

**PP PRIME PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
INTERIM FINANCIAL INFORMATION
SEPTEMBER 30, 2019
AND INDEPENDENT AUDITOR'S REPORT ON REVIEW
OF INTERIM FINANCIAL INFORMATION**

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of PP PRIME Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position as at September 30, 2019, the related consolidated and separate statements of comprehensive income for three-month and nine-month periods ended September 30, 2019, the consolidated and separate statements of changes in shareholders' equity, and the consolidated and separate statements of cash flows for nine-month period ended September 30, 2019 and the condensed notes (interim financial information) of PP PRIME Public Company Limited and its subsidiaries and PP PRIME Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of matter

Without expressing a qualified conclusion on the aforementioned interim financial information, I draw attention to the following Notes 1.2 to the interim consolidated financial statements as at September 30, 2019, the Group has current liabilities exceeds current assets amounting to Baht 104 million (the Company of Baht 1,311 million). Most of current liabilities consisted of Bills of exchange from other companies and other persons, totaling of Bath 30 million, which are due for repayment in the fourth quarter of 2019 in the whole amount, promissory notes from financial institutions amount of Baht 140 million that mature in first quarters of 2020, debenture amount of Baht 200 million and 320 million respectively those mature in second and third quarters of 2020 (In the third quarters of 2019, the Company being unable to repay the debentures redemption No. 2/2018 in the amount of Baht 319.50 million, with the redemption date on August 2, 2019) and long-term loan from financial institutions of Yen 1,930 million (approximately Baht 554 million). As at September 30, 2019, the Company being 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.

In addition, during the year 2019, the management of the Group performed the operations as follow:

- 1) The Debenture No.2/2018, amounting to Baht 319.50 million, with the redemption date on August 2, 2019. The Company has not paid. In accordance with the resolution of the Board of Directors in the meeting No. 16/2019 on August 6, 2019 therefore resolved to notify the event of default on the payment of the Debentures by resolved to call the meeting Hold the debentures on September 2, 2019 to extend the repayment period of 330 days from the date of redemption. This will be due on July 2, 2020. The Company will pay the normal interest of the period on August 2, 2019, amounting to approximately of Baht 5.71 million on September 2, 2019 and the Company will request to change the normal interest rate from the interest rate of 7.25% per year. Increased by 0.50 % per year to 7.75% per year. The Company will pay the interest that will be approved by the debenture holders' meeting in the next period on November 2, 2019 amounting to Baht 6.11 million, February 2, 2020, amounting to Baht 6.11 million and July 2, 2020, amounting to Baht 10.18 million, including the total interest paid from the due date (August 2, 2019) to July 2, 2020, amounting to Baht 22.39 million.

On August 27, 2019, one of bondholder has filed a lawsuit with the Civil Court ordered the Company to pay principle and default interest of bond, totaling Baht 4,098,438.39.

So as to the bondholders' meeting No. 1/2019 on September 2, 2019 to consider the debenture extension plan, worth of Baht 319.50 million and requesting a waiver of the default interest rate. The meeting has approved the plan to extend the principal redemption of the debenture No. 2/2018, worth of Bath 319.50 million, which was redeemed on August 2, 2019 with an extension of the principal redemption period of this debenture until July 2, 2020 or extended to 330 days at the interest rate of 7.75% per year but the meeting does not approve the waiver, except for the default interest rate from August 2, 2019 to September 2, 2019. On September 5, 2019, the Company has processed a 2% per year default interest payment (in addition to the 7.25% per year paid from the Company) of the debenture which calculated from the date of August 2, 2019 to September 5, 2019 in the amount of Baht 0.61 million.

The Debenture No. 3/2018, amounting to Baht 134 million, with the redemption date on September 3, 2019. On September 6, 2019, the Company carried out the principal and final interest payment of the debentures at the normal rate of 7.25% per year, in the amount of Baht 136.45 million with defaulted interest 3 days (at the rate of 9.25% per year) in the amount of Baht 0.10 million, which calculated from September 3, 2019 to September 5, 2019 of debentures.

The Company has a plan to pay the debentures that will be redeemed in the future as disclosed to the interim financial statements in Note 18.2.

- 2) Promissory notes from a financial institution No. 1 in the amount of Baht 100 million at interest rate of 4.05% per year with due date on October 9, 2019. On the sameday, the Company had redeemed the redemption promissory note amount of Baht 100 million. After that the Company renewed the promissory note amount of Baht 80 million at interest rate of 5.25% per year with due date on January 31, 2020.

Promissory notes from a financial institution No. 2 in the amount of Baht 50 million at interest rate of 4.05% per year with due date on July 31, 2019. At the present, the Company had repaid in the amount of Baht 10 million, the remaining unpaid amount of Baht 40 million and the Company had negotiated to waiver with the lender bank to request a waiver of payment and on August 14, 2019, the lender bank approved the renewal of promissory note of Baht 40 million, starting from August 16, 2019 to October 31, 2019 and requesting to collect default interest between August 1, 2019 and August 16, 2019.

As at October 31, 2019, the Company redeemed promissory note that due totaling of Baht 40 million and issued new promissory note with interest rate 5.25% per annum, maturity date on January 31, 2020.

- 3) For liabilities with long-term financial institutions amounting of Yen 1,930 million (approximately Baht 554 million) (Note 18.1) such long-term liabilities are in accordance with the loan agreement of a financial institution, which has a contract in the case of default determined that when the Company has any other liabilities, no payment is due in the case of default.

After that, On August 16, 2019, the Company has received notice of delay of exercising call default from the lender bank as follows.

As the event that the Company defaulted on paying Debentures No. 1/2019 in the amount of Baht 319.50 million, which is considered as the default event / breach of the loan contract that the Company has signed with the bank. Currently, the bank will not exercise the right to call default due to the event that the Company defaulted on paying the debentures as described above. Provided that if there are any events considered by the bank that may affect the ability to pay the debt that the Company has signed with the bank, such as (but not limited to) other creditors of the Company exercising the right to recall debt or exercise the right to enforce debt repayment, etc. The bank is required to immediately use the right to call default with the Company.

However, the management of the Group are processing as follows:

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

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

On April 17, 2019, the subsidiary received the deposit amount of Yen 400 million (approximately Baht 116.28 million). The Company received deposit of Yen 600 million (approximately Baht 176.26 million) classified as deposit received in other current liability.

On April 5, 2019, the subsidiary enter into sell agreement of 4 Electricity projects that consisted of P-Power (2 locations) and Lena power plant – 1 (2 locations) with Beppu Forest Power Co.,Ltd. value Yen 800 million (approximately Baht 232.56 million). According to the additional memorandum the selling of agreement of 4 Electricity projects must be approved by the Company board of directors. However, until present there is no approval resolution of the board of directors.

At the present, the Company expect to extend the preliminary agreement in the sale of geothermal power plants no later than December 2019.

- 2) The Company has plans to dispose of assets and collateral of the debentures, including available-for-sale investments, and assets that are not used to operate in order to redeem the debentures and promissory notes from financial institutions and settle its loans from financial institutions and future obligations as they come due.

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.

(Mr. Jadesada Hungsapruet)
Certified Public Accountant
Registration No. 3759

Karin Audit Company Limited
Bangkok, Thailand
November 14, 2019

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	
	"UNAUDITED"		"UNAUDITED"		
Note	"REVIEWED"	"AUDITED"	"REVIEWED"	"AUDITED"	
Assets					
Current assets					
Cash and cash equivalents		38,180	20,506	21,914	16,396
Current investments					
Available - for - sale securities	4	33	34	33	34
Trade and other current receivables	3, 5	259,122	323,335	421,996	424,980
Short - term loans	3, 11	91,659	-	-	-
Inventories	6	220,144	261,867	45,622	261,867
Other current assets		2,891	6,096	2,260	5,865
Disposal groups classified as held for sale	7	1,135,430	1,197,773	-	-
Total current assets		1,747,459	1,809,611	491,825	709,142
Non - current assets					
Investment in associate	9	-	-	-	-
Investments in subsidiaries	8	-	-	1,870,193	81,807
Other long - term investments	10	69,759	323,605	69,759	323,605
Trade and other non - current receivables	5	-	-	-	-
Long - term loans	3, 11	63,775	169,112	686,056	1,768,561
Investment properties	12	89,147	38,685	89,147	38,685
Property, plant and equipment	13	663,501	675,301	55,004	594,978
Goodwill		13,202	13,651	-	-
Other intangible assets	14	10,960	11,508	158	11,490
Deferred tax assets		51,315	89,709	51,315	89,708
Other non - current assets					
Restricted bank deposits		25,551	7,865	7,931	7,865
Advances payment	15	110,312	195,723	47,104	130,365
Other		7,002	5,107	6,182	5,096
Total other non - current assets		142,865	208,695	61,217	143,326
Total non - current assets		1,104,524	1,530,266	2,882,849	3,052,160
Total assets		2,851,983	3,339,877	3,374,674	3,761,302

The accompanying notes are an integral part of these interim financial statements.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2019

(Unit : Thousand Baht)

	(Unit : Thousand Baht)				
	Consolidated financial statements		Separate financial statements		
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	
	"UNAUDITED"		"UNAUDITED"		
Note	"REVIEWED"	"AUDITED"	"REVIEWED"	"AUDITED"	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short - term borrowings					
from financial institution	16	284,304	549,948	263,392	549,948
Trade and other current payables	3, 17	249,751	297,769	467,235	293,950
Short - term borrowings	3	284	-	-	-
Current portion of long - term liabilities	18	1,069,971	1,320,487	1,069,971	1,320,487
Current income tax payable		11,614	82	-	-
Other current liabilities		173,652	63,335	2,097	3,429
Liabilities included in disposal groups					
classified as held for sale	7	61,621	70,212	-	-
Total current liabilities		1,851,197	2,301,833	1,802,695	2,167,814
Non - current liabilities					
Long - term loan	18	206,220	201,352	206,220	201,352
Deferred tax liabilities		1,658	4,248	1,658	4,248
Non - current provisions for employee benefits		26,553	19,434	12,283	19,434
Total non - current liabilities		234,431	225,034	220,161	225,034
Total liabilities		2,085,628	2,526,867	2,022,856	2,392,848

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2019

(Unit : Thousand Baht)

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
	"UNAUDITED"	"UNAUDITED"	"UNAUDITED"	"UNAUDITED"
Note	"REVIEWED"	"AUDITED"	"REVIEWED"	"AUDITED"
Shareholders' equity				
Share capital				
Authorized share capital				
2018 Registered 843,813,359 ordinary shares of Baht 1 each	20	843,813		843,813
2019 Registered 1,126,101,375 ordinary shares of Baht 1 each	20	1,126,101	1,126,101	
Issued and paid share capital				
688,052,034 ordinary shares of Baht 1 each		688,052	688,052	563,051
Share premium - ordinary shares		612,680	612,680	489,125
Capital reserve for share-based payment transactions		41,479	41,479	41,479
Retained earnings				
Appropriated - Legal reserve		56,845	56,845	56,845
Unappropriated		(494,769)	35,414	308,155
Other components of shareholders' equity		(137,932)	(82,652)	(608,818)
Total shareholders' equity		766,355	1,351,818	813,010
Total liabilities and shareholders' equity		2,851,983	3,374,674	3,339,877

Director

STATEMENT OF COMPREHENSIVE INCOME

"REVIEWED"

