

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THAILAND

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
AND
INDEPENDENT AUDITOR'S REPORT

EXPRESSED IN
THAI BAHT

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of PP PRIME Public Company Limited

Qualified Opinion

I have audited the consolidated financial statements of PP PRIME Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of PP PRIME Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2021, and the related consolidated and separate statements of changes in equity, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects on the matter described in the basis for Qualified Opinion on the Consolidated Financial statement section of my report, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of PP PRIME Public Company Limited and its subsidiaries and of PP PRIME Public Company Limited as of December 31, 2021, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Qualified Opinion

(1) Binding of the Geothermal Power Plant Sales Agreement in Japan

Refer to Note 30 to the consolidated financial statements, on June 21, 2018, the subsidiary entered into a Memorandum of Understanding (MOU) with the first buyer in the sell agreement of 15 geothermal power plants in Japan at a price of Yen 320 million per plant, a total of Yen 4,800 million. with the subsidiary receiving a deposit of Yen 200 million and the remaining Yen 4,600 million. Buyers will pay within February 2019.

On February 21, 2019, the first buyer transferred the rights and obligations under the Memorandum of Understanding (MOU) to the second buyer (which has common director with a subsidiary who sells the property until March 31, 2019) and extended for June 30, 2019.

On February 25, 2019, a subsidiary and the second buyer has entered into agreements, with an agreement that the second buyer will pay second deposit of Yen 400 million and transfer share of 25 percent of the second buyer company to the subsidiary company by March 15, 2019 and the subsidiary company will transfer the ownership of four power plants (part of the 15 plants) to the second buyer within 15 days from receipt of payment.

On April 5, 2019, a subsidiary enters into sell agreement of four geothermal power plants (part of the 15 plants) that consisted of P-Power (2 locations) and Lena - 1 (2 locations) with second buyer value Yen 800 million. Buyer will pay Yen 400 million within 2 weeks after contract signing and Yen 400 million within 1 year after contract signing. With the addition memorandum that second buyer could terminate the sell agreement of four geothermal power plants if the contract is not approved by the Company board of directors. However, until present there is no approval resolution of the board of directors.

On April 11, 2019, the subsidiary received Yen 400 million from the second buyer.

The subsidiary received toalling of Yen 600 million (Baht 165.56 million) and recorded as other current liability.

According to the minute of board of director meeting No. 22/2019 on December 23, 2019, the company requested the second buyer pay the remaining amount of Yen 4,200 million to the subsidiary within January 31, 2020, informed second buyer that if they do not pay, the company will terminate the sell agreement and forfeit the deposit of Yen 600 million, and to seek new investor, to improve production effectiveness, and acknowledged the unpermitted contract approval of a subsidiary in Japan. A Japanese legal advisor suggested the company that by Japanese law it has to prove the true intention of the contract approval. If it did not present a true intention, this contract becomes invalid. If the company could prove that the first director approved the contract instead of second director, this contract is not binding the subsidiary.

On December 25, 2019 the company issued notice to the second buyer to pay the remaining balance, and confirmed the sell value of Yen 320 million per each geothermal power plant, and rejected proposal from second buyer to purchase four geothermal power plant at Yen 200 million per plant. The notice requested the second buyer to pay the remaining balance of the Memorandum of Understanding (MOU) dated June 21, 2018 of Yen 4,200 million within January 31, 2020 otherwise the company will terminate to sell agreement and forfeit the deposit.

According to the minute of board of director meeting No. 1/2020 on February 5, 2020, the company acknowledged the progress of sell agreement of 15 geothermal power plants, at present the second buyer did not pay the remaining balance to the company, therefore the management will consult with legal council to forfeit the deposit of Yen 600 million.

On July 17, 2020, the subsidiary received "Summons for report on first day of announcement and letter of request for response letter" from second buyer. It demanded that a subsidiary pay a second buyer of Yen 40,540,542 with accrued interest at the interest rate of 3 percent per annum from May 2, 2020 until the payment is complete and included all litigation costs. "Summons for report on first day of announcement and letter of request for response letter" required the subsidiary to submit the testimony on August 27, 2020.

On August 6, 2020, the subsidiary received two "Temporary seizure orders" from the Tokyo District Court in Japan, which can be summarized as follows:

Issue 1 states that the second buyer, is appropriate and request the second buyer to provide security of Yen 300,000. Temporary seizure of two lands in the subsidiary has been decided. If the subsidiary deposit Yen 1,404,131, The subsidiary can request suspension of execution or cancellation of the execution disposition.

Issue 2 states that the second buyer, is appropriate and request the second buyer to provide security of Yen 7,900,000. Temporary seizure of electricity revenue generated from the subsidiary Binary plant from July 17, 2020 to July 16, 2021 has been decided. If the subsidiary deposit Yen 39,433,306, the subsidiary can request suspension of execution or cancellation of the execution disposition.

On August 27, 2020, the directors and executives of the subsidiary reported themselves on first announcement, which the subsidiary appointed a lawyer on that date. And the subsidiary has already clarified the information to the court on October 6, 2020 and November 5, 2020.

On December 24, 2020, the second buyer and the subsidiary reported to the court on time, which the second buyer will ask for another addition. The Court therefore required a second buyer to submit an objection to the testimony by February 5, 2021, with the fourth hearing scheduled for February 15, 2021.

On February 15, 2021, the subsidiary and the second buyer have submitted the court proceedings and clarified the information to the court, with the fourth hearing scheduled for fifth hearing on April 13, 2021.

On April 13, 2021, the subsidiary and the second buyer have submitted the court proceedings and clarified the information to the court, with the next hearing scheduled on June 8, 2021.

On June 8, 2021, an off set expenses amount of Yen 40.50 million has been added, with the next hearing scheduled on July 26, 2021.

On July 26, 2021, the second buyer did not file a dispute due to it is in the process of negotiating the settlement. Therefore on the hearing scheduled on September 17, 2021 an November 9, 2021 are still under negotiating the settlement and the next hearing scheduled on January 20, 2022 (At first the Court schedule on Dember 21, 2021 then change to January 20, 2022). On January 20, 2022, the second buyer did not file a dispute due to it is in the process of negotiating the settlement and the next hearing scheduled on March 10, 2022

The management of the Company examination of the above lawsuit found that the Company used to ask for opinions from 2 legal advisors regarding the case. The aforementioned legal advisors agree that the asset purchase agreement dated April 5, 2019 will not be binding on the subsidiary. If the former 2nd director of the subsidiary is not a sign of the contract and there will be no binding on the second subsidiary.

The management of the Company considers that the story in the case does not contain information that differs from the information provided to both law firms. Therefore, the management's opinion remains that the contract dated April 5, 2019, which the second buyer claims is there will be no binding on the subsidiary.

On February 26, 2022, I received the report from the auditor of the subsidiary. The auditor did not make a conclusion on the financial statements of the said subsidiary as of December 31, 2021, because they were unable to find satisfactory audit evidence of the Power Plant Sale Agreement dated April 5, 2019 due to the binding of the geothermal power plant sales agreement of the subsidiary in Japan there is uncertainty and is not yet final.

As mentioned above, the auditors of the subsidiary in Japan have not been able to find sufficient evidence to draw conclusions on such matters and so far the above matters have not been finalised. Therefore, I cannot find sufficiently appropriate auditing evidence regarding the binding of the above contracts. As a result, I cannot conclude that any adjustments that are required to be adjusted due to the binding of such contracts may affect the financial statements, which are constrained by circumstances.

(2) Binding of the advance payment agreement for the construction of geothermal power plants.

Refer to Note 22 to the consolidated financial statements, on December 13, 2017, the Board of Directors' meeting of the Company passed a resolution to invest in 9 geothermal power plants in Japan. The total project value is 2,700 million Yen (Baht 786 million). As of December 31, 2018, a subsidiary paid a deposit for 2 power plants amounting to Yen 103 million.

According to the resolution of the Board of Directors' Meeting No.3/2020 held on March 20, 2020, it resolved to set up an allowance for the expected credit loss for the whole amount. the management of the Company has assessed the opportunity to receive the reimbursement from the transaction. It is likely to be difficult. Therefore, we decided to record the allowance for the expected credit loss for the transaction in the amount of Baht 28 million in the 2019 financial statements.

On February 26, 2022, I received the report from the auditor of the subsidiary. The auditor did not make a conclusion on the financial statements of the said subsidiary as of December 31, 2021. As the auditor reported that on November 27, 2017, the said subsidiary has entered into 2 land property transfer agreements located in Oasa-Tsurumi, Beppu City, Oita Prefecture, Japan with first private company. However, the first private company has transferred both of the land to the second private company, although the first private company is responsible for transferring these land to such subsidiary. The total asset transfer price is Yen 300,000,000, which the said subsidiary has paid to a private company in the amount of Yen 50,000,000. Subsequently, on May 26, 2020, the subsidiary took legal action regarding the transfer of ownership of the two such land to a second private company and claiming Yen 1,000,000 from the first private company. The auditors of the said subsidiary could not find sufficient audit evidence for a property transfer agreement dated November 27, 2017. The consequences of the land transfer agreement in Japan are uncertain and unconvincing. Therefore, we do not find sufficient evidence of proper investigation regarding the binding of the above contracts.

Therefore, I cannot conclude that there are any adjustment that are required to be adjusted due to the binding of such contracts that may have an impact on the financial statements. Which is limited by circumstances.

(3) Fair value of financial asset in equity.

Refer to Note 21 to the consolidated financial statements, The Company has financial asset in equity of listed company which has to state at fair value at the end of the year, but shares of that company had suspension since October 26, 2021 due to company is in the condition of financial and operating improvement, so the management can not find fair value. Therefore the company use a value of closing on October 25, 2021 to calculate fair value. As of December 31, 2021, the financial asset in equity has amounted to Baht 13.42 million.

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

Material Uncertainty Related to Going Concern

I draw attention to Note 1.2 of the consolidated financial statements relating to the going concern of the Group. The consolidated statements of financial position as of December 31, 2021, the Group has current liabilities exceeds current assets amounting to Baht 540 million (the company Baht 795 million), and the Group had continuous operating loss. Situation and circumstance indicated the material uncertainty exists that may cast significant doubt on the Group ability to continue as a going concern. Hereby, my opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the basis for Qualified Opinion section and the matters described in the Material Uncertainty Related to Going Concern section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Key Audit Matters included Audit Procedures are as follows:

Impairment of property, plant and equipment

As describe in notes 4.5, 4.11, 17, 18 and 19 to the consolidated financial statements, the Group’s property, plant and equipment which are stated at cost less accumulated depreciation and impairment losses are significant amount. The management has consistently determind wheter there is any indication of impairment by considering and using the related assumption. The recoverable amount of the property, plant and equipment of the Group are determined by external expert. Therefore, I have identified that considering the impairment loss of property, plant and equipment is the significant matter that requires special attention in the audit.

