinary shares. The Company calculates the equivalent of the dilutive shares by considering the fair value based on the value of the share option price accompanying the warrants to purchase the ordinary shares. (The calculation is based on the weighted average price of ordinary shares issued during the period). This calculation is made to determine the number of ordinary shares to be added to ordinary shares held by third parties in the calculation of diluted loss per share without any improvement in net loss. However, the Company does not calculate diluted loss per share for the three-month period ended 31 March 2023 and 2022 since the fair value of ordinary shares is lower than the exercise price of warrants. In addition, weighted average number of ordinary shares which adjusted with dilutive potential ordinary shares from convertible debentures resulted in an increase in earnings per share.

21 Related party transactions

The following material transactions were carried out with related parties:

a) Business transactions with related parties

For the three-month period ended 31 March	Consolidated financial information		Separate financial information	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Transaction with Subsidiaries				
Service income	-	-	3,126	3,451
Interest income	-	-	-	360
Purchase of goods	-	-	322,818	206,730
Transaction with Related parties				
Revenue from sales	-	178,212	-	178,212
Purchase of raw materials	-	148,628	-	-
Other income	-	451	-	-
Finance costs	2	2	-	-

b) Outstanding balances arising from sales/purchases of goods/services

	Consolidated financial information		Separate financial information	
	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Trade receivables, net				
Related parties	-	31,297	-	31,297
<u>Less</u> Expected credit loss	-	(1,173)	-	(1,173)
	-	30,124	-	30,124
Other receivables and accrued interest income, net				
Subsidiaries	-	-	93,314	93,314
Associate	6,175	6,255	-	-
Related parties	1,525	1,575	-	-
<u>Less</u> Expected credit loss	(5,669)	(5,767)	(93,314)	(93,314)
	2,031	2,063	-	-
Trade payables				
Subsidiaries	-	-	43,799	61,719
Related parties	-	239	-	-
	-	239	43,799	61,719
Other payables, accrued interest expenses and accrued expenses				
Subsidiaries	-	-	-	9,787
Associate	769	782	-	-
Related parties	916	931	-	-
	1,685	1,713	-	9,787

c) Short-term borrowings to related parties, net

	Consolidated financial information	
	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Associate	65,516	66,554
Related parties	76,814	78,144
<u>Less</u> Expected credit loss	(142,294)	(144,698)
Short-term borrowings to related parties, net	36	-

The movements of short-term borrowings to related parties are as follows:

	Consolidated financial information	
	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Opening balance, net	-	-
Additions	58	22
Expected credit loss	(22)	(22)
Closing balance, net	36	-

As at 31 March 2023 and 31 December 2022, short-term borrowings to related parties bear interest at the rate 3% - 6% per annum.

d) Long-term borrowings to related parties, net

	Separate financial information	
	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Subsidiaries	712,368	721,407
Less Expected credit loss	(712,368)	(721,407)
Long-term borrowings to related parties, net	-	-

The movements of long-term borrowings to related parties are as follows:

	Separate financial information	
	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Opening balance, net	-	165,424
Additions	4,816	18,272
Repayments received	(13,855)	(18,042)
Reversal of expected credit (loss)	9,039	(165,654)
Closing balance, net	-	-

As at 31 March 2023 and 31 December 2022, long-term borrowings to related parties bear interest at the rate 3% - 8% per annum.

e) Short-term borrowings from related parties

	Consolidated financial information	
	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Related parties	256	261

The movements of short-term borrowings from related parties are as follows:

	Consolidated financial information	
	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Opening balance	261	291
Translation differences	(5)	(30)
Closing balance	256	261

As at 31 March 2023 and 31 December 2022, short-term borrowings from related parties bear interest at the rate 3% per annum.

f) Directors' and management's remuneration

For the three-month period ended 31 March	Consolidated financial information		Separate financial information	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term benefits	4,428	4,186	3,376	3,700
Post-retirement benefits	350	265	319	265
Other long-term benefits	3	4	3	5
	4,781	4,455	3,698	3,970

Director's and management's remuneration represent salaries, meeting fees and other benefits.

22 Commitments and contingent liabilities

a) Capital commitments

Capital expenditure contracted for at the statements of financial position date but not recognised in the interim financial information are as follows:

	Consolidated financial information	
	31 March 2023	31 December 2022
	Thousand Baht	Thousand Baht
Property, plant and equipment	616,726	613,513

b) Commitments under service agreements

Power plant operation and maintenance agreement

As at 31 March 2023, an oversea subsidiary has commitments in respect of power plant operation and maintenance agreements made with a company, amounting to approximately JPY 0.10 million per month per power plant for 5 years starting from a project awarded date, which can be extended every 5 years, and has maximum duration of 15 years, under the same conditions.

c) Commitments under Electricity sale/purchase agreements

As at 31 March 2023, the Group entered into Power Purchase Agreement (PPA). The PPA is effective for a period of 15 years starting from scheduled commercial operation date. The sales quantity and electricity price must be complied with the agreement.

d) Bank guarantees

As at 31 March 2023 and 31 December 2022, the Group had outstanding letters of guarantee of Baht 7.42 million issued by local financial institutions as collaterals of Provincial Electricity Authority for electrical usage.