FOR THE THREE - MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Revenues					
Revenues from sales		556,691	543,187	470,725	521,387
Other income					
Interest income		1,802	1,717	2,727	4,870
Reversed allowance of impairment on advance payment					
for Riverside project		47,104	-	47,104	-
Profit on foreign exchange		-	-	3,706	30,595
Other		2,362	3,045	8,751	2,901
Total revenues		607,959	547,949	533,013	559,753
Expenses					
Cost of sales		453,831	468,593	421,765	448,524
Cost of distributions		23,159	26,699	23,159	25,986
Administrative expenses		54,484	54,634	31,728	45,963
Loss on foreign exchange		2,275	8,154	-	-
Loss on investments in available – for – sale securities		760,819	3,783	760,819	3,783
Impairment of long - term loans		12,053	-	4,904	-
Finance costs		32,928	34,073	28,925	34,073
Total expenses		1,339,549	595,936	1,271,300	558,329
Share of loss from investments in associates	9	-	-	-	-
Profit (loss) before income tax expenses		(731,590)	(47,987)	(738,287)	1,424
Tax expenses (tax income)		(90,502)	5,770	(97,219)	4,887
Profit (loss) for the period		(641,088)	(53,757)	(641,068)	(3,463)

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
 FOR THE THREE - MONTH PERIOD ENDED SEPTEMBER 30, 2019

"UNAUDITED"

"REVIEWED"

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Other comprehensive income (expense) :					
Other comprehensive income to be reclassified					
to profit or loss in subsequent period :					
Exchange differences on translation of financial statements					
in foreign currency		(2,831)	(30,766)	-	-
Gain (loss) on changes in value of available - for - sale investments					
- net of income tax		528,718	61,349	528,718	61,349
Components of other comprehensive income that will not be					
reclassified to profit or loss					
Gains (loss) on remeasurements of defined benefit plans		-	-	-	-
Other comprehensive income (expense) for the period		<u>525,887</u>	<u>30,583</u>	<u>528,718</u>	<u>61,349</u>
Total comprehensive income (expense) for the period		<u>(115,201)</u>	<u>(23,174)</u>	<u>(112,350)</u>	<u>57,886</u>
Earning (loss) per share (Baht: Shares)	22	<u>(0.95)</u>	<u>(0.10)</u>	<u>(0.95)</u>	<u>(0.01)</u>

STATEMENT OF COMPREHENSIVE INCOME

"REVIEWED"

FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Revenues					
Revenues from sales		1,579,083	1,472,955	1,321,742	1,421,467
Other income					
Interest income		4,946	6,797	11,531	16,959
Reversed allowance of impairment on assets		-	2,898	-	-
Reversed allowance of impairment on loans		-	-	-	270,800
Reversed allowance of impairment on investment in subsidiary Company		-	-	-	77,775
Profit on foreign exchange		-	-	19,910	9,694
Other		7,792	40,479	29,939	22,759
Total revenues		1,591,821	1,523,129	1,383,122	1,819,454
Expenses					
Cost of sales		1,313,923	1,267,606	1,200,908	1,215,416
Cost of distributions		68,348	67,219	68,348	66,506
Administrative expenses		178,579	159,702	108,925	132,780
Loss on foreign exchange		10,004	2,208	-	-
Loss on investments in securities		771,938	2,329	771,938	2,329
Impairment of advances payment for Riverside project		18,461	-	18,461	-
Impairment of long - term loans		12,053	-	4,904	-
Finance costs		100,927	92,162	96,711	92,162
Total expenses		2,474,233	1,591,226	2,270,195	1,509,193
Share of loss from investments in associates	9	-	-	-	-
Profit (loss) before income tax expenses		(882,412)	(68,097)	(887,073)	310,261
Tax expenses (tax income)		(79,488)	9,773	(95,715)	7,038
Profit (loss) for the period		(802,924)	(77,870)	(791,358)	303,223

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
 FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2019

"UNAUDITED"

"REVIEWED"

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Other comprehensive income (expense) :					
Other comprehensive income to be reclassified					
to profit or loss in subsequent period :					
Exchange differences on translation of financial statements					
in foreign currency		(18,453)	(8,731)	-	-
Gain (loss) on changes in value of available - for - sale investments					
- net of income tax		526,166	(276,443)	526,166	(276,443)
Components of other comprehensive income that will not be					
reclassified to profit or loss					
Gains (loss) on remeasurements of defined benefit plans		-	(586)	-	(586)
Other comprehensive income (expense) for the period		<u>507,713</u>	<u>(285,760)</u>	<u>526,166</u>	<u>(277,029)</u>
Total comprehensive income (expense) for the period		<u>(295,211)</u>	<u>(363,630)</u>	<u>(265,192)</u>	<u>26,194</u>
Earning (loss) per share (Baht: Shares)	22	<u>(1.33)</u>	<u>(0.14)</u>	<u>(1.32)</u>	<u>0.54</u>

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

"UNAUDITED"

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

"REVIEWED"

FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Unit : Thousand 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 (expense)			Total shareholders' equity
					Appropriated	Unappropriated		Surplus (deficit) on changes in value of available - for - sale investments	Gains (loss) on remeasurements of defined benefit plans	Total other components of shareholders' equity	
Balance as at January 1, 2019		563,051	489,125	41,479	56,845	308,155	(36,827)	(608,818)	-	(645,645)	813,010
Changes in shareholders' equity :											
Share capital increase	20	125,001	123,555	-	-	-	-	-	-	-	248,556
Total comprehensive income (expense) for the period		-	-	-	-	(802,924)	(18,453)	526,166	-	507,713	(295,211)
Balance as at September 30, 2019		688,052	612,680	41,479	56,845	(494,769)	(55,280)	(82,652)	-	(137,932)	766,355
Balance as at January 1, 2018		563,051	489,125	41,479	56,845	421,417	(43,795)	(151,105)	-	(194,900)	1,377,017
Changes in shareholders' equity :											
Total comprehensive income (expense) for the period		-	-	-	-	(77,870)	(8,731)	(276,443)	(586)	(285,760)	(363,630)
Transferred to retained earnings		-	-	-	-	(586)	-	-	586	586	-
Balance as at September 30, 2018		563,051	489,125	41,479	56,845	342,961	(52,526)	(427,548)	-	(480,074)	1,013,387

The accompanying notes are an integral part of these interim financial statements.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
 FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2019

"UNAUDITED"
 "REVIEWED"

(Unit : Thousand Baht)

	Separate financial statements									
	Note	Issued and fully		Capital reserve for share - based payment	Retained earnings		Other components of shareholders' equity			Total shareholders' equity
		share capital	Share premium - ordinary shares		Appropriated	Unappropriated	Other comprehensive income (expense)		Total other components of shareholders' equity	
							Surplus (deficit) on changes in value of available - for - sale investments	Gains (loss) on remeasurements of defined benefit plans		
Balance as at January 1, 2019		563,051	489,125	41,479	56,845	826,772	(608,818)	-	(608,818)	1,368,454
Changes in shareholders' equity :										
Share capital increase	20	125,001	123,555	-	-	-	-	-	-	248,556
Total comprehensive income (expense) for the period		-	-	-	-	(791,358)	526,166	-	526,166	(265,192)
Balance as at September 30, 2019		688,052	612,680	41,479	56,845	35,414	(82,652)	-	(82,652)	1,351,818
Balance as at January 1, 2018		563,051	489,125	41,479	56,845	573,266	(151,105)	-	(151,105)	1,572,661
Changes in shareholders' equity :										
Total comprehensive income (expense) for the period		-	-	-	-	303,223	(276,443)	(586)	(277,029)	26,194
Transferred to retained earnings		-	-	-	-	(586)	-	586	586	-
Balance as at September 30, 2018		563,051	489,125	41,479	56,845	875,903	(427,548)	-	(427,548)	1,598,855

The accompanying notes are an integral part of these interim financial statements.

CASH FLOWS STATEMENTS

"REVIEWED"

FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) before income tax expenses	(882,412)	(68,097)	(887,073)	310,261
Adjustments to reconcile profit (loss) to cash received (paid)				
Adjusted financial costs	100,927	92,162	96,711	92,162
Adjusted trade and other accounts receivables (increase) decrease	20,124	(121,015)	(35,367)	(106,693)
Adjusted inventories (increase) decrease	41,723	(29,374)	17,548	(29,374)
Adjusted other assets (increase) decrease	385	12,641	1,492	(2,725)
Adjusted trade and other accounts payable increase (decrease)	(218,435)	67,804	164,983	78,443
Adjusted other liabilities increase (decrease)	112,083	(1,680)	(1,332)	361
Depreciation and amortization	110,148	105,010	4,424	55,783
Adjusted provisions for employee benefits	7,119	1,278	3,387	1,278
Adjusted unrealised on exchange loss (gain)	9,963	(2,208)	(19,951)	(9,694)
Adjusted bad debts and doubtful accounts	19,958	7,517	19,958	7,517
Adjusted loss (gain) sales of non - current asset				
- Loss (gain) on investments held as available for sale	771,939	2,329	771,939	2,329
- Loss (gain) on sales of equipment	(77)	(526)	(245)	(526)
Adjusted other reconcile profit (loss)				
- Dividend income from investments held as available for sale	(68)	(10,827)	(68)	(10,827)
- Allowance of impairment on loans	5,775	-	4,904	-
- Allowance of impairment on advance payment	18,461	-	18,461	-
- Reversal of reduce cost of inventories to net realisable value	-	(1,415)	-	(1,415)
- Reversed allowance of impairment on loans	-	-	-	(270,800)
- Reversed allowance of impairment on investment in subsidiary company	-	-	-	(77,775)
- Reversed allowance of impairment on assets	-	(2,898)	-	-
- Interest income	(4,944)	(6,798)	(11,531)	(16,960)
Total adjustment to reconcile profit (loss)	995,081	112,000	1,035,313	(288,916)
Net cash provided by (used in) operating activities	112,669	43,903	148,240	21,345
Interest expenses	(93,251)	(87,658)	(89,035)	(88,860)
Tax received (paid)	(13,731)	(5,746)	-	(4,280)
Net cash provided by (used in) operating activities	5,687	(49,501)	59,205	(71,795)

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CASH FLOWS STATEMENTS (CONTINUED)
FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2019

"UNAUDITED"
"REVIEWED"