My audit procedure on such matter:

Understanding the process of impairment assessment of property, plant and equipment, read and consider the reasonable and supportable assumptions and approaches in preparation of the recoverable amount of the property, plant and equipment. I evaluated the competence, capacities and objectivity of the external expert and considered the adequacy of the information disclosure related to impairment of property, plant and equipment.

Other matter

The consolidated financial statement of PP PRIME Public Company Limited and its subsidiaries and the separate statement of financial position of PP PRIME Public Company Limited as of December 31, 2020, presented herein for comparison, have been derived from such financial statements, which audited by another auditor and reported in accordance with Standards on Auditing and expressed a qualified opinion about binding of the geothermal power plant sales agreement in Japan and binding of the advance payment agreement for the construction of geothermal power plants and draw attention about material uncertainty relating to going concern of the Group and emphasis of matter about changes in accounting policy for subsequent valuation of investment property and the impact of the COVID-19 on her report dated March 1, 2021. I have not performed any other audit procedures subsequent such report date.

Other Information

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

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

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

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(DARANEE SOMKAMNERD)
Certified Public Accountant
Registration No. 5007

A.M.T. & ASSOCIATES
Bangkok, Thailand
February 28, 2022

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021

		(Unit : Baht)				
		Consolidated financial statements		Separate financial statements		
		As at December 31,		As at December 31,		
Note		2021	2020	2021	2020	
Assets						
Current assets						
	Cash and cash equivalents	7	77,640,666	38,392,268	72,126,982	30,317,196
	Trade and other current receivables	6.2, 8	108,310,486	193,113,994	53,393,655	114,534,694
	Short - term loans	6.2	-	-	-	-
	Inventories	9	71,379,330	78,917,941	572,915	11,337,230
	Other current financial assets	10	11,418	11,929	11,418	11,929
	Other current assets		11,003,824	15,029,260	1,648,653	3,048,170
	Total current assets		268,345,724	325,465,392	127,753,623	159,249,219
Non - current assets						
	Other non - current financial assets	11	3,449,590	3,449,590	3,449,590	3,449,590
	Investments in subsidiaries and associates	13	-	-	1,472,613,468	1,472,613,468
	Trade and other non - current receivables	8	-	-	-	-
	Long - term loans	6.2, 14	-	-	165,423,766	168,014,496
	Investment property under the fair value method	15	107,493,810	134,649,970	107,493,810	134,649,970
	Property, plant and equipment					
	Land Revaluation	16	384,742,299	430,417,089	1,544,050	100,368,370
	Plant and machine	17	479,489,870	564,784,417	1,993,460	12,291,296
	Property, plant and equipment not used in operations	18	241,993,477	264,807,196	647,900	3,364,900
	Right-of-use assets	19	22,706,470	23,774,919	22,706,470	23,774,919
	Other intangible assets	20	6,698,116	8,498,986	18,872	74,691
	Deferred tax assets	34	61,637,771	57,704,569	61,637,771	57,704,569
	Non - current non - cash financial assets pledged as collateral	21	22,226,697	46,127,236	22,226,697	46,127,236
	Other non - current assets					
	Restricted bank deposits	12	7,795,880	17,979,566	-	202,141
	Advances payment	22	-	-	-	-
	Other		8,857,867	11,982,529	3,327,017	6,242,694
	Total other non - current assets		16,653,747	29,962,095	3,327,017	6,444,835
	Total non-current assets		1,347,091,847	1,564,176,067	1,863,082,871	2,028,878,340
	Total assets		1,615,437,571	1,889,641,459	1,990,836,494	2,188,127,559

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2021

		(Unit : Baht)				
		Consolidated financial statements		Separate financial statements		
		As at December 31,		As at December 31,		
Note		2021	2020	2021	2020	
Liabilities and shareholders' equity						
Current liabilities						
	Short-term borrowings from financial institutions	23	66,850,523	84,300,698	47,000,000	60,000,000
	Trade and other current payables	6.2, 24	158,043,112	245,052,922	480,865,623	576,428,270
	Short - term loans	6.2, 25	15,290,638	10,290,680	15,000,000	10,000,000
	Current portion of long - term liabilities	26	334,185,087	525,837,654	333,313,171	525,474,304
	Current portion of finance lease liabilities	27	268,681	567,542	268,681	567,542
	Current portion of debenture	28	45,840,000	632,231,830	45,840,000	632,231,830
	Current income tax payable		9,129,053	15,292,688	-	-
	Other current liabilities	30	178,845,975	178,244,694	729,434	1,029,432
	Total current liabilities		808,453,069	1,691,818,708	923,016,909	1,805,731,378
Non - current liabilities						
	Long - term loans	26	10,390,326	11,263,850	-	-
	Liabilities under lease agreements	27	217,154	-	217,154	-
	Debenture	28	550,560,000	-	550,560,000	-
	Convertible Debenture	29	45,000,000	-	45,000,000	-
	Deferred tax liabilities	34	65,273,462	76,978,827	5,949,128	28,284,564
	Non - current provisions for employee benefits	31	35,853,988	35,722,016	15,654,150	17,217,565
	Other non - current liabilities		861,700	798,700	861,700	798,700
	Total non - current liabilities		708,156,630	124,763,393	618,242,132	46,300,829
	Total liabilities		1,516,609,699	1,816,582,101	1,541,259,041	1,852,032,207

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2021

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		As at December 31,		As at December 31,	
Note		2021	2020	2021	2020
Shareholders' equity					
	Share capital				
	36				
	Authorized share capital				
	2021 Registered 3,095,942,424 ordinary shares of Baht 1 each	<u>3,095,942,424</u>		<u>3,095,942,424</u>	
	2020 Registered 916,901,123 ordinary shares of Baht 1 each		<u>916,901,123</u>		<u>916,901,123</u>
	Issued and paid share capital				
	2021 Registered 2,133,643,872 ordinary shares of Baht 1 each	2,133,643,872		2,133,643,872	
	2020 Registered 688,066,476 ordinary shares of Baht 1 each		688,066,476		688,066,476
	Premium on share capital	612,679,954	612,679,954	612,679,954	612,679,954
	Discount on share capital	(1,263,172,717)	-	(1,263,172,717)	-
	Capital reserve for share-based payment transactions	41,479,200	41,479,200	41,479,200	41,479,200
	Retained earnings				
	Appropriated - Legal reserve	56,845,152	56,845,152	56,845,152	56,845,152
	Unappropriated	(1,535,939,388)	(1,458,482,927)	(1,054,111,779)	(1,065,318,829)
	Other components of shareholders' equity	<u>53,291,799</u>	<u>132,471,503</u>	<u>(77,786,229)</u>	<u>2,343,399</u>
	Total shareholders' equity	<u>98,827,872</u>	<u>73,059,358</u>	<u>449,577,453</u>	<u>336,095,352</u>
	Total liabilities and shareholders' equity	<u>1,615,437,571</u>	<u>1,889,641,459</u>	<u>1,990,836,494</u>	<u>2,188,127,559</u>

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

(Unit : Baht)					
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
Note	2021	2020	2021	2020	
Revenues					
	Revenues from sales	649,794,670	1,617,637,892	114,000,017	1,253,315,570
	Other income				
	Gain on investments in securities	15,179,197	745	15,179,197	745
	Gain from fair value adjustment	3,515,666	-	3,515,666	-
	Gain on sale of property, plant and equipment	32,975,159	-	33,072,350	-
	Profit on foreign exchange	41,427,870	32,220,337	-	-
	Others	12,237,756	5,021,116	24,797,530	32,164,387
	Total revenues	755,130,318	1,654,880,090	190,564,760	1,285,480,702
Expenses					
	Cost of sale				
	- Cost of goods sold	641,645,896	1,406,990,611	96,359,645	1,059,730,169
	- Idle cost	48,351,070	-	-	-
	Total Cost of sale	689,996,966	1,406,990,611	96,359,645	1,059,730,169
	Cost of distributions	34,337,794	67,935,972	34,337,794	67,935,972
	Administrative expenses	152,167,251	200,345,878	81,971,912	119,293,287
	Other expenses				
	Loss on impairment of assets	-	114,639,440	-	-
	Loss on impairment of loans	-	67,189,525	13,003,849	225,178,565
	Loss from fair value adjustment	-	32,240,950	-	32,240,950
	Loss on foreign exchange	-	-	573,125	28,238,861
	Others	-	7,014,724	-	2,999,980
	Total expenses	876,502,011	1,896,357,100	226,246,325	1,535,617,784
	Profit (loss) from operating activities	(121,371,693)	(241,477,010)	(35,681,565)	(250,137,082)
	Finance costs	74,461,194	86,181,486	72,747,710	84,026,673
	Impairment loss (impairment gain and reversal of impairment loss)				
	determined in accordance with TFRS 9	8	(4,947,992)	6,436,706	(4,916,817)
	Share of loss from investments in associates	13	-	-	-
	Profit (loss) before income tax expenses	(190,884,895)	(334,095,202)	(103,512,458)	(340,569,286)
	Tax expenses (tax Income)	34	(4,616,473)	(4,518,453)	(5,907,547)
	Profit (loss) for the year	(186,268,422)	(329,576,749)	(97,604,911)	(324,808,688)
Other comprehensive income :					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent period :</i>					
	Exchange differences on translation of financial statements				
	in foreign currency	(41,570,365)	(444,988)	-	-
<i>Other comprehensive income that will not be reclassified</i>					
	Gains (losses) on revaluation of assets	59,650,131	-	17,129,842	-
	Gain (losses) on investment in equity designated at fair value				
	through other comprehensive income	11,552,491	(38,287,747)	11,552,491	(38,287,747)
	Gains (losses) on remeasurements of defined benefit plans	-	(2,780,527)	-	(518,172)
	Other comprehensive income (expense) for the year	29,632,257	(41,513,262)	28,682,333	(38,805,919)
	Total comprehensive income (expense) for the year	(156,636,165)	(371,090,011)	(68,922,578)	(363,614,607)
	Earning (Loss) per share (Baht: Shares)	38	(0.13)	(0.48)	(0.07)

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

Diluted earning (Loss) per share (Baht: Shares)

38

(0.13)

-

(0.07)

-

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

(Unit : Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Note	Other components of shareholders' equity										Total shareholders' equity	
		Issued and fully paid - up share capital	Premium on share capital	Discount on share capital	Capital reserve for share - based payment transactions	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Other comprehensive income				Total other components of shareholders' equity
						Appropriated	Unappropriated		Gain (losses) on				
									investment in equity designated at fair through other comprehensive income	Gains(losses) on remeasurements of defined benefit plans	Revaluation surplus		
Balance as at January 1, 2020		688,066,476	612,679,954	-	41,479,200	56,845,152	(1,087,411,487)	(64,203,956)	(68,251,987)	-	264,946,017	132,490,074	444,149,369
Changes in shareholders' equity for the year 2020 :													
Total comprehensive income (expense) for the year		-	-	-	-	-	(329,576,749)	(444,988)	(38,287,747)	(2,780,527)	-	(41,513,262)	(371,090,011)
Transferred to retained earnings		-	-	-	-	-	(41,494,691)	-	38,714,164	2,780,527	-	41,494,691	-
Balance as at December 31, 2020		688,066,476	612,679,954	-	41,479,200	56,845,152	(1,458,482,927)	(64,648,944)	(67,825,570)	-	264,946,017	132,471,503	73,059,358
Changes in shareholders' equity for the year 2021 :													
Total comprehensive income (expense) for the year		-	-	-	-	-	(186,268,422)	(41,570,365)	11,552,491	-	59,650,131	29,632,257	(156,636,165)
Issue ordinary shares	36	1,376,132,952	-	(1,238,658,273)	-	-	-	-	-	-	-	-	137,474,679
Convertible Debenture	29	69,444,444	-	(24,514,444)	-	-	-	-	-	-	-	-	44,930,000
Transferred to retained earnings		-	-	-	-	-	108,811,961	-	(21,767,550)	-	(87,044,411)	(108,811,961)	-
Balance as at December 31, 2021		<u>2,133,643,872</u>	<u>612,679,954</u>	<u>(1,263,172,717)</u>	<u>41,479,200</u>	<u>56,845,152</u>	<u>(1,535,939,388)</u>	<u>(106,219,309)</u>	<u>(78,040,629)</u>	<u>-</u>	<u>237,551,737</u>	<u>53,291,799</u>	<u>98,827,872</u>

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2021

(Unit : Baht)

Separate financial statements											
Other components of shareholders' equity											Total
Other comprehensive income											
Note	Issued and fully paid - up share capital	Premium on share capital	Discount on share capital	Capital reserve for share - based payment transactions	Retained earnings		Gain (losses) on investment in equity designated at fair value through other comprehensive income	Gains(losses) on remeasurements of defined benefit plans	Revaluation surplus	Total other components of shareholders' equity	Total shareholders' equity
					Appropriated	Unappropriated					
Balance as at January 1, 2020	688,066,476	612,679,954	-	41,479,200	56,845,152	(701,277,805)	(68,251,987)	-	70,168,969	1,916,982	699,709,959
Changes in shareholders' equity for the year 2020 :											
Total comprehensive income (expense) for the year	-	-	-	-	-	(324,808,688)	(38,287,747)	(518,172)	-	(38,805,919)	(363,614,607)
Transferred to retained earnings	-	-	-	-	-	(39,232,336)	38,714,164	518,172	-	39,232,336	-
Balance as at December 31, 2020	688,066,476	612,679,954	-	41,479,200	56,845,152	(1,065,318,829)	(67,825,570)	-	70,168,969	2,343,399	336,095,352
Changes in shareholders' equity for the year 2021 :											
Total comprehensive income (expense) for the year	-	-	-	-	-	(97,604,911)	11,552,491	-	17,129,842	28,682,333	(68,922,578)
Issue ordinary shares	36	1,376,132,952	-	(1,238,658,273)	-	-	-	-	-	-	137,474,679
Convertible Debenture	29	69,444,444	-	(24,514,444)	-	-	-	-	-	-	44,930,000
Transferred to retained earnings	-	-	-	-	-	108,811,961	(21,767,550)	-	(87,044,411)	(108,811,961)	-
Balance as at December 31, 2021	<u>2,133,643,872</u>	<u>612,679,954</u>	<u>(1,263,172,717)</u>	<u>41,479,200</u>	<u>56,845,152</u>	<u>(1,054,111,779)</u>	<u>(78,040,629)</u>	<u>-</u>	<u>254,400</u>	<u>(77,786,229)</u>	<u>449,577,453</u>

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOWS STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	(Unit : Baht)				
	Note	Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
	2021	2020	2021	2020	
Cash flows from operating activities					
Profit (loss) before income tax expenses	(190,884,895)	(334,095,202)	(103,512,458)	(340,569,286)	
Adjustments to reconcile profit (loss) to cash received (paid)					
Adjusted financial costs	74,461,194	86,181,486	72,747,710	84,026,673	
Adjusted trade accounts and other current receivables (increase) decrease	89,739,926	85,830,720	67,195,620	158,264,430	
Adjusted inventories (increase) decrease	10,594,122	129,961,924	10,764,315	42,776,904	
Adjusted other assets (increase) decrease	3,419,309	(867,709)	584,404	(384,987)	
Adjusted trade accounts and other current payable increase (decrease)	(95,782,506)	(18,593,220)	(105,492,383)	85,841,549	
Adjusted other liabilities increase (decrease)	664,281	(555,108)	(236,999)	(8,630,253)	
Depreciation and amortization	101,604,432	115,358,759	4,276,602	5,372,125	
Adjusted provisions for employee benefits (reversal)	841,972	6,533,542	(1,308,415)	3,566,038	
Adjusted unrealised on exchange loss (gain)	(4,222,865)	25,018,524	(4,222,284)	28,238,861	
(Gain and reversal) of expected credit loss	-	6,436,706	-	6,405,531	
Impairment loss (impairment gain and reversal of impairment loss)					
determined in accordance with TFRS 9	(4,947,992)	-	(4,916,817)	-	
Adjustment for loss (profit) from fair value adjustment	(3,515,666)	32,241,805	(3,515,666)	32,241,805	
Adjusted loss from reduce cost of inventories (reversal)	(3,055,511)	2,063,765	-	411,444	
Adjusted loss (gain) from disposal of non-current assets					
- Loss (gain) on sales of other current financial assets	(15,179,197)	1,365	(15,179,197)	1,365	
- Loss (gain) on sales of equipment	(33,069,572)	(1,156,068)	(33,072,350)	(448,495)	
Adjusted other reconcile profit (loss)					
- Expected credit loss for loans and interest receivable	-	67,443,310	13,003,849	225,178,565	
- Impairment on investment in subsidiary Company	-	-	-	2,999,980	
- Impairment on property	52,000	-	52,000	-	
- Loss on impairment of plant and equipment	-	20,263,708	-	-	
- Loss on impairment of intangible assets	-	94,313,286	-	-	
- Loss on impairment of goodwill	-	6,760,941	-	-	
- Reversed allowance of impairment on advance payment for Riverside project	-	(1,746,060)	-	(1,746,060)	
- Loss from dissolution of subsidiaries	-	-	-	32,820	
- Interest income	(31,990)	(1,904,440)	(1,162,540)	(2,085,196)	
Total adjustment to reconcile profit (loss)	121,571,937	653,587,236	(482,151)	662,063,099	
Net cash provided by (used in) operating activities	(69,312,958)	319,492,034	(103,994,609)	321,493,813	
Interest expenses	(63,709,179)	(72,955,558)	(61,780,255)	(72,929,810)	
Tax received (paid)	(3,898,179)	(26,230,917)	3,556,531	-	
Cash paid for employee benefits	(710,000)	(815,000)	(255,000)	(330,000)	
Net cash provided by (used in) operating activities	(137,630,316)	219,490,559	(162,473,333)	248,234,003	

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

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOWS STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2021

					(Unit : Baht)			
					Consolidated financial statements		Separate financial statements	
					For the year ended December 31,		For the year ended December 31,	
Note	2021	2020	2021	2020				
Cash flows from investing activities								
(Increase) decrease in restricted bank deposits	10,183,686	(158,672)	202,141	(1,248)				
Cash paid Acquisition of investments in subsidiaries	(4,316,713)	-	(4,316,713)	-				
Cash received from sales other equity instrument	52,241,264	20,421	52,241,264	20,421				
Cash received from property, plant and equipment	172,600,000	1,156,079	172,600,000	448,499				
Cash paid for investment properties	-	(230,000)	-	(230,000)				
Cash paid for property, plant and equipment	(1,508,942)	(17,239,752)	(89,865)	(252,977)				
Cash received from loans to other person or parties	-	-	10,181,256	27,715,330				
Cash paid for loans to related parties	-	-	(20,594,375)	(46,878,407)				
Deposit from advance payment for Riverside project	-	1,746,060	-	1,746,060				
Interest income	43,564	1,652,547	24,777	1,716,332				
Net cash provided by (used in) investing activities	229,242,859	(13,053,317)	210,248,485	(15,715,990)				
Cash flows from financing activities								
Cash received from borrowing								
From debenture	45,000,000	-	45,000,000	-				
From financial institutions	-	11,627,200	-	-				
From other parties	54,500,000	45,000,000	54,500,000	45,000,000				
Cash paid for repayment of borrowing								
Cash paid for repayment of bill of exchange	(13,000,000)	(60,000,000)	(13,000,000)	(60,000,000)				
Maturity debenture	(36,800,000)	(93,900,000)	(36,800,000)	(93,900,000)				
Borrowing from financial institutions	(188,303,226)	(29,787,713)	(187,938,848)	(29,787,713)				
Borrowing from other person and other parties	(49,500,000)	(35,000,000)	(49,500,000)	(35,000,000)				
Cash paid for repayment of liabilities under long - term lease agreements	(631,195)	(1,659,186)	(631,195)	(1,659,186)				
Accounts payable - trust receipts increases	-	(43,957,140)	-	(43,957,140)				
Bank overdrafts increase (decrease)	(4,450,175)	561,012	-	-				
Increase in share capital	182,404,677	-	182,404,677	-				
Net cash provided by (used in) financing activities	(10,779,919)	(207,115,827)	(5,965,366)	(219,304,039)				
Net cash and cash equivalents increase (decrease)								
before effect of exchange rate	80,832,624	(678,585)	41,809,786	13,213,974				
Effect of exchange rate to cash and cash equivalents	(41,584,226)	(6,465,792)	-	-				
Net in cash and cash equivalents increase (decrease)	39,248,398	(7,144,377)	41,809,786	13,213,974				
Cash and cash equivalents at beginning of the year	7	38,392,268	45,536,645	30,317,196	17,103,222			
Cash and cash equivalents from discontinued operations at the end of the year		-	-	-	-			
Cash and cash equivalents at ending of the year	7	77,640,666	38,392,268	72,126,982	30,317,196			

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

1. GENERAL INFORMATION

1.1 Corporate information

PP PRIME Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The registered office of the Company is at 62 - 62/1 Moo 2 Rorporchor U-tapao Road, Nong Chumphon Subdistrict, Khao Yoi District Phetchaburi.

The Company was listed on the Stock Exchange of Thailand (the “SET”) on 24 February 1994.

The Company is principally engaged in the distribution of feeds for aquatic animals.