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Cash paid Acquisition of investments in subsidiaries	-	-	(1,014,620)	(1,033)
Cash received from sales other equity instrument	145,720	860,127	145,720	860,127
Cash paid for purchases other equity instrument	(6,126)	(624,269)	(6,126)	(624,269)
Cash received from property, plant and equipment	366	526	245	526
Cash paid for property, plant and equipment	(17,570)	(23,396)	(4,846)	(23,396)
Cash paid for intangible assets	(602)	(2,307)	-	(2,307)
Cash paid for loans to related parties	-	(93,352)	(4,183)	(70,029)
Cash received from loans to other person or parties	2,491	-	1,081,783	81,906
Dividend received	68	10,827	68	10,827
Interest income	7,809	4,339	30,260	4,500
Other cash received (paid) from investment activities				
- Cash received from investments in bill of exchange	-	200,500	-	200,500
- Cash paid for investments in bill of exchange	-	(90,000)	-	(90,000)
- Restricted bank deposits (increase) decrease	(17,685)	(65)	(65)	(65)
- Deposits from sales geothermal power plant	116,280	59,980	-	-
- Cash paid for advances payment of assets	(7,200)	(65,564)	(7,200)	(65,564)
Net cash provided by (used in) investing activities	223,551	237,346	221,036	281,723
Cash flows from financing activities				
Cash received from borrowing :-				
From bill of exchange and promissory notes	427,000	286,200	427,000	286,200
From debenture	207,600	653,500	207,600	653,500
Borrowing from related parties	283	-	-	-
Cash paid for repayment of borrowing :-				
Maturity debenture	(394,500)	(986,200)	(394,500)	(986,200)
Bill of exchange due	(740,000)	(192,200)	(740,000)	(192,200)
Borrowing from financial institutions	(37,666)	(29,479)	(37,666)	(29,479)
Cash paid for repayment of liabilities under long - term lease agreements	(1,695)	(1,594)	(1,695)	(1,594)
Cash received from issued capital stock	248,557	-	248,557	-
Accounts payable - trust receipts increase (decrease)	24,570	71,746	24,570	71,746
Bank overdrafts increase (decrease)	20,653	5,757	(259)	5,757
Payment of front end fee and debenture issuing costs	(8,330)	(10,998)	(8,330)	(10,998)
Net cash provided by (used in) financing activities	(253,528)	(203,268)	(274,723)	(203,268)

The accompanying notes are an integral part of these interim financial statements.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CASH FLOWS STATEMENTS (CONTINUED)
FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2019

"UNAUDITED"
"REVIEWED"

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net cash and cash equivalents increase (decrease)				
before effect of exchange rate	(24,290)	(15,423)	5,518	6,660
Effect of exchange rate to cash and cash equivalents	51,377	8,212	-	-
Net in cash and cash equivalents increase (decrease)	27,087	(7,211)	5,518	6,660
Cash and cash equivalents at beginning of the period	20,506	48,293	16,396	14,707
Cash and cash equivalents from discontinued operations at the end of the period	(9,413)	(14,823)	-	-
Cash and cash equivalents at ending of the period	38,180	26,259	21,914	21,367

Supplemental Disclosure of Cash flows information :

Non - cash items

1) Acquisition of assets that have not yet been paid	3,937	2,616	1,113	2,616
2) Assets acquired under long - term lease agreements	-	1,238	-	1,238
3) Transferred Property Plant and Equipment to Investment Property	-	27,176	-	27,176
4) Disposal groups classified as held for sale	1,135,430	1,228,919	-	-
5) Past of liabilities in disposal groups classified as held for sale	61,621	68,506	-	-
6) The partial business transfer to Thai Luxe Enterprises (Thailand) Co.,Ltd. by net book value of assets and liabilities are as follows:				
Inventories	-	-	198,686	-
Other current assets	-	-	613	-
Property, plant and equipment	-	-	563,097	-
Other intangible assets	-	-	415	-
Other non - current assets	-	-	78	-
Non - current provisions for employee benefits	-	-	10,538	-
7) Transferred advance payment to investment property	48,000	-	48,000	-
8) Transferred advance payment to property, plant and equipment	24,000	-	24,000	-
9) Transferred advance payment to other intangible assets	17,371	-	-	-

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 distribution of feeds for aquatic animals. The registered office of the Company is at 69/5 Moo 5 Rama 2 Road (Km. 71) Tambol Bangkhantaek, Amphur Muang, Samutsongkhram.

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

1.2 Going concern

As at September 30, 2019, the Group has current liabilities exceeds current assets amounting to Baht 104 million (the Company of Baht 1,311 million). Most of current liabilities consisted of Bills of exchange from other companies and other persons, totaling of Bath 30 million, which are due for repayment in the fourth quarter of 2019 in the whole amount, promissory notes from financial institutions amount of Baht 140 million that mature in first quarters of 2020, debenture amount of Baht 200 million and 320 million respectively those mature in second and third quarters of 2020 (In the third quarters of 2019, the Company being unable to repay the debentures redemption No. 2/2018 in the amount of Baht 319.50 million, with the redemption date on August 2, 2019) and long-term loan from financial institutions of Yen 1,930 million (approximately Baht 554 million). As at September 30, 2019, the Company being 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.

In addition, during the year 2019, the management of the Group performed the operations as follow:

- 1) The Debenture No.2/2018, amounting to Baht 319.50 million, with the redemption date on August 2, 2019. The Company has not paid. In accordance with the resolution of the Board of Directors in the meeting No. 16/2019 on August 6, 2019 therefore resolved to notify the event of default on the payment of the Debentures by resolved to call the meeting Hold the debentures on September 2, 2019 to extend the repayment period of 330 days from the date of redemption. This will be due on July 2, 2020. The Company will pay the normal interest of the period on August 2, 2019, amounting to approximately Baht 5.71 million on September 2, 2019 and the Company will request to change the normal interest rate from the interest rate of 7.25% per year. Increased by 0.50 % per year to 7.75% per year. The Company will pay the interest that will be approved by the debenture holders' meeting in the next period on November 2, 2019 amounting to Baht 6.11 million, February 2, 2020, amounting to Baht 6.11 million and July 2, 2020, amounting to Baht 10.18 million, including the total interest paid from the due date (August 2, 2019) to July 2, 2020, amounting to Baht 22.39 million.

On August 27, 2019, one of bondholder has filed a lawsuit with the Civil Court ordered the Company to pay principle and default interest of bond, totaling Baht 4,098,438.39.

So as to the bondholders' meeting No. 1/2019 on September 2, 2019 to consider the debenture extension plan, worth of Baht 319.50 million and requesting a waiver of the default interest rate. The meeting has approved the plan to extend the principal redemption of the debenture No. 2/2018, worth of Bath 319.50 million, which was redeemed on August 2, 2019 with an extension of the principal redemption period of this debenture until July 2, 2020 or extended to 330 days at the interest rate of 7.75% per year but the meeting does not approve the waiver, except for the default interest rate from August 2, 2019 to September 2, 2019. On September 5, 2019, the Company has processed a 2% per year default interest payment (in addition to the 7.25% per year paid from the Company) of the debenture which calculated from the date of August 2, 2019 to September 5, 2019 in the amount of Baht 0.61 million.

The Debenture No. 3/2018, amounting to Baht 134 million, with the redemption date on September 3, 2019. On September 6, 2019, the Company carried out the principal and final interest payment of the debentures at the normal rate of 7.25% per year, in the amount of Baht 136.45 million with defaulted interest 3 days (at the rate of 9.25% per year) in the amount of Baht 0.10 million, which calculated from September 3, 2019 to September 5, 2019 of debentures.

The Company has a plan to pay the debentures that will be redeemed in the future as disclosed to the interim financial statements in Note 18.2.

- 2) Promissory note from a financial institution No. 1 in the amount of Baht 100 million at interest rate of 4.05% per year with due date on October 9, 2019. On the sameday, the Company had redeemed the redemption promissory note amount of Baht 100 million. After that the Company renewed the promissory note amount of Baht 80 million at interest rate of 5.25% per year with due date on January 31, 2020.

Promissory note from a financial institution No. 2 in the amount of Baht 50 million at interest rate of 4.05% per year with due date on July 31, 2019. At the present, the Company had repaid in the amount of Baht 10 million, the remaining unpaid amount of Baht 40 million and the Company had negotiated to waiver with the lender bank to request a waiver of payment and on August 14, 2019, the lender bank approved the renewal of promissory note of Baht 40 million, starting from August 16, 2019 to October 31, 2019 and requesting to collect default interest between August 1, 2019 and August 16, 2019. As at October 31, 2019, the Company redeemed promissory note that due totaling of Baht 40 million and issued new promissory note with interest rate 5.25% per annum, maturity date on January 31, 2020.

- 3) For liabilities with long-term financial institutions amounting of Yen 1,930 million (approximately Baht 554 million) (Note 18.1) such long-term liabilities are in accordance with the loan agreement of a financial institution, which has a contract in the case of default determined that when the Company has any other liabilities, no payment is due in the case of default.

After that, On August 16, 2019, the Company has received notice of delay of exercising call default from the lender bank as follows

As the event that the Company defaulted on paying Debentures No. 1/2019 in the amount of Baht 319.50 million, which is considered as the default event / breach of the loan contract that the Company has signed with the bank. Currently, the bank will not exercise the right to call default due to the event that the Company defaulted on paying the debentures as described above. Provided that if there are any events considered by the bank that may affect the ability to pay the debt that the Company has signed with the bank, such as (but not limited to) other creditors of the Company exercising the right to recall debt or exercise the right to enforce debt repayment, etc. The bank is required to immediately use the right to call default with the Company.

However, the management of the Group are processing as follows:

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

On April 17, 2019, the subsidiary received the deposit amount of Yen 400 million (approximately Baht 116.28 million).

The Company received deposit of Yen 600 million (approximately Baht 176.26 million) classified as deposit received in other current liability.

On April 5, 2019, the subsidiary enter into sell agreement of 4 Electricity projects that consisted of P-Power (2 locations) and Lena power plant – 1 (2 locations) with Beppu Forest Power Co.,Ltd. value Yen 800 million (approximately Baht 232.56 million). According to the additional memorandum the selling of agreement of four Electricity projects must be approved by the Company board of directors. However, until present there is no approval resolution of the board of directors.

At the present, the Company expect to extend the preliminary agreement in the sale of geothermal power plants no later than December 2019.

- The Company has plans to dispose of assets and collateral of the debentures, including available-for-sale investments, and assets that are not used to operate in order to redeem the debentures and promissory notes from financial institutions and settle its loans from financial institutions and future obligations as they come due.

These events or circumstances indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. However the management believes 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.

The consolidated and separate financial statements do not include any adjustments to the reclassification or carrying value of assets and liabilities that necessary should if the Group and the Company be unable to continue their operations as going concerns. If the Group and the Company were unable to continue as going concerns, the realizable value of assets may be significantly less than their current carrying value and additional liabilities may be incurred.