1.2 Going concern

As at December 31, 2021, the Group has current liabilities exceeds current assets amounting to Baht 540 million (the Company of Baht 795 million), and the group of the company had continuous operating loss. Most of current liabilities consisted of promissory notes from financial institution amount of Baht 47 million respectively that mature in fourth quarters of 2021, and long-term loan from financial institution of Yen 1,132 million (approximately Baht 333 million), due date in first quarters of 2023.

In addition, during the year 2021 , the management of the Group performed the operations as follow:

- The Company disposed of assets and collateral of the debentures, including Investments in securities in type Equity securities, 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.
- During the year 2021, the company held a meeting of debenture holders. The debenture holders resolved to extend the maturity period of the debentures for another 2 years from the original due in 2021 to the maturity of 2023.
- During the year 2021, the company has been extended the repayment period for long-term loans from financial institutions for another one year.
- The Company has been increase share capital as disclosed in note 36 to the consolidated financial statement.

In addition, during the year 2022, the management of the Group performed the operations as follow:

- The Company has plans to dispose of assets and collateral of the debentures, including Investments in securities in type Equity securities, 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.
- The Company plans to negotiate and restore power plants in Japan to re-generating electric power or find a new strategic partner.

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.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

1.3 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. Nevertheless, the Company's management will continue to monitor the ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

And, in the 1st quarter of year 2021, the Company has decided to discontinue application of the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic for all temporary relief measures on accounting alternatives, which the Company had complied in year 2020, due to the expiration of the period of use of relief measures, which the cancellation of the said Accounting Guidance with no significant impact on the Company's financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENT

- 2.1 The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Thailand Federation of Accounting Professions ("TFAC");

The financial statements are presented in Thai Baht, which is the Company's functional currency.

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

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

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of PP PRIME Public Company Limited. (“the company”) and the following subsidiary companies (“the subsidiaries”) :

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021 Percent	2020 Percent
Subsidiaries directly held by the Company				
Pluxe Global Business Co., Ltd.	Distribution of raw material for animal feed	Thailand	100	100
Pluxe Power Co., Ltd.	Invest in energy business	Thailand	100	100
Thai Luxe Enterprises (Thailand) Co., Ltd	The manufacture and distribution of feeds for aquatic animals and pets	Thailand	100	100
Subsidiary held through Pluxe Power Limited				
Pluxe Investments Limited	Invest in energy business	Republic of Mauritius	100	100
Origin Power Investment Co., Ltd.*	Invest in energy business	Republic of Mauritius	100	100
Subsidiary held through Pluxe Investments Limited				
Pluxe Holdings Limited	Invest in energy business	Hong Kong Special Administrative Region	100	100
Geothermal Power A Co., Ltd.	Invest in energy business	Hong Kong Special Administrative Region	100	100
Geothermal Power B Co., Ltd.	Invest in energy business	Hong Kong Special Administrative Region	100	100
Subsidiary held through Origin Power Investment Co., Ltd.				
Wind Power A Co., Ltd.*	Invest in wind energy business	Hong Kong Special Administrative Region	100	100
Subsidiary held through Pluxe Holdings Limited				
Sumo Power Co., Ltd.	Geothermal power generation business	Japan	100	100
Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company	Geothermal power generation business	Japan	100	100
P Green Energy Co., Ltd.	The business consulting and management	Japan	100	100

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021 Percent	2020 Percent
Subsidiary held through Geothermal Power A Co., Ltd.				
Fino Binary Power Plant LLC.	Geothermal power generation business	Japan	100	100
NIS Binary Power Plant LLC.	Geothermal power generation business	Japan	100	100
Lena Power Station No.1 LLC.	Geothermal power generation business	Japan	100	100
Subsidiary held through Geothermal Power B Co., Ltd.				
PPSN Co., Ltd.	Geothermal power generation business	Japan	100	100
SNS Power Co., Ltd.	Geothermal power generation business	Japan	100	100
Dual Energy Binary - Power Plant No.1 LLC.	Geothermal power generation business	Japan	100	100
Subsidiary held through Sumo Power Co., Ltd.				
Otomeyama Energy Co., Ltd.	Geothermal power generation business	Japan	100	100
S-Power Co., Ltd.	Geothermal power generation business	Japan	100	100

*According to the resolution of the Board of Directors' Meeting held on January 27, 2021, resolved to approve the dissolution of the subsidiary. At the present, this company is under the process of dissolution.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards which are effective for the current year

During the year, the Company has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. 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 adoption of these financial reporting standards does not have any significant impact on the Company financial statements.

3.2 Financial Reporting Standards which are not effective for the current year

During the year, the Federation of Accounting professions has revised financial reporting standards, which are effective for financial statements year beginning on or after January 1, 2022, are as follows :

Financial reporting standards

- TFRS 1 First-time Adoption of Financial Reporting Standards
- TFRS 16 Lease

The management of the Company has assessed that TFRS 1 and TFRS 16 will not have impact on the financial statement when they are applied.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Sale of electricity

Income from the sale of electricity is recognised in profit or loss in accordance with delivery units supplied and price as stipulated in the contract. Incomes from the sale of electricity to buyers according to the actual power supply quantity and the rate specified in the purchase contract Revenue from the sale of electricity is shown at the tax invoice price excluding VAT.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

Investment income

Investment income comprises rental income and interest income from investments and bank deposits.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

4.2 Cash and cash equivalents

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

4.3 Inventories

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

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

4.4 Investment properties

The Company records the initial value of investment properties at cost, including transaction costs. The entity thereafter records the investment property at fair value assessed by an independent appraiser and recognizes the change in fair value in profit or loss. The independent appraiser appraised the fair value of investment property using the consideration method. Based on income, key assumptions used in the valuation of investment properties consist of rental area, rental rate, rental income, discount rate, rate of return, and Long-term growth rate of rent. On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

4.5 Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land which is measured at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When there is disposal of revalued assets, the amount recognised in revaluation surplus is reclassified to retained earnings.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

Revalued land

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation surplus in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

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

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Property, plant and equipment not used in operations

Property, plant and equipment not used in operations are stated at cost net of accumulated depreciation and allowance for loss from impairment of asset.

4.6 Intangible assets

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

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

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The intangible assets with finite useful lives are as follows:

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

No amortisation is provided on software under installation.

4.7 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term are as follows:

	<u>useful lives (year)</u>
Buildings	3-18

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Company as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.8 Goodwill

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 Related party transactions

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

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

4.10 Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

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Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

4.11 Impairment of assets is not financial assets

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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

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4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

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

4.13 Provisions

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

4.14 Equity-settled share-based payment transactions

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

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

4.15 Income tax

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

Current tax

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

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Deferred tax

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

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

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

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

4.16 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- Those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

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At initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- **FVOCI:** A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Dividends on equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

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A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

The Group uses the Simplified Approach in accordance with the TFRS 9 to measure value. Expected credit losses Which determines the expected loss over the life of the debt and recognizes Loss since recognition of accounts receivable In determining the expected credit loss. Trade accounts receivable are grouped by the due date. The expected damage rate will depend on your payment history and information. Past credit losses that are adjusted to reflect current information and forward expectations about a range of factors. That affect the ability of the customer to pay the debt. The impairment loss is recognized in profit or loss under administrative expenses.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

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Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.17 Derivatives

Forward exchange contracts

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

4.18 Fair value measurement

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

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

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

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

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

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Revenue from contracts with customers

Identification of the to-do burden

To specify the obligation to practice in the delivery of goods or services to customers. Management is required to assess the conditions and details of contracts with customers to determine which products or services, each carrying a burden separately or entity is to save or each service separately. When a product or service that can be identified as a separate product or service agreement. And customers benefit from the product or service.

Determining the timing of revenue recognition

In determining the timing of revenue recognition. Management must exercise judgment in determining the terms and details of the contract with the customer to determine whether the obligation to observe the finish over time or completed at any time, the Company will recognize revenue throughout the period. one time When the conditions of any of the following:

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- Clients receive and utilize the results of the operations of the business while the business operations.
- The performance of the Company's assets, causing the customer control while creating assets or.
- The performance of the business entity can not cause the asset to be utilized elsewhere. And the Company's right to receive payment for the work completed to date.

If the conditions listed above the Company will recognize revenue at a time. Management judgment is required to assess whether it has an obligation to act when completed.

To calculate the revenue recognized over a period. Management uses judgment to measure the progress of work to reflect the performance of the business under an obligation to perform to complete. This is calculated by reference to the control of the Group. And a certificate of completion by the customer.

Property plant and equipment/Depreciation

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

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

Goodwill and intangible assets

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

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

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

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Lease classification - The Group as a lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

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Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

6. 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.

<u>Name</u>	<u>Type of Business</u>	<u>Type of Relationship</u>
Thailuxe Enterprises (Thailand) Co., Ltd.	Manufacturing of aquatic animals feed and pet feed	Direct shareholder and common management team
Thuxe Global Business Co., Ltd.	Distribution of material animals feed	Direct shareholder and common management team
Thuxe Power Co., Ltd.	Investment in energy business	Direct shareholder and common management team
Thuxe Investments Limited	Investment in energy business	Direct shareholder via subsidiary
Origin Power Investment Co., Ltd.	Investment in energy business	Direct shareholder via subsidiary
Thuxe Holdings Limited	Investment in energy business	Indirect shareholder via subsidiary
Geothermal Power A Company Limited	Investment in energy business	Indirect shareholder via subsidiary
Geothermal Power B Company Limited	Investment in energy business	Indirect shareholder via subsidiary
Wind Power A Co., Ltd.*	Investment in wind energy business	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
Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
P Green Energy Company Limited	Consulting, management and Business planing	Indirect shareholder via subsidiary
Fino Binary Power Plant LLC.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
NIS Binary Power Plant LLC.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
Lena Power Station No.1 LLC.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
SNS Power Co., Ltd.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
Dual Energy Binary - Power Plant No.1 LLC.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary
Otomeyama Energy Co., Ltd.	Produce electricity from geothermal energy	Indirect shareholder via subsidiary

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Name	Type of Business	Type of Relationship
S - Power Co., Ltd.	Produce electricity from geothermal energy	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
Beppu Forest Power Co., Ltd.	Energy	Common director with a subsidiary

*According to the resolution of the Board of Directors' Meeting held on January 27, 2021, resolved to approve the dissolution of the subsidiary. At the present, this company is under the process of dissolution.

6.1 The significant transactions with related parties for the year ended December 31, 2021 and 2020 are as follows:

	(Unit: Million Baht)				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2021	2020	2021	2020	
Sales of goods					
Nutrix Pub Co., Ltd.	538.44	311.00	30.69	-	Cost plus contract rate
Service income					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	14.71	16.13	Contract prices
Interest income					
Thuxe Power Co., Ltd.	-	-	1.14	0.37	6 - 8.25 percent per annum
Purchase of goods					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	85.65	1,017.20	Cost plus contract rate
Purchase of raw materials					
Nutrix Pub Co., Ltd.	405.76	191.38	-	-	Market prices
Consulting fee					
Nutrix Pub Co., Ltd.	-	-	-	-	Contract prices
Interest expense					
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	0.22	-	6 percent per annum
Aulux Power Co., Ltd.	-	0.01	-	-	5 - 7 percent per annum

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6.2 The balances of the accounts as at December 31, 2021 and December 31, 2020 between the Company and its related parties are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade receivables - related parties (Note 8)				
Nutrix Pub Co., Ltd.	30,692	25,726	30,692	-
Other current receivables - related parties (Note 8)				
Nutrix Pub Co., Ltd.	55	-	-	-
PPSN Co., Ltd.	-	-	1,716	1,721
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	-	337
Geothermal Power A Company Limited	-	-	10,989	10,989
Tluxe Global Business Co., Ltd.	-	-	539	479
Tluxe Power Co., Ltd.	-	-	2,344	1,206
Tluxe Holdings Limited	-	-	192	192
Geothermal Power B Company Limited	-	-	264	264
M-Luxe Energy Co., Ltd.	1,872	1,411	-	-
Aulux Power Co., Ltd.	-	123	-	-
Total other current receivables - related parties	<u>1,927</u>	<u>1,534</u>	<u>16,044</u>	<u>15,188</u>
Total trade and other current receivables - related parties	<u><u>32,619</u></u>	<u><u>27,260</u></u>	<u><u>46,736</u></u>	<u><u>15,188</u></u>
Trade payables - related parties (Note 24)				
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	403,954	512,302
Nutrix Pub Co., Ltd.	13,380	23,770	-	-
Total trade payables - related parties	<u>13,380</u>	<u>23,770</u>	<u>403,954</u>	<u>512,302</u>

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(Unit : Thousand Baht)

	Consolidated		Separate financial	
	financial statements		statements	
	December	December	December	December
	31, 2021	31, 2020	31, 2021	31, 2020
Other current payables - related parties (Note 24)				
Thailuxe Enterprises (Thailand) Co., Ltd.	-	-	10,011	9,787
Aulux Power Co., Ltd.	25	17	-	-
Dual Energy Co., Ltd.	5	4	-	-
Related party (Formerly director of subsidiaries)	1,409	1,051	-	-
Total other current payables - related parties	1,439	1,072	10,011	9,787
Total trade and other current payables - related parties	14,819	24,842	413,965	522,089

loans to related parties

As at December 31, 2021, the balance of loans between the Company and those related parties and the movement are as follows:

		(Unit : Thousand Baht)			
		Consolidated financial statements			
Loans to related parties	Type of Relationship	Balance as at January 1, 2021	Increase (decrease) during the year	Translation adjustment	Balance as at December 31, 2021
M - Luxe Energy Co., Ltd.*	Associated company	74,124	-	(11)	74,113
Aulux Power Co., Ltd.**	Common director	87,059	-	(13)	87,046
Total		161,183	-	(24)	161,159
Less : Expected credit loss					
M - Luxe Energy Co., Ltd.		(74,124)	-	11	(74,113)
Aulux Power Co., Ltd.		(87,059)	-	13	(87,046)
Total		(161,183)	-	24	(161,159)
Net		-	-	-	-

* As at August 15, 2016, the board of directors No.6/2016 approved the investment transaction approved a plan to invest in the Beppu Binary Power Plant Joint Venture Project in Japan, or M-LUXE Energy Co., Ltd. and approved investment in the form of loans amount of Yen 200 million (approximately Baht 69.56 million) interest rate at 3 percent per annum and has maturity date on August 2018, and mature on demand.

On March 7, 2017, the Executive Committee Meeting No. 3/2017 resolved to give a loan to PPSN Co, Ld. (A subsidiary company) in the amount of Yen 50 million to allow M-LUXE ENERGY Co, Ltd. to loan for purchase of land in the amount of 1,794 square meters Interest rate at 3 percent per annum and repayment is due in March 2020. Currently, the company has not received payment.

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In the year 2020, the company considered the ability to pay the debt from the financial statements of associated companies and recorded an allowance for doubtful accounts in full amount.

**As at January 25, 2018, the board of directors No.2/2018 approved to invest on Wind Power 20 units. Later, on March 14, 2018 the board of directors No.4/2018 has approved investment in the form of loans amount of Yen 100 million. However, the loan that has interest rate at 3 percent per annum and has maturity date on March 2020, and March 2021.

According to the resolution of the Board of Directors Meeting No. 3/2020, dated March 20, 2020, the meeting approved to set up an allowance for expected credit loss for the total amount, since the management estimated the difficulty of collection therefore decided to record the full provision for doubtful accounts of Bath 83 million.

		(Unit : Thousand Baht)			
		Separate financial statements			
Loans to related parties	Type of Relationship	Balance as at January 1, 2021	Increase during the year	Decrease during the year	Balance as at December 31, 2021
Thuxe Power Co., Ltd.	Subsidiary	13,600	9,070	-	22,670
PPSN Co., Ltd.	Subsidiary	450,885	-	(10,182)	440,703
Sumo Power Co., Ltd.	Subsidiary	83,729	-	-	83,729
Geothermal Power A Co., Ltd.	Subsidiary	427	-	-	427
Geothermal Power B Co., Ltd.	Subsidiary	120,441	-	-	120,441
P Green Energy Co., Ltd.	Subsidiary	41,070	11,445	-	52,515
Lena Power Station No.1 LLC.	Subsidiary	-	80	-	80
Thuxe Holdings Limited	Subsidiary	612	-	-	612
Total		710,764	20,595	(10,182)	721,177
Less : Allowance for Expected Credit Loss		(542,750)	(13,003)	-	(555,753)
Net		168,014	7,592	(10,182)	165,424

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.

Year 2021

The Company compared the recoverable amount with the loans. According to the adjusted net book value approach, it was found that the recoverable amount was lower than the book value of the loans. The Company therefore considered additional allowance for impairment of such loan amount of 13 million Baht in profit or loss in the separate financial statements for the year ended December 31, 2021 and consider to stop recognised interest

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Short - term loan

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Balance as at January 1, 2021	Increase (decrease) during the year	Translation adjustment	Balance as at December 31, 2021
Aulux Power Co., Ltd.*	291	-	-	291

* Loan from related company bear interest at the rate of 3 percent p.a. and has maturity on January 2020. The company will not make a new contract and in the future this will be offset with loan to related company.

6.3 Directors and management's benefits

For the years ended December 31, 2021 and 2020, the Company and its subsidiaries had employee benefit expenses payable to their directors and managements as below.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short - term employee benefits	15	17	13	14
Post - employment benefits	1	-	1	-
Post - employment benefits	1	2	1	1
Total	17	19	15	15

6.4 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.

The Company is not approved the request to waive the specific business tax (for real estate) and VAT (for not real estate).

The company did not transfer the ownership of land and building, the company will not have any burden or any responsibility will be occurred as at the time to register the ownership transfer such as the transferred tax, the specific business tax. However, the company has anticipated of the tax that is expected to be paid for the amount of Baht 23,584,405.83 in financial statements. (Note 24)

The assets which the Company has transferred to the subsidiaries are not yet able to transfer the legal ownership to the subsidiaries. However, the subsidiary company has the ability to give usage instructions and the benefit from the assets from the normal production of the subsidiary company.

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7. CASH AND CASH EQUIVALENTS

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash	58	91	43	55
Bank deposits*	77,583	38,301	72,084	30,262
Total	77,641	38,392	72,127	30,317

* One bank account of the business has obligations as a business guarantee (under the Business Security B.E.2558) for short-term loans from financial institutions with obligations (Note 23).

8. TRADE AND OTHER CURRENT RECEIVABLES

8.1 Trade and other current receivables

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade receivables				
Trade receivables - related party (Note 6.2)	30,692	25,726	30,692	-
Trade receivables - unrelated parties	43,822	141,522	26,981	127,754
Less: Expected credit loss	(23,835)	(31,438)	(23,835)	(31,407)
Total trade receivables - net	50,679	135,810	33,838	96,347
Other current receivables				
Amounts due from related parties (Note 6.2)	1,927	1,534	3,663	3,945
Amounts due from unrelated parties	56,219	55,770	4,031	3,000
Interest receivable - related parties (Note 6.2)	6,301	6,301	87,495	86,357
Interest receivable - unrelated parties	365	252	-	-
Total	64,812	63,857	95,189	93,302
Less: Expected credit loss				
Amounts due from unrelated parties	(519)	-	(519)	-
Interest receivable - related parties	(6,301)	(6,301)	(75,114)	(75,114)
Interest receivable - unrelated parties	(361)	(252)	-	-
Total	(7,181)	(6,553)	(75,633)	(75,114)
Total other receivables	57,631	57,304	19,556	18,188
Total trade receivables and other receivables	108,310	193,114	53,394	114,535

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Trade accounts receivable are classified by outstanding days as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	December	December	December	December
	31, 2021	31, 2020	31, 2021	31, 2020
<u>Trade receivables - related party</u> (Note 6.2)				
Aged on the basis of due dates				
Not yet due	30,692	25,726	30,692	-
Overdue	-	-	-	-
Total	<u>30,692</u>	<u>25,726</u>	<u>30,692</u>	<u>-</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	12,751	78,843	734	65,328
Overdue				
Not over 3 months	4,023	45,571	4,023	45,317
3 - 6 months	380	6,429	380	6,430
6 - 12 months	2,114	5,521	2,114	5,521
Over 12 months	24,554	5,158	19,730	5,158
Total	<u>43,822</u>	<u>141,522</u>	<u>26,981</u>	<u>127,754</u>
Less: Expected credit loss	<u>(23,835)</u>	<u>(31,438)</u>	<u>(23,835)</u>	<u>(31,407)</u>
Total trade receivables - unrelated parties net	<u>19,987</u>	<u>110,084</u>	<u>3,146</u>	<u>96,347</u>
	<u>50,679</u>	<u>135,810</u>	<u>33,838</u>	<u>96,347</u>

8.2 Trade and other non - current receivables

These represent the balance of long outstanding debts amounting to Baht 74 million (2020: Baht 72 million) due from various trade debtors against whom the Company has taken legal actions. As at December 31, 2021, the Company has set up an expected credit loss in its accounts by taking into consideration the auction price and the value of the related collaterals.