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

2.1 Basis for interim financial statements preparation

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

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

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

2.2 Principles of consolidation

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

2.3 Significant accounting policies

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

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

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

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

TFRS 15 Revenue from Contracts with Customers

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

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

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

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

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

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

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

TFRS 16 Leases

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

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

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

2.4 Estimation

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

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

3. RELATED PARTY TRANSACTIONS

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

Name	Type of Business	Type of Relationship
Thailuxe Enterprises (Thailand) Co., Ltd.	Manufacturing of aquatic animals feed and pet feed	Direct shareholder and common management team
Thluxe Global Business Co., Ltd.	Distribution of material animals feed	Direct shareholder and common management team
Thluxe Power Co., Ltd.	Investment in energy business	Direct shareholder and common management team
Thluxe Holdings Limited	Investment in energy business	Indirect shareholder via subsidiary
Geothermal Power A Company Limited	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
Geothermal Power B Company Limited	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
PPSN Co., Ltd.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
Sumo Power Co., Ltd.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
P Green Energy Company Limited	Consulting, management and Business planing	Indirect shareholder via subsidiary
M-Luxe Energy Co., Ltd.	Hot spring development	Associated company via the Company
Aulux Power Co., Ltd.	Wind power	Common director
Nutrix Pub Co., Ltd.	Manufacture of prepared feeds for pets	Common shareholders
Asia Capital Group PCL.	Financial management consultancy	Common shareholders

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2019

“UNAUDITED”
“REVIEWED”

3.1 The significant transactions with related parties for the three – month period ended September 30, 2019 and 2018 are as follows:

	(Unit: Million Baht)				Transfer pricing policy
	For the three – month period ended September 30				
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
Sales of goods					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	0.02	-	Cost prices
Nutrix Pub Co., Ltd.	56.50	38.00	-	38.00	Cost plus contract rate
Service income					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	7.05	-	Contract prices
Interest income					
Thluxe Power Co., Ltd.	-	-	0.41	2.00	6 – 8.25 percent per annum
Sumo Power Co., Ltd.	-	-	1.69	2.00	8 percent per annum
Geothermal Power A Co., Ltd.	-	-	0.01	-	6.50 percent per annum
Geothermal Power B Co., Ltd.	-	-	0.01	-	6.50 percent per annum
P Green Energy Company Limited	-	-	0.08	-	6.50 percent per annum
Thluxe Holdings Limited	-	-	0.01	-	6.50 percent per annum
M-Luxe Energy Co., Ltd.	0.35	1.00	-	-	3 percent per annum
Asia Capital Group Public Co., Ltd.	-	1.00	-	1.00	5 – 7 percent per annum
Aulux Power Co., Ltd.	0.85	1.00	-	-	3 percent per annum
Purchase of goods					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	418.27	-	Cost plus contract rate
Purchase of raw materials					
Nutrix Pub Co., Ltd.	15.95	10.00	-	10.00	Market prices
Consulting fee					
Nutrix Pub Co., Ltd.	-	1.00	-	1.00	Contract prices

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2019

“UNAUDITED”
“REVIEWED”

The significant transactions with related parties for the nine – month period ended September 30, 2019 and 2018 are as follows:

	(Unit: Million Baht)				
	For the nine – month period ended September 30				
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
2019	2018	2019	2018		
Sales of goods					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	6.10	-	Cost prices
Nutrix Pub Co., Ltd.	135.21	142.00	-	142.00	Cost plus contract rate
Service income					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	24.59	-	Contract prices
Interest income					
Thluxe Power Co., Ltd.	-	-	5.08	7.24	6 – 8.25 percent per annum
Sumo Power Co., Ltd.	-	-	5.01	5.03	8 percent per annum
Geothermal Power A Co., Ltd.	-	-	19.98	-	6.50 percent per annum
Geothermal Power B Co., Ltd.	-	-	15.14	-	6.50 percent per annum
P Green Energy Company Limited	-	-	0.24	0.26	6.50 percent per annum
Thluxe Holdings Limited.	-	-	0.01	-	6.50 percent per annum
M-Luxe Energy Co., Ltd.	1.64	2.00	-	-	3 percent per annum
Asia Capital Group PCL.	-	2.00	-	2.00	5 – 7 percent per annum
Aulux Power Co., Ltd.	1.94	1.00	-	-	3 percent per annum
Purchase of goods					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	1,184.13	-	Cost plus contract rate
Purchase of raw materials					
Nutrix Pub Co., Ltd.	39.45	33.00	-	33.00	Market prices
Consulting fee					
Nutrix Pub Co., Ltd.	0.76	2.00	-	2.00	Contract prices

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2019

“UNAUDITED”
“REVIEWED”

3.2 The balances of the accounts as at September 30, 2019 and December 31, 2018 between the Company and its related parties are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	September	December	September	December
	30, 2019	31, 2018	30, 2019	31, 2018
Trade receivables – related parties (Note 5)				
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	97,639	-
Nutrix Pub Co., Ltd.	13,114	30,565	-	30,565
Total trade receivables – related parties	13,114	30,565	97,639	30,565
Other current receivables – related parties (Note 5)				
Thuxe Power Co., Ltd.	-	-	360	24,212
PPSN Co., Ltd.	-	-	55,660	55,698
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	337	11
Sumo Power Co., Ltd.	-	-	19,031	14,020
Geothermal Power A Company Limited	-	-	10,811	10,806
Geothermal Power B Company Limited	-	-	6,765	6,762
P Green Energy Company Limited	-	-	601	363
Thuxe Global Business Co., Ltd.	-	-	345	-
Thuxe Holdings Limited	-	-	6	-
M-Luxe Energy Co., Ltd.	797	5,559	-	-
Aulux Power Co., Ltd.	3,619	1,662	-	-
Related party (director of subsidiaries)	31	-	-	-
Total other current receivables – related parties	4,447	7,221	93,916	111,872
Total trade and other current receivables – related parties	17,561	37,786	191,555	142,437
Trade payables – related parties (Note 17)				
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	416,819	-
Nutrix Pub Co., Ltd.	5,866	22,304	-	22,304
Total trade payables – related parties	5,866	22,304	416,819	22,304
Other current payables – related parties (Note 17)				
Thailuxe Enterprises (Thailand) Co., Ltd.	4,716	-	10,538	-
Nutrix Pub Co., Ltd.	-	469	-	469
Aulux Power Co., Ltd.	6	-	-	-
Mr. Takashi Nishida	771	1,464	-	-
Total other current payables – related parties	5,493	1,933	10,538	469
Total trade and other current payables – related parties	11,359	24,237	427,357	22,773

loans to related parties

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

Loans to related parties	(Unit : Thousand Baht)			
	Consolidated financial statements			
	Balance as at January 1, 2019	Increase (decrease) during the period	Translation adjustment	Balance as at September 30, 2019
M - Luxe Energy Co., Ltd.*	74,738	-	(2,460)	72,278
Aulux Power Co., Ltd.**	90,271	(2,491)	(2,889)	84,891
Total	165,009	(2,491)	(5,349)	157,169
Less : Allowance for doubtful debts	-	(5,775)	71	(5,704)
Net	165,009	(8,266)	(5,278)	151,465

*The loans to related parties carried interest rate at 3% per year with the maturity date on March 2020, and mature on demand.

**The loans to related parties carried interest rate at 3% per year with the maturity date on March 2020 and on March 2021.

Loans to related parties	(Unit : Thousand Baht)			
	Separate financial statements			
	Balance as at January 1, 2019	Increase during the period	Decrease during the period	Balance as at September 30, 2019
Tluxe Power Co., Ltd.	157,000	3,580	(157,550)	3,030
PPSN Co., Ltd.	589,370	-	(110,770)	478,600
Sumo Power Co., Ltd.	83,729	-	-	83,729
Geothermal Power A Co., Ltd.	557,619	201	(557,619)	201
Geothermal Power B Co., Ltd.	375,939	139	(255,844)	120,234
P Green Energy Co., Ltd.	4,904	-	-	4,904
Tluxe Holdings Limited	-	262	-	262
Total	1,768,561	4,182	(1,081,783)	690,960
Less : Allowance for doubtful debts	-	(4,904)	-	(4,904)
Net	1,768,561	(722)	(1,081,783)	686,056

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 recall the loans within one year and therefore classified them as non-current assets in the financial statements.

Short – term loan

Aulux Power Co., Ltd.*	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Balance as at January 1, 2019	Increase (decrease) during the period	Translation adjustment	Balance as at September 30, 2019
	-	284	-	284

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

3.3 Directors and management’s benefits

For the three-month and nine-month periods ended September 30, 2019 and 2018, the Company and its subsidiaries has employee benefit expenses payable to their directors and managements as below.

	(Unit: Thousand Baht)			
	For the three – month period ended September 30,			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short – term employee benefits	3,557	6,008	3,307	4,323
Post – employment benefits	260	191	260	191
Other long – term benefits	3	2	3	2
Total	3,820	6,201	3,570	4,516

	(Unit: Thousand Baht)			
	For the nine – month period ended September 30,			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short – term employee benefits	11,536	17,532	9,202	13,340
Post – employment benefits	770	638	770	638
Other long – term benefits	9	4	9	4
Total	12,315	18,174	9,981	13,982

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

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

However, the Company and subsidiary have carried out the following:

3.4.1 According to the Shareholders’ Meeting of the subsidiary

In Year 2018

According to the Shareholders’ Meeting No. 1/2018 of Thai Luxe Enterprises (Thailand) Co., Ltd. On December 28, 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 January 1, 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 Baht 809,904,400, 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) of 2011 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 September 27, 2011, including other announcements related to the matter (Referred as "Partial Business Transfer Rules").

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

- 2.1 To increase the capital by Baht 795,039,400 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 Baht 795,039,400 in lieu of payment of 79,503,940 shares at a par value of Baht 10.

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

In Year 2019

At the Annual General Meeting of Shareholders No. 1/2019 of Thai Luxe Enterprises (Thailand) Co., Ltd. on February 8, 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 January 1, 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 Baht 809,904,400.

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 Baht 809,904,400 to Baht 773,765,631.64. 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 Baht 418,078,470.00 and will make cash payment for the remaining amount of Baht 355,687,161.64. 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 amount of Baht 196,000,000 will be paid within 60 days from the date of the business transfer.
- 2) The remaining amount of the compensation of business transfer accounted for Baht 159,687,161.64 will be periodically paid by the date of Land and Buildings ownership transfer to its relevant.

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

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

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

	Stock value Per share (Baht)	(Unit : Baht)	
		September 30, 2019	
		Number of Shares	Amount
Authorized share capital			
The amount as of January 1, 2019	10	100,000	1,000,000
Increase the capital during the period	10	78,838,563	788,385,630
The balance as of September 30, 2019		78,938,563	789,385,630
Issued and paid – up share capital			
The amount as of January 1, 2019	10	100,000	1,000,000
<u>The 1st Increase in capital</u>			
Receive payment by remaining inventories balance	10	19,869,630	198,696,303
Receive payment by machine and tools	10	21,938,217	219,382,167
Receive payment by cash	10	1,462,000	14,620,000
The amount as of February 8, 2019		43,369,847	433,698,470
<u>The 2nd Increase in capital</u>			
Receive payment by cash	10	19,600,000	196,000,000
The amount as of February 15, 2019		62,969,847	629,698,470
<u>The 3rd Increase in capital</u>			
Receive payment by cash	10	15,968,716	159,687,160
The amount as of September 30, 2019		78,938,563	789,385,630

The 1st Increase in capital

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

1. Thai Luxe Enterprises (Thailand) Co., Ltd. received the transfer of assets relating to an animal feed production business from PP PRIME Public Company Limited who was the previous shareholder, based on the business transfer. The net asset value of Baht 418,078,470 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 Baht 10 per share, accounted for Baht 418,078,470.00 to PP PRIME Public Company Limited, in the implication that PP Public Company Limited had fully paid for the capital shares.

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

Thai Luxe Enterprises (Thailand) Co., Ltd. issued 1,462,000 new ordinary shares at a par value of Baht 10, accounted for Baht 14,620,000.00 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 February 8, 2019.