These represent the balance of long outstanding debts due from various trade debtors against whom the Company has taken legal actions. As at December 31, 2021, the Company has set up an allowance for doubtful accounts in its accounts by taking into consideration the auction price and the value of the related collaterals

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The movement of allowance for doubtful accounts for the year ended December 31, 2021 and 2020 is as follow :

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Beginning balance as at January 1	(103,625)	(97,189)	(103,594)	(97,189)
Increase	4,948	(6,437)	4,917	(6,405)
Ending balance as at December 31	<u>(98,677)</u>	<u>(103,626)</u>	<u>(98,677)</u>	<u>(103,594)</u>

9. INVENTORIES

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	1,674	16,421	-	-	1,674	16,421
Raw materials	46,149	40,362	(485)	-	45,664	40,362
Packing materials and supplies	9,754	13,273	(4,163)	(3,074)	5,591	10,199
Spare parts	24,583	31,887	(6,133)	(10,762)	18,450	21,125
Total	<u>82,160</u>	<u>101,943</u>	<u>(10,781)</u>	<u>(13,836)</u>	<u>71,379</u>	<u>88,107</u>

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	573	11,337	-	-	573	11,337
Total	<u>573</u>	<u>11,337</u>	<u>-</u>	<u>-</u>	<u>573</u>	<u>11,337</u>

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Movements in the reduction of inventory to net realisable value account during the year ended December 31, 2021 and 2020, is as follows

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance as at January 1	13,836	15,899	-	411
Increase	1,574	-	-	-
Reversal/ Disposal during the period	(4,629)	(2,063)	-	(411)
Ending balance as at December 31	10,781	13,836	-	-

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

10. OTHER CURRENT FINANCIAL ASSETS

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	December 31, 2021	December 31, 2020
Financial assets in the category of debt securities (Mutual Fund)	11	12

11. OTHER NON-CURRENT FINANCIAL ASSETS

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	December 31, 2021	December 31, 2020
Financial assets in the category of equity securities (Mutual Fund)	3,450	3,450

As at December 31, 2021 and 2020, the detail are as follows:

		Shareholding percentage (%)	(Unit: Thousand Baht)	
			Consolidated / Separate financial statements	
			December 31, 2021	December 31, 2020
Thai Textile Printing Public Co., Ltd.	Bleaching and dyeing of textile distribute cans	1.43	5,000	5,000
Less: Allowance for impairment of investment			(1,550)	(1,550)
Total other non-current financial assets			3,450	3,450

12. RESTRICTED BANK DEPOSITS

Fixed deposits which the Company and subsidiary pledged with the banks to guaranteed electricity use.

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13. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED

13.1 Investments in subsidiaries

13.1.1 Investments in subsidiaries as presented in separate financial statements as at December 31, 2021 and December 31, 2020 are as follows:

Company's name	(Unit : Thousand Baht)									
	Paid - up capital		Shareholding Percentage (%)		Cost		Provision for impairment of investments		Carrying amounts based on cost method - net	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Subsidiaries directly held by the Company										
Tluxe Global Business Co., Ltd.	3,000	3,000	100	100	3,000	3,000	(3,000)	(3,000)	-	-
Tluxe Power Co., Ltd.	1,100,000	1,100,000	100	100	1,100,000	1,100,000	(416,772)	(416,772)	683,228	683,228
Thailuxe Enterprises (Thailand) Co., Ltd.	789,385	789,385	100	100	789,385	789,385	-	-	789,385	789,385
Investments in subsidiaries directly held by the Company - net					1,892,385	1,892,385	(419,772)	(419,772)	1,472,613	1,472,613
Subsidiaries held through Tluxe Power Limited										
Tluxe Investments Limited	10*	10*	100	100	-	-	-	-	-	-
Origin Power Investment Co., Ltd.	0.1*	0.1*	100	100	-	-	-	-	-	-
Subsidiary held through Tluxe Investments Limited										
Tluxe Holdings Limited	10*	10*	100	100	-	-	-	-	-	-
Geothermal Power A Co., Ltd.	10*	10*	100	100	-	-	-	-	-	-
Geothermal Power B Co., Ltd.	10*	10*	100	100	-	-	-	-	-	-
Subsidiaries held through Origin Power Investment Co., Ltd.										
Wind Power A Co., Ltd.	0.1*	0.1*	100	100	-	-	-	-	-	-

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(Unit : Thousand Baht)

Company's name	Paid - up capital		Shareholding Percentage (%)		Cost		Provision for impairment of investments		Carrying amounts based on cost method - net	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Subsidiaries held through Tluxe Holdings Limited										
Sumo Power Co., Ltd.	1,000**	1,000**	100	100	-	-	-	-	-	-
Beppu Tsurumi Onsen Geothermal Power Station No.1 Liaison Company	10**	10**	100	100	-	-	-	-	-	-
P Green Energy Co., Ltd.	1,000**	1,000**	100	100	-	-	-	-	-	-
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					<u>1,892,385</u>	<u>1,892,385</u>	<u>(419,772)</u>	<u>(419,772)</u>	<u>1,472,613</u>	<u>1,472,613</u>

* Unit: Thousand US dollar

**Unit: Thousand Yen

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Investments in Tluxe Global Business Co., Ltd.

In year 2020, the Company estimated the realizable value of its investment in Tluxe Global Business Co., Ltd. based on a value-in-use calculation using cash flow projections discounted to their present values. It was concluded that the recoverable amount is lower than the carrying amount, and the Company therefore recognised allowance for impairment loss on such investment amount of Baht 3 million in statement of income in the separate financial statements for the year 2020.

Investments in Tluxe Power Co., Ltd.

In 2019, the Company estimated the realizable value of its investment in Tluxe Power Co., Ltd. based on a value-in-use calculation using cash flow projections discounted to their present values. It was concluded that the recoverable amount is lower than the carrying amount, and the Company therefore recognised allowance for impairment loss on such investment amount of Baht 416.77 million.

13.1.2 Dividend income

During the year ended December 31, 2021 and 2020, The Company has not dividend income from the investments in subsidiaries.

13.2 Investment in associate

13.2.1 Details of associate :

(Unit : Thousand Baht)								
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
			2021	2020	Carrying amounts based on equity method		Cost	
			2021	2020	2021	2020	2021	2020
			(%)	(%)				
M-Luxe Energy Co., Ltd.	The land development to construct geothermal power plant	Japan	25	25	-	-	-	-
Total					-	-	-	-

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

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

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(b) Investment in an associate M - Luxe Energy Co., Ltd. (M-Luxe) under a Joint Venture Agreement between a subsidiary and a private company in Japan, the agreement specifies the duties of each party, at that time. The subsidiary is only responsible for providing source of funds to M - Luxe Energy Co., Ltd. for land development, and hot springs, and let M - Luxe Energy Co., Ltd. manage the subsidiary, thus granting a loan of Baht 70 million (as discussed in the notes to financial statements No. 6.2) in the proportion of 100%, while such private companies who have business experience in land development and the hot spring will provide business assistance, care and advice in business operations. Developing land and hot springs for M - Luxe Energy Co., Ltd. At present, M - Luxe Energy Co., Ltd. has not conducted exploration. And develop hot springs. Therefore the land has not been sold yet Due to the delay in investment.

The Company is on the discussion process of debt repayment of M - Luxe Energy Co., Ltd. and Seitoushi Natural Energy Co., Ltd.

13.2.2 Dividend received. During the year, the associated company did not pay dividends during the years 2021 and 2020.

13.2.3 Summarised financial information about material associate
Summarised information about financial position

	(Unit : Thousand Baht)	
	2021	2020
Cash and cash equivalents	-	-
Other current assets	11	19
Property	2,472	2,473
Other payables	(21,440)	(18,299)
Short-term loans	(72,078)	(72,088)
Income tax payable	(20)	(28)
Other liabilities	(8)	-
Long-term loans from related party	(14,532)	(14,534)
Net assets	(105,595)	(102,457)
Shareholding percentage (%)	25	25
Proportion based on equity method in assets - net	(26,399)	(25,614)
Unrecognised share of losses	26,399	25,614
Carrying amounts of associate based on equity method	-	-

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Summarised information about comprehensive income

	(Unit : Thousand Baht)	
	For the year ended December 31	
	2021	2020
Loss for the year	(3,161)	(89,970)
Other comprehensive income	-	-
Total comprehensive income	(3,161)	(89,970)

13.2.4 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 year ended December 31, 2021	For the year ended December 31, 2020
M-Luxe Energy Co., Ltd.	(0.79)	(22.49)

14. LONG - TERM LOANS

As at December 31, 2021 and December 31, 2020, are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Long - term loans				
Long - term loans to subsidiaries (Note 6.2)	-	-	165,424	168,014
Long - term loans to related parties (Note 6.2)	-	-	-	-
Total long - term loans	-	-	165,424	168,014
Less : Current portion of long - term loans				
Long - term loans to subsidiaries (Note 6.2)	-	-	-	-
Long - term loans to related parties (Note 6.2)	-	-	-	-
Total current portion of long - term loans	-	-	-	-
	-	-	165,424	168,014

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15. INVESTMENT PROPERTIES

The net book value of investment properties as at December 31, 2021 and 2020 are presented below.

	(Unit : Thousand Baht)			
	Consolidated / Separate financial statements			
	Leasehold and building improvement	Land for rent	Office building for rent	Total
Net book value as at December 31, 2020	47,645	61,088	25,917	134,650
Disposals	-	(19,592)	(11,080)	(30,672)
Profit (loss) from fair value adjustment	(965)	4,029	452	3,516
Net book value as at December 31, 2021	<u>46,680</u>	<u>45,525</u>	<u>15,289</u>	<u>107,494</u>

The reconciliations of the net book value of investment properties for the years 2021 and 2020 are presented below.

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	2021	2020
Net book value at beginning of year	134,650	166,661
Additions	-	230
Disposals	(30,672)	-
Profit (loss) from fair value adjustment	3,516	(32,241)
Net book value at ending of year	<u>107,494</u>	<u>134,650</u>

*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 year 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 respectively.

On December 22, 2020, the company registered leasehold rights. According to the lease term of 18 years.

In 2021, the Company has rental income from Investment property of Baht 7.37 million with direct operating expenses incurred from investment property which generates rental income for the year. And does not cause Rental income for the year is Baht 2.45 million, respectively.

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 60.81 million as collateral against credit line received from financial institutions as disclosed in the Note 23 and 26 to the consolidated financial statements.

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16. LAND REVALUATION

	(Unit : Thousand Baht)	
	Consolidated	Seperate
	Land and land improvements	Land and land improvements
Cost:		
As at December 31, 2020	431,666	100,368
Additions		
Disposals	(98,424)	(98,423)
Exchange difference on translation adjustment	(1)	-
Surplus (Revalued) from revaluation	52,802	(349)
As at December 31, 2021	386,043	1,596
Allowance for impairment:		
As at December 31, 2020	1,249	-
Increase / (Decrease)	52	52
As at December 31, 2021	1,301	52
Net book value:		
As at December 31, 2020	430,417	100,368
As at December 31, 2021	384,742	1,544
Other comprehensive income statements:		
Profit from revaluation of assets - net of income tax in 2021	42,241	(279)

As at December 31, 2021 and December 31, 2020, the land of the Company and its subsidiaries are stated at the revalued amounts according to the appraisal reports of independent appraisers of 2021 and 2020. The valuation of land is based on the market value method. There is a surplus from revaluation of fixed assets under "shareholders' equity" in the statement of financial position the surplus from the revaluation of fixed assets cannot be distributed as dividends, which is the fair value at level 2 of the fair value hierarchy.