The 2nd Increase in capital

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

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

The 3rd Increase in capital

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

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

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

Assets and Liabilities transferred in 2019 are as followings;

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

4. CURRENT INVESTMENTS

	(Unit : Baht)	
	<u>Consolidated / Separate financial statements</u>	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Investments in trading securities (Mutual Fund)		
Investments in available – for – sale securities, cost	33,635	33,287
Add: Gain on changes in value of investments	(431)	348
Investments in available – for – sale securities, fair value	<u>33,204</u>	<u>33,635</u>

During the nine-month period ended September 30, 2019, the movement of available – for – sale investments is as follows:

	(Unit: Baht)
	Consolidated / Separate financial statements
Book value as at January 1, 2019	33,635
Acquisition during the period	-
Disposal during the period – at cost	-
Gain (loss) on changes in value of available – for – sale investments during the period	(431)
Book value as at September 30, 2019	33,204

5. TRADE AND OTHER CURRENT RECEIVABLES

5.1 Trade and other current receivables

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
<u>Trade receivables – related party</u>				
Aged on the basis of due dates				
Not yet due	13,114	14,379	18,417	14,379
Overdue				
Up to 3 months	-	16,186	44,187	16,186
3 – 6 months	-	-	35,035	-
6 – 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total	13,114	30,565	97,639	30,565
<u>Trade receivables – unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	198,223	220,268	196,070	220,268
Overdue				
Up to 3 months	30,612	55,856	30,432	55,856
3 – 6 months	4,813	8,057	4,812	8,057
6 – 12 months	25,751	7,229	25,751	7,229
Over 12 months	6,809	17,184	6,809	17,184
Total	266,208	308,594	263,874	308,594
Less: Allowance for doubtful debts	(34,966)	(28,441)	(34,966)	(28,441)
Total trade receivables – unrelated parties net	231,242	280,153	228,908	280,153
	244,356	310,718	326,547	310,718

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
<u>Other current receivables</u>				
Amounts due from related parties	948	854	2,716	2,026
Amounts due from unrelated parties	7,965	3,109	1,529	168
Interest receivable – related parties	9,700	6,367	91,200	109,846
Interest receivable – unrelated parties	156	153	4	88
Advance corporate income tax	2,198	2,134	-	2,134
Total other receivables	20,967	12,617	95,449	114,262
Less: Allowance for doubtful debts	(6,201)	-	-	-
Total other receivables	14,766	12,617	95,449	114,262
	259,122	323,335	421,996	424,980

5.2 Trade and other non – current receivables

These represent the balance of long outstanding debts amounting to Baht 58 million (2018: Baht 44 million) due from various trade debtors against whom the Company has taken legal actions. As at September 30, 2019, the Company has set up an allowance for doubtful accounts amounting to Baht 58 million (2018: Baht 44 million) in its accounts by taking into consideration the auction price and the value of the related collaterals.

6. INVENTORIES

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
	2019	2018	2019	2018
Finished goods	52,167	69,650	46,033	69,650
Raw materials	113,456	160,603	-	160,603
Raw materials in transit	14,846	-	-	-
Packing materials and supplies	15,536	14,146	-	14,146
Spare parts	24,332	33,208	-	33,208
Total	220,337	277,607	46,033	277,607
<u>Less Allowance for decline values</u>	(193)	(15,740)	(411)	(15,740)
	220,144	261,867	45,622	261,867

For nine - month period ended September 30, 2019 and 2018, the movements of allowances for obsolete of inventories are as follows :

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Beginning balance as at January 1	15,740	13,900	15,740	13,900
Increase	-	1,415	-	1,415
Reversal/ Disposal during the period	(15,547)	-	(15,329)	-
Ending balance as at September 30	193	15,315	411	15,315

Allowances for obsolete of inventories presented at cost of sale in statements of income.

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

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

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

On April 17, 2019, the subsidiary received the deposit amount of Yen 400 million (approximately Baht 116.28 million).

The Company received deposit of Yen 600 million (approximately Baht 176.26 million) classified as deposit received in other current liability.

On April 5, 2019, the subsidiary enter into sell agreement of 4 Electricity projects that consisted of P-Power (2 locations) and Lena power plant – 1 (2 locations) with Beppu Forest Power Co., Ltd. value Yen 800 million (approximately Baht 232.56 million). According to the additional memorandum the selling of agreement of four Electricity projects must be approved by the Company board of directors. However, until present there is no approval resolution of the board of directors.

At the present, the Company expect to extend the preliminary agreement in the sale of geothermal power plants no later than December 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	
	September 30, 2019	December 31, 2018
Cash and cash equivalents	27,187	17,774
Trade and other current receivables	51,896	30,638
Other current assets	8,720	7,616
Property, plant and equipment	659,599	720,231
Other intangible assets	335,820	349,893
Deferred tax assets	4,281	4,692
Other non – current assets	5,292	22,843
Goodwill	42,635	44,086
Total	<u>1,135,430</u>	<u>1,197,773</u>

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	September 30, 2019	December 31, 2018
Trade account payable	3,729	4,640
Current income tax payable	1,023	5,533
Other current liabilities	3,605	1,839
Deferred tax liabilities	53,264	58,200
Total	<u>61,621</u>	<u>70,212</u>

8. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as presented in separate financial statements as at September 30, 2019 and December 31, 2018 are as follows:

Company's name	(Unit : Thousand Baht)									
	Paid – up capital		Shareholding		Cost		Provision for		Carrying amounts	
	2019	2018	Percentage (%)		2019	2018	impairment		based on cost	
							of investments		method – net	
			2019	2018	2019	2018	2019	2018	2019	2018
Subsidiaries directly held by the Company										
Thuxe Global Business Co., Ltd.	3,000	3,000	100	100	3,000	3,000	-	-	3,000	3,000
Thuxe Power Co., Ltd.	1,100,000	100,000	100	100	1,100,000	100,000	(22,225)	(22,225)	1,077,775	77,775
Thailuxe Enterprises (Thailand) Co., Ltd.	789,386	1,000	100	100	789,386	1,000	-	-	789,386	1,000
P PRIME SINGAPORE PTE. LTD.	32	32	100	100	32	32	-	-	32	32
Investments in subsidiaries directly held by the Company – net					1,892,418	104,032	(22,225)	(22,225)	1,870,193	81,807
Subsidiaries held through Thuxe Power Limited										
Thuxe Investments Limited	10*	10*	100	100	-	-	-	-	-	-
Origin Power Investment Co., Ltd.	0.1*	0.1*	100	100	-	-	-	-	-	-
Subsidiaries held through Thuxe Investments Limited										
Thuxe Holdings Limited	10*	10*	100	100	-	-	-	-	-	-
Geothermal Power A Co., Ltd.	10*	10*	100	100	-	-	-	-	-	-
Geothermal Power B Co., Ltd.	10*	10*	100	100	-	-	-	-	-	-
Subsidiaries held through Origin Power Investment Co., Ltd.										
Wind Power A Co., Ltd.	0.1*	0.1*	100	100	-	-	-	-	-	-
Subsidiaries held through Thuxe Holdings Limited										
Sumo Power Co., Ltd.	1,000**	1,000**	100	100	-	-	-	-	-	-
Beppu Tsurumi Onsen Geothermal										
Power Station No.1 Liaison Company	10**	10**	100	100	-	-	-	-	-	-
P Green Energy Co., Ltd.	1,000**	1,000**	100	100	-	-	-	-	-	-
Subsidiaries held through Geothermal Power A Co., Ltd.										
Fino Binary Power Plant LLC.	10**	10**	100	100	-	-	-	-	-	-
NIS Binary Power Plant LLC.	10**	10**	100	100	-	-	-	-	-	-
Lena Power Station No.1 LLC.	5,000**	5,000**	100	100	-	-	-	-	-	-
Subsidiaries held through Geothermal Power B Co., Ltd.										
PPSN Co., Ltd.	12,000**	12,000**	100	100	-	-	-	-	-	-
SNS Power Co., Ltd.	500**	500**	100	100	-	-	-	-	-	-
Dual Energy Binary - Power Plant No.1 LLC.	100**	100**	100	100	-	-	-	-	-	-
Subsidiaries held through Sumo Power Co., Ltd										
Otomeyama Energy Co., Ltd.	500**	500**	100	100	-	-	-	-	-	-
S-Power Co., Ltd.	500**	500**	100	100	-	-	-	-	-	-
Total investments in subsidiaries - net					1,892,418	104,032	(22,225)	(22,225)	1,870,193	81,807

* Unit: Thousand US dollar

** Unit: Thousand Yen

8.1 Dividend income

During the three – month and nine – month periods ended September 30, 2019 and 2018, The Company has not dividend income from the investments in subsidiaries.

8.2 Investments in Tluxe Power Co., Ltd.

The board of Directors meeting No.12/2019 of PP PRIME Public Company Limited held on June 10, 2019, has resolved to approve the Company increase its stake in Tluxe Power Co., Ltd, (a subsidiary of the Company hold 100%), increase capital of Baht 1,000,000,000 by issuing 100,000,000 ordinary shares with a par value of Baht 10 per share.

The Company has paid the increasing in share capital of Tluxe Power Co., Ltd. at the full amount.

Tluxe Power Co., Ltd. registered the change in its registered capital with the Ministry of Commerce on July 22, 2019.

9. INVESTMENTS IN ASSOCIATE

Company's name	Shareholding percentage (%)		(Unit : Thousand Baht)	
			Consolidated financial statements	
			Carrying amounts based on equity method	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
M-Luxe Energy Co., Ltd.	25	25	-	-
Total			-	-

9.1 Investment in associate with capital deficit

The Company recognized share of losses from investment in 1 associate, as listed below, until the value of the investments approached zero. Subsequent losses incurred by those associates have not been recognized 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 unrecognized share of losses is set out below:

Associate company	(Unit : Million Baht)	
	Unrecognized share of losses during the period/the year	
	For the nine – month period ended September 30, 2019	For the year ended December 31, 2018
M-Luxe Energy Co., Ltd.	(0.58)	(0.70)

10. OTHER LONG – TERM INVESTMENTS

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	September 30, 2019	December 31, 2018
Investments in available – for – sale securities – cost	168,852	1,080,384
Less : Loss on changes in value of investments	(102,543)	(760,229)
Investments in available – for – sale securities – fair value	66,309	320,155
Other investments – cost	5,000	5,000
Less : Provision for impairment of investment	(1,550)	(1,550)
Other investments – net	3,450	3,450
Total	69,759	323,605

During the nine – month period ended September 30, 2019, the movement of available – for – sale is as follows:

	Consolidated / Separate financial statements	
	Number of shares	Amount
	(Thousand Shares)	(Thousand Baht)
Cost as at January 1, 2019	142,371	1,080,384
Acquisition during the period	3,604	6,126
Increase number of shares form Stock dividend and warrants	9,272	-
Disposal during the period – at cost	(93,105)	(145,720)
Profit (loss) recognized in the income statement	-	(771,938)
Other comprehensive income (expense) recognized in other components of shareholders' equity	-	(102,543)
Book value as at September 30, 2019	62,142	66,309

10.1 The Company invested in ordinary shares of ASIA Capital Group Public Company Limited, a related company listed on the Market for Alternative Investment (MAI). The investment in these shares represents approximately 14 percent of that company’s paid-up share capital, and some shareholders of the Company are also shareholders of this company. The Company has no intention to take part in the management of this company and has no influence over.

Anyhow to during the period of year 2019, the Company has sold this investment full amount.

10.2 As at September 30, 2019, the Company has led Available – for – sale securities amount 62.14 million shares (Book value of Baht 66.31 million) as a guarantee for the issuance of debentures as discussed in Note 18.2 to the consolidated financial statements.

10.3 During the nine – month period ended September 30, 2019, the Company sold available – for – sale securities with book value totaling Baht 145.72 million by recognizing the profit from the sale to Baht 759.59 million. The company recognized loss on expired warrant in statement of income totaling of Baht 12.35 million.