The Company and subsidiaries recorded land at revalued amount. Capital surplus from the revaluation of fixed assets in the amount of Baht 53 million according to the appraisal report of independent appraisers between January 7, 2022 to January 14, 2022.

Separate financial statements

The assets transferred to the subsidiary company as described Note 6.4

The Company not yet able to transfer ownership according to the law to the subsidiary. However, the subsidiary could order usage. And the benefit from such assets from the use of the normal production of the subsidiary.

At the Board of directors meeting of the Company on March 1, 2021, has approved to sell apart of land.

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17. PLANT AND EQUIPMENT

(Unit : Thousand Baht)

	Consolidated financial statement					Total
	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	
Cost:						
As at December 31, 2020	579,513	1,274,014	66,858	23,339	-	1,943,724
Additions	-	64	44	-	390	498
Disposals	(106,556)	(135,901)	(36,995)	(20)	-	(279,472)
Transfers in (out)	-	390	-	-	(390)	-
Exchange difference on translation adjustment	-	(39)	-	-	-	(39)
As at December 31, 2021	<u>472,957</u>	<u>1,138,528</u>	<u>29,907</u>	<u>23,319</u>	<u>-</u>	<u>1,664,711</u>
Accumulated depreciation:						
As at December 31, 2020	(345,678)	(851,913)	(57,909)	(20,640)	-	(1,276,140)
Depreciation for the year	(19,991)	(52,529)	(3,771)	(1,799)	-	(78,090)
Depreciation on disposals	96,617	134,164	36,895	20	-	267,696
Exchange difference on translation adjustment	-	54	-	-	-	54
As at December 31, 2021	<u>(269,052)</u>	<u>(770,224)</u>	<u>(24,785)</u>	<u>(22,419)</u>	<u>-</u>	<u>(1,086,480)</u>
Allowance for impairment loss:						
As at December 31, 2020	(2,300)	(100,500)	-	-	-	(102,800)
Increase during year	2,300	1,758	-	-	-	4,058
As at December 31, 2021	<u>-</u>	<u>(98,742)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,742)</u>
Net book value:						
As at December 31, 2020	<u>231,535</u>	<u>321,601</u>	<u>8,949</u>	<u>2,699</u>	<u>-</u>	<u>564,784</u>
As at December 31, 2021	<u>203,905</u>	<u>269,562</u>	<u>5,122</u>	<u>900</u>	<u>-</u>	<u>479,489</u>
Depreciation for the year						
2020 (Baht 35 million included in manufacturing cost, and the balance in administrative expenses)						<u>83,325</u>
2021 (Baht 35 million included in manufacturing cost, and the balance in administrative expenses)						<u>78,090</u>

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(Unit : Thousand Baht)

	Separate financial statements					Total
	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	
Cost:						
As at December 31, 2020	109,528	5,945	4,785	20,987	-	141,245
Additions	-	-	20	-	-	20
Disposals/write-off	(106,556)	(5,335)	(1,390)	-	-	(113,281)
Transfers in (out)	-	-	-	-	-	-
As at December 31, 2021	2,972	610	3,415	20,987	-	27,984
Accumulated depreciation:						
As at December 31, 2020	(99,136)	(5,705)	(3,525)	(18,288)	-	(126,654)
Depreciation for the year	(337)	(113)	(354)	(1,799)	-	(2,603)
Depreciation on disposals/write-off	96,618	5,323	1,326	-	-	103,267
As at December 31, 2021	(2,855)	(495)	(2,553)	(20,087)	-	(25,990)
Allowance for impairment loss:						
As at December 31, 2020	(2,300)	-	-	-	-	(2,300)
Transfers in (out)	2,300	-	-	-	-	2,300
Exchange difference on translation adjustment						
As at December 31, 2021	-	-	-	-	-	-
Net book value:						
As at December 31, 2020	8,092	240	1,260	2,699	-	12,291
As at December 31, 2021	117	115	862	900	-	1,994
Depreciation for the year						
2020						3,710
2021						2,603

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Leasehold and building improvement

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 year 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 respectively.

On December 22, 2020, the company registered leasehold rights. According to the lease term of 18 years.

As at December 31, 2021, the Company had equipment and motor vehicles with net book values of Baht 0 million (2020: Baht 2 million), which were acquired under financial lease agreements.

As at December 31, 2021, 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 13 million (2020 : Baht 110 million).

The Company has pledge of property, plant and equipment at cost approximately Baht 693 million as collateral against credit line received from financial institutions and debenture as disclosed in the Note 26 and 28 to the consolidated financial statements.

Separate financial statements - Buildings and building improvement

Assets that the Company transfer to subsidiaries as described in Note 6.4 to financial statements. It appears that there are certain assets which cannot be transferred to each other.

The assets which the Company has transferred to the subsidiaries are not yet able to transfer the legal ownership to the subsidiaries. However, the subsidiary company has the ability to give usage instructions and the benefit from the assets from the normal production of the subsidiary company.

As at 21 May 2021, the Company has entered to land and building purchase agreement with a private company in the amount of THB 174 million by receiving the deposit amount of THB 4 million on 20 May 2021 and will receive the remaining amount of THB 170 million on the date of transfer ownership. The Company classified the mentioned assets as held for sale on the financial statement as of 30 June 2021.

As at 9 July 2021, the Company has transferred ownership of the land and the buildings, and received the remaining amount of THB 170 million.

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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18. PROPERTY, PLANT AND EQUIPMENT NOT USED IN OPERATIONS

	(Unit : Thousand Baht)		
	Consolidated financial statements		
	Property	Machinery and tools	Total
Cost:-			
As at December 31, 2020	52,184	495,725	547,909
Additions	-	-	-
Disposals	(2,717)	-	(2,717)
Exchange difference on translation adjustment	(7)	(71)	(78)
As at December 31, 2021	49,460	495,654	545,114
Accumulated depreciation:			
As at December 31, 2020	-	114,642	114,642
Depreciation for the year	-	20,096	20,096
Exchange difference on translation adjustment	-	(77)	(77)
As at December 31, 2021	-	134,661	134,661
Allowance for impairment loss:			
As at December 31, 2020	6,614	161,846	168,460
Increase / (decrease)during year	-	-	-
Transfer in (out)	-	-	-
As at December 31, 2021	6,614	161,846	168,460
Net book value:			
As at December 31, 2020	45,570	219,237	264,807
As at December 31, 2021	42,846	199,147	241,993
Depreciation for the year			
2020			20,413
2021			20,096

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	(Unit : Thousand Baht)
	Seperate financial statements
	Property
Cost:	
As at December 31, 2020	3,917
Transfer in (out)	(2,717)
As at December 31, 2021	1,200
Allowance for impairment loss:	
As at December 31, 2020	552
Increase / (decrease) during year	-
As at December 31, 2021	(552)
Net book value:	
As at December 31, 2020	3,365
As at December 31, 2021	648

During the year 2020 and 2021, land not used in operations at a cost of Baht 49.46 million and 41.46 million was revalued according to the independent appraiser.

From the assessment of the impairment of assets mentioned above. The Company and its subsidiaries recognized the impairment loss of the geothermal power plant project amounting to Baht 121.34 million in the consolidated financial statements. In the statement of income for the year ended December 31, 2020.

In this regard, the Group has considered reclassifying geothermal power plants that have ceased operations in the financial statements for the year 2020 with the recoverable amount of the geothermal power plants as at December 31, 2020. (Note 16, 17 and 18)

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19. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets accounts during the year ended December 31, 2021 are summarized below:

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
	Property
<u>Cost</u>	
Book value as at December 31, 2020	25,370
Additions	549
Book value as at December 31, 2021	<u>25,919</u>
<u>Accumulated depreciation:</u>	
Book value as at December 31, 2020	1,595
Depreciation for the year	1,618
Book value as at December 31, 2021	<u>3,213</u>
Net book value as at December 31, 2021	
As at December 31, 2020	<u>23,775</u>
As at December 31, 2021	<u>22,706</u>
Depreciation included in the statement of comprehensive income for the year:	
As at December 31, 2020	<u>1,595</u>
As at December 31, 2021	<u>1,618</u>

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20. OTHER INTANGIBLE ASSETS

The net book value of intangible assets as at December 31, 2020 and 2019 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				
	Computer software	Patent	Hot spring rights	Power purchase agreement right	Total
Cost:-					
As at December 31, 2020	23,031	470	121,717	274,315	419,533
Disposals	(4,783)	-	-	-	(4,783)
As at December 31, 2021	<u>18,248</u>	<u>470</u>	<u>121,717</u>	<u>274,315</u>	<u>414,750</u>
Accumulated amortization :					
As at December 31, 2020	(14,085)	(423)	(20,656)	(49,141)	(84,305)
Amortization for the year	(1,754)	(47)	-	-	(1,801)
Disposals	4,289	-	-	-	4,289
As at December 31, 2021	<u>(11,550)</u>	<u>(470)</u>	<u>(20,656)</u>	<u>(49,141)</u>	<u>(81,817)</u>
Allowance for impairment :					
As at December 31, 2020	(494)	-	(101,061)	(225,174)	(326,729)
Disposals	494	-	-	-	494
As at December 31, 2021	<u>-</u>	<u>-</u>	<u>(101,061)</u>	<u>(225,174)</u>	<u>(326,235)</u>
Net Book Values:					
As at December 31, 2020	<u>8,452</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>8,499</u>
As at December 31, 2021	<u>6,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,698</u>
Amortization in the statement of comprehensive income :					
For the year ended December 31, 2020					<u>10,027</u>
For the year ended December 31, 2021					<u>1,801</u>

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	(Unit: Thousand Baht)		
	Separate financial statements		
	Computer software	Patent	Total
Cost :-			
As at December 31, 2020	81	470	551
As at December 31, 2021	<u>81</u>	<u>(470)</u>	<u>551</u>
Accumulated amortization :			
As at December 31, 2020	(53)	(423)	(476)
Amortization for the year	(9)	(47)	(56)
As at December 31, 2021	<u>(62)</u>	<u>(470)</u>	<u>(532)</u>
Allowance for impairment :			
As at December 31, 2020	-	-	-
As at December 31, 2021	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Values :			
As at December 31, 2020	<u>28</u>	<u>47</u>	<u>75</u>
As at December 31, 2021	<u><u>19</u></u>	<u><u>-</u></u>	<u><u>19</u></u>
Amortization in the statement of comprehensive income :			
For the year ended December 31, 2020			<u>67</u>
For the year ended December 31, 2021			<u><u>56</u></u>

21. NON-CURRENT NON-CASH ASSETS FINANCIAL ASSEST PLEDGED AS COLLATERAL

The effect of initially applying TFRS 9 in the Group's financial instruments is described in Note 4.1. Due to the transition method chosen in applying TFRS 9, comparative information has not been restated to reflect the new requirements.