10.4 The Company received dividend income for the nine-month period ended September 30, 2019 amount of Baht 0.07 million (2018: Baht 10.83 million).

11. LONG – TERM LOANS

As at September 30, 2019 and December 31, 2018, are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Long – term loans				
Long – term loans to subsidiaries (Note 3.2)	-	-	686,056	1,768,561
Long – term loans to related parties (Note 3.2)	151,465	165,009	-	-
Long – term loans to other parties	3,969	4,103	-	-
Total long – term loans	<u>155,434</u>	<u>169,112</u>	<u>686,056</u>	<u>1,768,561</u>
Less : Current portion of long – term loans				
Long – term loans to subsidiaries (Note 3.2)	-	-	-	-
Long – term loans to related parties (Note 3.2)	(87,690)	-	-	-
Long – term loans to other parties	(3,969)	-	-	-
Total current portion of long – term loans	<u>(91,659)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>63,775</u>	<u>169,112</u>	<u>686,056</u>	<u>1,768,561</u>

Loans to other parties

Loan to other parties there are significant movements during the period as follows:

	(Unit : Thousand Baht)
	Consolidated financial statements
Net book value as at January 1, 2019	4,103
<u>Add</u> Increase	-
<u>Less</u> Decrease	-
Translation adjustment	(134)
Net book value as at September 30, 2019	<u>3,969</u>

Loan to other parties carried interest rate at 5 percent per annum and repayable at call.

12. INVESTMENT PROPERTIES

	(Unit : Thousand Baht)
	Consolidated / Separate financial statements
Net book value as at January 1, 2019	38,685
Acquisitions during period – at cost	3,601
Transfer in (Note 15)	48,000
Depreciation for period	(1,139)
Net book value as at September 30, 2019	<u>89,147</u>

The Company transferred advance payment for assets to investment properties. The net book value amount of Baht 48 million as discussed in Note 15 which the Company is in the process of evaluating the fair value.

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

The fair value of the investment properties stated below:

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	September 30, 2019	December 31, 2018
Land not being used in operation / land for rent	76,555	76,555
Office building for rent	57,762	57,762

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

The Company have pledge of Investment Properties at cost approximately Baht 86 million as collateral against credit line received from financial institutions and debenture as disclosed in the Note 16, 18.1 and 18.2 to the consolidated financial statements.

As at September 30, 2019, the Company has certain investment property which has been fully depreciated but is still in use. Book value before deducting accumulated depreciation and allowance for impairment of such assets amounted to approximately Baht 38 million.

13. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the nine - month period ended September 30, 2019 are summarised below:

	(Unit : Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2019	1,395,532	594,978
Acquisitions during period – at cost	17,907	2,358
Disposals during period – at cost	(39,758)	(39,462)
Depreciation for period	(88,262)	(3,235)
Disposals during period – at accumulated depreciation	39,470	39,462
Transfer in (out) to the subsidiary* (Note 3.4)	-	(563,097)
Transfer in (Note 15)	24,000	24,000
Exchange difference on translation adjustment	(25,789)	-
Assets classified as held for sale (Note 7)	(659,599)	-
Net book value as at September 30, 2019	<u>663,501</u>	<u>55,004</u>

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

As at September 30, 2019, the Company had equipment and motor vehicles with net book values of Baht 6 million (2018 : Baht 7 million), which were acquired under financial lease agreements.

As at September 30, 2019, the Company has certain buildings and equipment which have been fully depreciated but are still in use. Book value before deducting accumulated depreciation and allowance for impairment of such assets amounted to approximately Baht 112 million (2018 : Baht 754 million).

The Company has pledge of property, plant and equipment at cost approximately Baht 616 million as collateral against credit line received from financial institutions as disclosed in the Note 18.1 and 18.2 to the consolidated financial statements.

14. OTHER INTANGIBLE ASSETS

Movements of the other intangible assets accounts during the nine - month period ended September 30, 2019 are summarized below:

	(Unit : Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2019	361,401	11,490
Acquisitions during period	602	-
Transfer in (out) to the subsidiary (Note 3.4)	-	(11,282)
Transfer in (out)	17,371	-
Amortization for the period	(20,747)	(50)
Exchange difference on translation adjustment	(11,847)	-
Assets classified as held for sale (Note 7)	(335,820)	-
Net book value as at September 30, 2019	<u>10,960</u>	<u>158</u>

15. ADVANCES PAYMENT

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Advance payment for construction of geothermal power plants	29,195	30,188	-	-
Advance payment for Hot spring rights	34,013	35,170	-	-
Advance payment for assets	-	64,800	-	64,800
Advance payment for Riverside Project	47,104	65,565	47,104	65,565
Total	<u>110,312</u>	<u>195,723</u>	<u>47,104</u>	<u>130,365</u>

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. During the period in 2019 the Company received the rental area of Baht 72 million, therefore the company transferred the advance payment into property, plant and equipment costs of Baht 24 million, and to investment property cost of Baht 48 million accordingly.

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 Yen 3,100 million or equivalent to Baht 911.83 million (based on the exchange rate of Baht 29.4140 per Yen 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 6 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 Yen 210 million (approximately Baht 65.57 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 (Yen 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 Yen 10 million (approximately Baht 3 million).

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

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

According to the meeting of the Board of Directors No. 14/2019 on June 28, 2019, has approved the Due Diligent Project until the end of July 2019.

According to the Board of Directors meeting No. 15/2019, on July 30, 2019, resolved to issue the company letter of cancellation of such investment and requesting a deposit in the amount of Baht 65.57 million because the development of the said project agreed has delayed, together with the cost of developing the project higher.

The Company recorded full provision for loss on the deposit due to an uncertainty in the collection from joint investor.

On November 1, 2019, the company received deposit of Yen 171 million (equivalent to Baht 47.10 million) from Rich Partners Company Limited. In third quarter of 2019, the Company reversed provision for loss of Baht 47.10 million and recognized other income in the statement of comprehensive income for three - month period ended September 30, 2019.

16. BANK OVERDRAFT AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

			(Unit : Thousand Baht)			
			Consolidated financial statements		Separate financial statements	
	Interest rate (% per annum)	Maturity date	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Bank overdrafts			20,929	277	17	277
Promissory note from financial institutions	5.25	January 31, 2020	140,000	180,000	140,000	180,000
Bills of exchange from the Company and other persons	9.00	December 4, 2019	30,000	71,937	30,000	71,937
Short – term loan from financial institutions			-	230,000	-	230,000
Trust Receipt Payable			94,068	69,497	94,068	69,497
			284,997	551,711	264,085	551,711
Deferred front end fee			(693)	(1,763)	(693)	(1,763)
			<u>284,304</u>	<u>549,948</u>	<u>263,392</u>	<u>549,948</u>

Bank overdrafts

On July 17, 2019 the company’s subsidiary was granted credit facility from a commercial bank, consisted of revolving credit of bank overdraft of Baht 25 million, that’s guaranteed by land and building (on such land) of the company and raw material and/or inventory and fixed deposit bank account of the company’s subsidiary.

Promissory note from financial institution

On July 9, 2019, the company redeemed promissory notes that due totaling of Baht 150 million and issued 2 new promissory notes as follow:

- 1) Promissory note from a financial institution No. 1 in the amount of Baht 100 million at interest rate of 4.05% per year with due date on October 9, 2019.

As at October 9, 2019, the Company had redeemed the redemption promissory note amount of Baht 100 million. After that the Company renewed the promissory note amount of Baht 80 million at interest rate of 5.25% per year with due date on January 31, 2020.

- 2) Promissory note from a financial institution No. 2 in the amount of Baht 50 million at interest rate of 4.05% per year with due date on July 31, 2019.

At the present, the Company had repaid in the amount of Baht 10 million, the remaining unpaid amount of Baht 40 million and the Company had negotiated to waiver with the lender bank to request a waiver of payment and on August 14, 2019, the lender bank approved the renewal of promissory note of Baht 40 million, starting from August 16, 2019 to October 31, 2019 and requesting to collect default interest between August 1, 2019 and August 16, 2019.

As at October 31, 2019, the Company redeemed promissory note that due totaling of Baht 40 million and issued new promissory note with interest rate 5.25% per annum, maturity date on January 31, 2020.

That promissory note has guaranteed by mortgage the land and construction of company as cost of Baht 12 million.

Bills of exchange from the Company other persons

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

1. 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.

17. TRADE AND OTHER CURRENT PAYABLES

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30,	December 31,	September 30,	December 31,
	2019	2018	2019	2018
Trade payables – related party	5,866	22,304	416,819	22,304
Trade payables – unrelated parties	171,611	211,914	144	211,914
Other payables – related parties	5,483	1,459	10,538	-
Other payables – unrelated parties	15,194	14,854	1,717	14,612
Other payables for purchases of assets	3,937	5,427	1,113	3,688
Accrued interest – related party	10	5	-	-
Accrued interest – unrelated parties	7,269	10,619	7,269	10,619
Accrued expenses – related party	-	469	-	469
Accrued expenses – unrelated parties	40,381	30,718	29,635	30,344
Total trade and other current payables	<u>249,751</u>	<u>297,769</u>	<u>467,235</u>	<u>293,950</u>

18. LONG – TERM LOAN

As at September 30, 2019 and December 31, 2018 are as follows:

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	September 30, 2019	December 31, 2018
Long – term loan		
Long – term loan from financial institutions	553,988	611,230
Debentures	719,883	906,666
Liabilities under hire purchase and financial lease agreements	2,320	3,943
Total long – term loan	<u>1,276,191</u>	<u>1,521,839</u>
Less : Current portion of long – term		
Long – term loan from financial institutions	(553,988)	(611,230)
Debentures	(514,379)	(707,221)
Liabilities under hire purchase and financial lease agreements	(1,604)	(2,036)
Total current portion of long – term	<u>(1,069,971)</u>	<u>(1,320,487)</u>
	<u>206,220</u>	<u>201,352</u>

18.1 Long – term loan from financial institutions

Movements of the long – term loan from financial institutions account during the nine – month period ended September 30, 2019 are as follows:

	(Unit : Thousand Baht)
	Consolidated / Separate financial statements
Balance as at January 1, 2019	611,744
<u>Add Increase</u>	-
<u>Less Payment</u>	(38,299)
Exchange differences on translation adjustment	(19,131)
Total	<u>554,314</u>
Deferred financial fee	(326)
Balance as at September 30, 2019	<u>553,988</u>

		(Unit : Thousand Baht)	
		Consolidated / Separate financial statements	
Interest rate (% per annum)	Maturity date	September 30, 2019	December 31, 2018
YEN 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 YEN 14.5 million each and the balance payable in the 36 installment.	553,988	611,230
Less : Portion due within one year		(553,988)	(611,230)
Long – term loan – net of current portion		-	-

In accordance with the conditions specified in the agreement, this loan amounting to Yen 1,930 million (equivalent to Baht 554 million) is secured by the pledge of land and buildings of the Company and the Company has to mortgage property of the geothermal power plant projects in Japan, pledge power 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 September 30, 2019, the Company was unable to maintain the debt – to – equity ratio stipulated in the loan agreement, which constitutes a breach of the agreement. As a result, the bank may demand payment of the loan immediately and 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.

After that, at August 16, 2019, the Company had received notice of delay of exercising call default from the lender bank as follows. As the event that the Company defaulted on paying Debentures No. 1/2019 in the amount of Baht 319.50 million, which is considered as the default event / breach of the loan contract that the Company has signed with the bank. Currently, the bank will not exercise the right to call default due to the event that the company defaulted on paying the debentures as described above. Provided that if there are any events considered by the bank that may affect the ability to pay the debt that the company has to the bank, such as (but not limited to) other creditors of the company exercising the right to recall debt or exercise the right to enforce debt repayment, etc. The bank is required to immediately use the right to call default with the Company.

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

Therefore showing loans from financial institutions in the amount of Yen 1,930 million (equivalent to Baht 554 million), as liabilities due within one year in full amount.

18.2 Debentures

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	September 30, 2019	December 31, 2018
Debentures	727,100	914,000
Less : Deferred arrangement fee for debentures	(7,217)	(7,334)
Debentures – net of arrangement fee	719,883	906,666
Less : Portion due within one year	(514,379)	(707,221)
Debentures – net of current portion	205,504	199,445

Movements of the debentures accounts during the nine – month period ended September 30, 2019 are summarized below:

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
Balance as at January 1, 2019		914,000
Issuance of debentures		207,600
Redemption of debentures		(394,500)
Total		727,100
Deferred arrangement fee for debentures		(7,217)
Balance as at September 30, 2019		719,883

As at September 30, 2019, the balance of the debentures issued by the Company is Baht 727 million. Such debentures has offered to investors by private placement. The debentures pay interest every 3 months. Significant details are as follows:

Time	Issue date	Units	Par value per unit (Baht)	Total value (Million Baht)	Interest rate (% per annum)	Maturity date
<u>Registered holders of Debentures unsecured and unsecured debentures, which do not have a debenture holders’ representative.*</u>						
1/2017	July 27, 2017	260,500	1,000	261	6.30	July 27, 2019
<u>Registered holders of Debentures unsecured and unsecured debentures, which do have a debenture holders’ representative.*</u>						
2/2018	August 2, 2018	319,500	1,000	320	7.25	August 2, 2019
3/2018	September 3, 2018	134,000	1,000	134	7.25	September 3, 2019
<u>Registered holders of Debentures unsecured and secured debentures, which do have a debenture holders’ representative.*</u>						
1/2018	May 8, 2018	200,000	1,000	200	7.00	May 8, 2020
1/2019	March 21, 2019	207,600	1,000	208	8.50	March 18, 2021

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

Debentures No. 1/2017

The Siam Commercial Bank Public Company Limited as a registrar has transferred money and issued checks to bondholders who have partially redeemed on July 30, 2019 amount of Baht 260.50 million. On July 30, 2019, the debenture registrar transferred money to the debenture holder's bank account to cut the bank's money from the system in error for the debenture holders. In the amount of Baht 216.80 million because the Company has not yet brought the deposit into the account to pay off the redemption of the bonds.

On August 5, 2019, the management of the Company and the executives of Siam Commercial Bank Public Company Limited, as the debenture registrar, met together making the company know clearly that transferring money to the debenture holder's account is in accordance with the above facts, so on August 6, 2019, the Board of Directors has approved the reimbursement Registrar. The company has processed a refund by way of money transfer system baht net successfully follows:

1. The Company paid the amount of Baht 216.80 million, returned to the registrar, the registration of the debenture and the debenture holder who received the money to pay off the debenture in No.1/2017.
2. Debt repayment of debentures in the amount of Baht 43.70 million. On August 2, 2019, the Company transferred money to the debenture holders' accounts totaling 40 debenture holders and made a cashier check in 9 debenture holders. The debenture holders will receive on August 5, 2019 at Phoenix Advisory Services Company Limited. As of August 5, 2019, all 9 debenture holders have received the cashier's check completely. The proceeds from the payment are from the capital increase and working capital of the Company and from coordination with the debenture registrar. There are 3 debenture holders who have not yet received debt repayment. The Company has therefore transferred the money to all 3 debenture holders directly on August 7, 2019.

Therefore, the debenture No. 1/2017, the Company has fully paid the debentures.

Debentures No. 2/2018

As at August 2, 2019, the Company is unable to pay the due debenture.

According to Board of Directors in the meeting No. 16/2019 on August 6, 2019 therefore resolved to notify the event of default on the payment of the Debentures No.2/2018, amounting to Baht 319.50 million and resolved to call the meeting hold the debentures on September 2, 2019 to extend the repayment period of 330 days from the date of redemption. This will be due on July 2, 2020. The Company will pay the normal interest of the period on August 2, 2019, amounting to approximately Baht 5.71 million on September 2, 2019 and the Company will request to change the normal interest rate from the interest rate of 7.25 percent per year, increased by 0.50 to 7.75 percent per year. The Company will pay the interest that will be approved by the debenture holders' meeting in the next period on November 2, 2019, amount of Baht 6.11 million, February 2, 2020, amount of Baht 6.11 million and July 2, 2020, amount of Baht 10.18 million, including the total interest paid from the due date (August 2, 2019) to July 2, 2020, amounting to Baht 22.39 million.

On August 27, 2019, one of bondholder has filed a lawsuit with the Civil Court ordered the Company to pay principle and default interest of bond, totaling Baht 176.26.

Anyhow to the bondholders' meeting no. 1/2019 on September 2, 2019 to consider the debenture extension plan, worth of Baht 319.50 million and requesting a waiver of the default interest rate. The meeting has approved the plan to extend the principal redemption of the debenture No. 2/2018, worth of Bath 319.50 million, which was redeemed on August 2, 2019 with an extension of the principal redemption period of this debenture until July 2, 2020 or extended to 330 days at the interest rate of 7.75% per year but the meeting does not approve the waiver, except for the default interest rate from August 2, 2019 to September 2, 2019.

On September 5, 2019, the Company has processed a 2% default interest payment (in addition to the 7.25% paid from the Company) of the debenture which calculated from the date of August 2, 2019 to September 5, 2019 in the amount of Baht 0.61 million.

The above – mentioned default payment event does not cause the event of default in payment of debentures in accordance with the rights and obligations of the debenture issuer and the debenture holders of the debentures No.1/2018 and Debentures No. 1/2019 specified in the terms and conditions on the rights and obligations of the issuers and the debenture holders funding, the default payment or any debt payment as mentioned above is called to be due before the original deadline. Must have a combined amount of more than Baht 400 million or other currency equivalent amount.

Debentures No. 3/2018

On September 6, 2019, the Company carried out the transfer of the principal and the final interest of the debentures at a normal rate of 7.25% per year in the amount of Baht 136.45 million, including the default interest of 3 days (at the rate of 9.25% per year) amount of Baht 0.10 million, which calculated from September 3, 2019 to September 5, 2019 of debenture.

Therefore, the debenture No. 3/2018, the Company has fully paid the debentures.

Debentures No. 1/2018

Guarantee by pledge investment available for sale amount 62.14 million shares (book value of Baht 66.31 million) and pledge investment property, book value Baht 48 million, under the regulation of right and duty of issuer, the Company has to follow some financial condition such as the value of the collateral not less than 1.10 times of loan.

According to the debenture holders meeting No. 2/2019 dated November 12, 2019, the meeting has resolution to accept common share of Tluxe Power Company Limited as additional collateral of 7.50 million shares (book value of Baht 75 million).

Debentures No. 1/2019

Guarantee by pledge ordinary share of Thai Luxe Enterprises (Thailand) Co., Ltd. (subsidiary) amount 62.97 million shares (book value of Baht 638.50 million).

Debentures payment plan to be redeemed in the future.

The company will pay the normal interest and repay the debt within the specified period, with the source of payment as follows:

Unsubordinated debentures (Unit : Million Baht)			Source of payment
No.	Amount	Due date	
1/2018	200.00	May 8, 2020	The Company determines to sell securities for trading and selling non-operating assets. And the Company has previously made a preliminary memorandum on the sale of geothermal power plants in Japan, a total of 15 units (Note 7), which the Company received a deposit on June 21, 2018, amount of Yen 200 million (approximately Baht 59.98 million) and later on April 17, 2019, the Company received an additional deposit of Yen 400 million (approximately Baht 116.28 Million), causing the Company to receive a deposit of approximately Yen 600 million (or approximately Baht 176.26 million), which the buyer had originally expected to pay for the purchase of a geothermal power plant within June 30, 2019. The buyer has now negotiated with the Company to extend the preliminary agreement on the sale of thermal power plants. Under geothermal not more than December 2019, in the remaining value of which will be paid approximately Yen 4,200 million (or approximately Baht 1,183.77 million), including bringing money from working capital and The liquidity of the business to pay the redemption of the debentures.
1/2019	207.60	March 18, 2021	

19. PROMOTIONAL PRIVILEGES

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

In addition, the Company has received promotional privileges which approved by the Board of Investment for the manufacture and distribution of feeds for aquatic animals, pursuant to the investment promotion certificate No. 1856 (2)/2013 issued on June 19, 2013 and the investment promotion certificate No. 1131 (2)/2015 issued on February 4, 2015. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (the investment promotion certificate No. 1856 (2)/2013 has revenues generate on May 16, 2018 and the investment promotion certificate No. 1311 (2)/2015 has revenues generate on April 30, 2015) with the corporate income tax exempted capped at the amount of capital investment made, excluding in

land and working capital. They also include a reduction of import duty on imported machinery as approved by the Board of Investment, an exemption from income tax on dividend paid to the shareholders from the profit of the promoted activities during the corporate income tax exemption period, and permission to deduct 25 percent of the amount invested in the installation of facilities in addition to normal depreciation and until on January 1, 2019, the Company has transferred business to Thai Luxe Enterprises (Thailand) Co., Ltd.

20. SHARE CAPITAL

20.1 Year 2018

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

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

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

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

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.

20.2 Year 2019

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

1.1 Approved the reduction of the Company’s registered capital of Baht 280,762,672, from the current registered capital of Baht 843,813,359 to be Baht 563,050,687 by cancelling 280,762,672 ordinary shares with par value of Baht 1 per share.

1.2 Approve the amendment of clause 4 of the Company’s Memorandum of Association to be in line with the reduction of the Company’s registered capital.

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

1.3 Approved the increase of the Company’s registered capital by allocating the newly issued ordinary shares of not exceeding 281,525,344 shares to the existing shareholders in proportion to their shareholding ratio (RO) as follows: “The Meeting approved the increase of the Company’s registered capital of Baht 281,525,344 from the current registered capital of Baht 563,050,687 to be Baht 844,576,031 by issuing 281,525,344 ordinary shares with par value of Baht 1 per share”.

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

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

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

The existing shareholders by way of right offering (RO) are as follows:

Allocation to	Amount of Shares (shares)	Ratio (Old : New)	Offering Price (Baht per share)	Share Subscription and Payment Date and Time
The existing shareholders	Not exceeding 281,525,344 shares	2 existing ordinary shares: 1 new ordinary shares	Baht 2.00 per share, totaling Baht 563,050,688	July 1 – 5, 2019 (5 business days)

During July 1 – 5, 2019, the existing shareholders has right to purchase newly issued ordinary share in proportion of their existing shareholding (RO) of 125,001,347 shares, totaling of Baht 250,002,694. As a result, the Company registered the increase of its issued and paid-up capital of Baht 563 million (divided into 563 million ordinary shares at Baht 1 par value) to Baht 688 million (divided into 688 million ordinary shares at Baht 1 par value) with the Ministry of Commerce on July 9, 2019.

2. According to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2019 on June 10, 2019, has passed significant resolutions as follows:

2.1 Approved the reduction of the Company’s registered capital of Baht 281,525,344 from the existing registered capital of Baht 844,576,031 to Baht 563,050,687 by cancelling 281,525,344 authorized but unissued ordinary shares, with a par value of Baht 1 per share.

2.2 Approved the amendment of clause 4 of the Company’s Memorandum of Association to be in line with the reduction of the Company’s registered capital.

Subsequently, on June 13, 2019, the Company has completely registered the reduction of registered capital together with the amendment to Clause 4 of the Memorandum of Association of the Company to be accorded with the reduction of the registered capital as detailed above, with the Department of Business Development, the Ministry of Commerce.

2.3 Approved the increase of the Company’s registered capital of Baht 563,050,688 from the existing registered capital of Baht 563,050,687 to Baht 1,126,101,375 by issuing 563,050,688 newly issued ordinary shares, with a par value of Baht 1 per share.

2.4 Approve the amendment of clause 4 of the Company’s Memorandum of Association to be in line with the reduction of the Company’s registered capital. Subsequently, on June 14, 2019, the Company has completely registered the increase of registered capital together with the amendment to Clause 4 of the Memorandum of Association of the Company to be accorded with the increase of the registered capital as detailed above, with the Department of Business Development, the Ministry of Commerce.

21. WARRANTS

According to the Extraordinary General Meeting of Shareholders No. 1/2019 of PP PRIME Public Company Limited ("the Company") on June 10, 2019, received approval for the Company's ordinary shares, No. 4 ("Warrants" or "PPPM-W4") not exceeding 281,525,344 units to the existing shareholders of the Company in proportion to their shareholding (Warrant-RO) without charge at the ratio of 3 shares per 1 unit Rights Whereby the fraction of the warrants shall be discarded and scheduled for July 17, 2019 to be the date of determining the list of shareholders who have the right to subscribe for the said warrants (Record Date). The warrants to purchase ordinary shares of the Company No. 4 or PPPM-W4 are summarized as follows:

Type of warrants	Warrants to purchase ordinary shares of PP PRIME Public Company Limited, No. 4, allocated to the existing shareholders of the Company at the ratio of 3 ordinary shares per 1 unit of warrants. ("Warrant" or "PPPM-W4")
Type	Named and transferable warrants
Number to be issued	Not exceeding 229,350,678 units
Number of ordinary shares reserved for the exercise of warrants	Not exceeding 229,350,678 shares (par value of Baht 1.00 per share), representing 33.33 percent of the total issued shares of the company as of July 9, 2019, amounting to 688,052,034 shares (par value of Baht 1.00 per share).
Offering Method	Allocated to the existing shareholders of the Company at the ratio of 3 ordinary shares per 1 unit (in the case that there is a fraction To round off) In this regard, the company determines the list of ordinary shareholders of the company. With the right to receive allotment of warrants issued at this time (Record Date) on July 17, 2019.
Offering Price per unit	Baht 0.00.

Tenure	5 years from the issuance date of the Warrants.
Issuance and Offering Date	September 23, 2019
Exercise Ratio	1 unit of the Warrants is entitled to purchase 1 newly issued ordinary share (unless the exercise ratio is adjusted by the conditions of right adjustment).
Exercise Price	Baht 1 per share (unless the exercise ratio is adjusted by the conditions of right adjustment).
Exercise Period	The holders of the Warrants may exercise the Warrants once every year on the last business day of October of each year during the period from 9.00 hours to 15.30 hours during the term of the Warrants, with the first exercise date on Thursday, October 31, 2019 and the last exercise date on the fifth anniversary of the issuance date of the Warrants (the “Exercise Date”). If the Exercise Date falls on any non-business day of the Stock Exchange of Thailand, the Exercise Date shall be postponed to the business day preceding such Exercise Date.
Exercise Notice Period	The holders of the Warrants wishing to exercise their rights to purchase the Company’s newly issued ordinary shares shall give notice of intention to purchase the Company’s newly issued ordinary shares within 5 business days prior to the Exercise Date, except for the notice of intention on the last exercise, such notice of intention to purchase the Company’s newly issued ordinary shares shall be given at least 15 days before the last Exercise Date.
End date of warrants	July 31, 2024
Warrant Registrar	Thailand Securities Depository Co., Ltd.
Secondary Market for the Warrants	The Company shall list the Warrants as listed securities on the Stock Exchange of Thailand (“SET”).
Secondary Market for the Newly Issued Ordinary Shares for Exercise of the Warrants	The Company shall list the newly issued ordinary shares to accommodate the exercise of the Warrants as listed securities on SET.

22. BASIC EARNINGS (LOSS) 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 nine – month periods ended September 30, 2019 and 2018 as follows:

	For the three – month period ended September 30			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (loss) attributable to equity holders of the parent company (Million Baht)	(641,088)	(53,757)	(641,068)	(3,463)
Number of ordinary shares as at January 1	563,051	563,051	563,051	563,051
Effect of share issued during the period	114,131	-	114,131	-
Weighted average number of common shares	677,182	563,051	677,182	563,051
Basic earnings (loss) per share (Baht / Share)	(0.95)	(0.10)	(0.95)	(0.01)

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AS AT SEPTEMBER 30, 2019

“UNAUDITED”
“REVIEWED”

	For the nine – month period ended September 30			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (loss) attributable to equity holders of the parent company (Million Baht)	<u>(802,924)</u>	<u>(77,870)</u>	<u>(791,358)</u>	<u>303,223</u>
Number of ordinary shares as at January 1	563,051	563,051	563,051	563,051
Effect of share issued during the period	38,462	-	38,462	-
Weighted average number of common shares	<u>601,513</u>	<u>563,051</u>	<u>601,513</u>	<u>563,051</u>
Basic earnings (loss) per share (Baht / Share)	<u>(1.33)</u>	<u>(0.14)</u>	<u>(1.32)</u>	<u>0.54</u>

Diluted earnings (loss) per share Weighted average number of ordinary shares in issue during the year is adjusted by the number of dilutive potential ordinary shares, assuming that the dilutive potential ordinary shares are exercised. Converted to ordinary shares. The Company has diluted ordinary shares, is warrants to purchase ordinary shares. The Company calculates the equivalent of the discounted shares based on the fair value based on the par value of the share option price accompanying the warrants to purchase the ordinary shares. The calculation is based on the weighted average number of ordinary shares in issue during the period. However, the Company does not calculate diluted earnings per share for the three-month and nine-month period ended September 30, 2019 and 2018, because the fair value of ordinary shares is less than the exercise price.

23. SEGMENT INFORMATION

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

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

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

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

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

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

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The following tables present revenue and profit (loss) information regarding the Company’s and its subsidiaries’ operating segments for the three – month and nine – month periods ended September 30, 2019 and 2018, as follow:

(Unit : Million Baht)

	For the three – month period ended September 30											
	Domestic				Overseas						Consolidated	
	Aquatic animal feed		Pets food		Production and distribution of electricity		Total segments		Eliminations			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue form external customers	911	484	48	38	19	22	978	544	(421)	-	557	544
Total revenues	911	484	48	38	19	22	978	544	(421)	-	557	544
Results												
Segment profit (loss)	6	(1)	4	2	17	(7)	27	(6)	(2)	-	25	(6)
Gain (loss) on investments in securities											(761)	-
Interest income											2	1
Other income (expenses)											35	(9)
Share of loss from investments in associates											-	-
Finance cost											(33)	(34)
Loss before income tax expenses											(732)	(48)
Income tax (expenses)											91	(5)
Loss for the period											(641)	(53)

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(Unit : Million Baht)

	For the nine – month period ended September 30											
	Domestic				Overseas							
	Aquatic animal feed		Pets food		Production and distribution of electricity		Total segments		Eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue form external customers	2,567	1,279	139	142	74	51	2,780	1,472	(1,201)	-	1,579	1,472
Total revenues	2,567	1,279	139	142	74	51	2,780	1,472	(1,201)	-	1,579	1,472
Results												
Segment profit (loss)	5	3	10	4	15	(27)	30	(20)	(12)	-	18	(20)
Gain (loss) on investments in securities											(772)	2
Interest income											5	6
Other income (expenses)											(32)	36
Share of loss from investments in associates											-	-
Finance cost											(101)	(92)
Loss before income tax expenses											(882)	(68)
Income tax (expenses)											79	(10)
Loss for the period											(803)	(78)

24. COMMITMENTS AND CONTINGENT LIABILITIES

24.1 Power purchase agreements

As at September 30, 2019 a subsidiary entered into PPA with an unrelated company. The PPA is effective for a period of 15 years starting from scheduled commercial operation date. The sales quantity and its price must be complied with the agreement.

24.2 Hot springs service agreement

As at September 30, 2019 the overseas subsidiaries have commitments in respect of power plant hot springs service agreements made with an unrelated company, amounting to approximately Yen 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.

24.3 Power plant operation and maintenance agreement

As at September 30, 2019, overseas subsidiary has commitments in respect of power plant operation and maintenance agreements made with an unrelated company, amounting to approximately Yen 0.1 million per month per power plant for 5 years starting from a project awarded date, which can be extended every 5 years, and has maximum duration of 15 years, under the same conditions.

24.4 Property rights of land agreement

As at September 30, 2019, 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 Yen 0.1 million per month per power plant. The term of this agreement is 21 years starting from an agreement signing date.

24.5 Capital Commitments

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

As at September 30, 2019 the overseas subsidiaries had capital commitments of approximately Yen 2,351 million (December 31, 2018 : Yen 2,351 million), relating to the construction of power plant.

24.6 Lease and services commitments

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

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

	(Unit : Million Baht)			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Payable:				
within 1 year	1.00	2.00	0.88	2.00
more than 1 year but not over 2 years	0.30	0.50	0.30	0.50

24.7 Guarantees

As at September 30, 2019 the Company and subsidiary were outstanding bank guarantees of approximately Baht 8 million (December 31, 2018 : Baht 8 million), issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee relating to guarantee electricity use.

25. FINANCIAL INSTRUMENTS**25.1 Foreign currency risk**

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

Foreign currencies	Financial liabilities		Average exchange rate	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	30.77	32.61
Japanese yen	1,930	2,060	0.29	0.29

25.2 Fair value hierarchy

As at September 30, 2019 and December 31, 2018, the Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit : Million Baht)							
	Consolidated/Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Financial assets measured at fair value								
Available – for – sale investments								
Equity instruments	66	320	-	-	-	-	66	320
Debt instruments*	-	-	0.03	0.03	-	-	0.03	0.03
Financial assets for which fair value are disclosed								
Investment properties	-	-	89	39	-	-	89	39
Financial liabilities for which fair value are disclosed								
Debentures	-	-	719	914	-	-	719	914

* Level 2 – The fair value determined by using the net asset value as published by the Asset Management. During the current year, there were not transfer within the fair value hierarchy.

26. 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 maximize shareholder value. As at September 30, 2019 the Group's debt – to – equity ratio was 2.72 : 1 (December 31, 2018 : 3.11: 1) and the Company's was 1.50 : 1 (December 31, 2018 : 1.75: 1).

27. AMENDMENTS TO THE LAW RELATING TO THE LEGAL SEVERANCE PAY RATES

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

28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company’s authorized director on November 14, 2019.