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	December 31, 2021	December 31, 2020
Other long - term investments (Note 4.1)	-	-
Non - current - non - cash assets pledged as collateral	<u>22,226</u>	<u>46,127</u>
Total	<u><u>22,226</u></u>	<u><u>46,127</u></u>

PP PRIME PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Non - current - non - cash assets pledged as collateral as at December 31, 2021 are as follows:

	(Unit : Thousand Baht)
	Consolidated / Separate financial statements
	December 31, 2021
Financial assets in equity - cost	130,137
Less: Capital surplus from changes in value of investments	(107,911)
Financial assets in equity - fair value	<u>22,226</u>

During the year ended December 31, 2021, the movement is as follows:

	Consolidated / Separate financial statements	
	Number of shares	
	(Thousand Shares)	Amount (Thousand Baht)
Cost as at January 1, 2021	44,023	46,127
Purchase during the year	12,333	4,317
Sale during the year	(22,434)	(14,677)
Decrease from reverse stock	(8,400)	-
Warrant Which expired during the period		
Other comprehensive income (expense) recognized in other components of shareholders' equity	-	(13,541)
Book value as at December 31, 2021	<u>25,522</u>	<u>22,226</u>

The Company has equity financial assets of a listed company which has to show the fair value as the end of the period but the mentioned company was Trading Suspension since 26 October 2021 due to a listed company has to improve financial and operating conditions, therefore, the Company used the closing price as at 25 October 2021 to calculate the fair value without using another method to calculate the fair value, as at 31 December 2021 the Company shown equity financial assets amount of THB 13.42 million.

As at December 31, 2020, the Company has brought such financial assets amount 25.52 million shares (Book value of Baht 22.23 million) as a guarantee for the issuance of debentures as discussed in Note 28 to the consolidated financial statements.

The Company does not received dividend income for the year ended December 31,2021 and 2020.

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22. ADVANCES PAYMENT

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	December	December	December	December
	31, 2021	31, 2020	31, 2021	31, 2020
Advance payment for construction of geothermal power plants	29,936	29,940	-	-
Advance payment for Hot spring rights	34,877	34,882	-	-
Advance payment for Riverside Project	12,997	12,997	12,997	12,997
Advance payment for Wind power plant	67,503	67,513	-	-
Total	145,313	145,332	12,997	12,997
Less : Expected credit loss				
Impairment on advance payment for construction of geothermal power plants	(29,936)	(29,940)	-	-
Impairment on advance payment for Hot spring rights	(34,877)	(34,882)	-	-
Impairment on advance payment for Riverside project	(12,997)	(12,997)	(12,997)	(12,997)
Impairment on advance payment for Wind power plant	(67,503)	(67,513)	-	-
Total	(145,313)	(145,332)	(12,997)	(12,997)
	-	-	-	-

Advance payment for construction of geothermal power plants

On December 13, 2017, a meeting of the Board of Directors of the Company passed a resolution to approve investment in 9 units of geothermal power plant in Japan, with a total project value of Yen 2,700 million (Baht 786 million).

As at December 31, 2018, Sumo Power Company Limited, a subsidiary, has paid a deposit for a power plants amount of Yen 50 million and a private company amount of Yen amount 53 million.

According to the meeting of the Board of Directors No. 3/2020 on March 20, 2020, has resolved to recognize expected credit loss the whole amount. The management of the Company has assessed the opportunity to receive reimbursement liable to be difficult. Therefor, decided to record the allowance for doubtful accounts for the whole amount of Baht 28 million in financial statement year 2019.

However, a private company has transferred both of the land to the second private company. Although the first private company it is obliged to transfer these land to Sumo Power Company Limited, the total asset transfer price is Yen 300,000,000, which Sumo Power Company Limited has paid to the first private company amount of Yen 50,000,000.

On May 26, 2020, Sumo Power Company Limited has instituted legal proceeding against regarding the implementation of the ownership transfer of the land to the second private company and a claim of Yen 1,000,000 from the first private company.

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On June 11, 2020, PPSN Company Limited apply for assets sharing from a private company to claim deposit of Yen 50 million, which On September 24, 2021, a subsidiary receive from the 1st sharing amounted to Yen 500,000. However, the legal advisor said that there is an opportunity to earn more money from distribution of assets but the exact time period is unknown because the process is in court and is waiting for auction.

Advance payment for Hot spring rights

In accordance with the resolution of the Board of Directors Meeting No. 5/2016 held on June 24, 2016, it was resolved to approve the Company Invested in geothermal energy business in 8 projects with the acquisition of Sumo Power Company Limited in the amount of Yen 495 million and the purchase of 8 power plants at the price of Yen 220 million per power plants (excluding tax). Advance payment for hot springs rights, totaling 4 power plants, valued at Yen 120 million. (Baht 33 million)

According to the meeting of the Board of Directors No. 3/2020 on March 20, 2020, has resolved to recognize expected credit loss the whole amount. The management of the Company has assessed the opportunity to receive reimbursement liable to be difficult. Therefor, decided to record the allowance for doubtful accounts for the whole amount of Baht 33 million in financial statement year 2019.

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 six percent per annum in respect of the total investment amount of the Company, the terms and conditions of which are currently being negotiated and shall further be executed by the Company and Rich Partners Co., Ltd.

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

On July 2, 2018, the Company has memorandum of agreement with shareholder and Rich Partners Co., Ltd., the shareholder of Rich Partners Co., Ltd. agrees to transfer all of the shares in Rich Partners Co., Ltd. at its par value (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 of Baht 3 million).

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

- 1) Various licenses in the implementation of the project Must be completed by March 31, 2019.
- 2) The Company has the right to continue the project or not which the Company will consider and notify within 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 expected credit loss 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.

On May 1, 2020, the Company received deposit of Yen 5 million (equivalent to Baht 1.48 million) from Rich Partners Company Limited.

At present , the Company will send request letter, if the party still ignore, the Company will continue to take legal action.

Advance payment for investment in wind power plant

The Board of Directors' meeting No.2/2017 on February 6, 2017 had approved to invest on Wind Power at Aomori prefecture, Japan to establish the new Company in Japan with registered capital of 10 million yen approximately 3,147,830 Baht. (Applicable exchange rate of 0.314783 Baht/yen announced by the Bank of Thailand on February 3,2017) Company hold 60% of the total shares (Subsidiary); and AURA Green Energy Co., Ltd. ("AURA") (Japanese corporation); holds 40% of the total shares and invest on Wind Power 5 Units amount 175 million yen approximately 55,087,025 Baht. (Applicable exchange rate of 0.314783 Baht/yen announced by the Bank of Thailand on February 3, 2017).

The Board of Directors' meeting No.3/2017 on March 7, 2017 had approved invest on Wind Power at Aomori prefecture, Japan 1 Units amount of Yen 36 million or approximately amount of Baht 10.99 million.

And the Board of Directors' meeting No.10/2017 on December 2, 2017 had approved invest on Wind Power at Aomori prefecture, Japan 1 Units amount of Yen 36 million or approximately amount of Baht 13 million. Total of the Wind Power invested by the Company is 7 units amount of Yen 247 million.

In year 2017, the Company has paid advance payments for Wind Power construction 7 units amount of Yen 232 million. Present, Wind Power 7 units able to recognize revenue from sales since the year 2017 to the present. Therefor, revenue from power generation not recognized in the consolidated financial statements. And the Group Company an unable to check the amount of the said electricity bill sold. Present, the Group Company has not yet received the transfer of ownership in the Wind Power.

On December 2019, the Company had assigned the legal advisor to send the demand letter to Aura Green Energy Co., Ltd. who is the juristic person and joint venture with PPSN Co., Ltd. Nevertheless, Aura Green Energy Co., Ltd. informed that Aura Green Energy Co., Ltd. had already delivered the electricity power plants which is against with the fact. The Company presently assigned the legal advisor to study the direction to proceed litigation in order to follow up Aura Green Energy Co., Ltd., the co-contract to deliver the electricity power plants together with the electricity fee received earlier to PPSN Co., Ltd.

According to the resolution of the Board of Directors Meeting No. 3 / 2020, held on 20 March 2020, it was resolved to set up an expected credit loss for the whole amount.

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Since the management of the company has assessed the opportunity to receive reimbursement from that transaction tend to be difficult, therefore decided to record the expected credit loss for the whole amount of the transaction in the amount of Baht 64 million in financial statement year 2019.

At present , the Company will notify the subsidiary to send request letter, if the party still ignore, the Company will continue to take legal action.

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

		(Unit : Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
Interest rate (% per annum)		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Bank overdrafts	MOR	19,850	24,301	-	-
Promissory note from financial institutions	5.99	47,000	60,000	47,000	60,000
		<u>66,850</u>	<u>84,301</u>	<u>47,000</u>	<u>60,000</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 annum 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 annum 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 annum 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.

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Later, on January 31, 2020 the Company was negotiating with the bank lenders to extend the 2 promissory notes total Baht 120 million, which is grant an extension to pay promissory notes, by increase the interest rate is 6% per annum, as detailed below:

1. Payment of Baht 12 million. On January 31, 2020 (the Company paid successfully)
2. Payment of Baht 12 million. On March 31, 2020 (the Company paid successfully)
3. Payment of Baht 12 million. On April 30, 2020 (the Company paid successfully)
4. Payment of Baht 12 million. On May 29, 2020.
5. Payment of Baht 12 million. On June 30, 2020.

For the promissory note, the remaining amount of Baht 60 million to be paid on July 31, 2020.

However, the financial institution will gradually reduce the promissory note due to the payment of a promissory note of Baht 40 million and to reduce the promissory note to Baht 80 million.

The Company made repayment on the promissory notes for 3 installments, totaling Baht 36 million.

However, due to the outbreak of Corona virus disease 2019 (COVID-19), the government has policy for the financial institutions to suspend the debt for 6 months, resulting the company is able to postpone the repayment. The financial institutions basically informed the company to start the repayment in November 2020 onwards as following details:

1. Payment of Baht 12 million. On November 2020 (the Company paid successfully)
2. Payment of Baht 12 million. On December 2020 (the Company paid successfully)
3. Payment of Baht 60 million. On January 2021.

The promissory note guarantees a total credit line of Baht 120 million and a credit limit of Baht 44 million, the credit limit has been guarantees as follows:

1. Mortgage of land and buildings of the Company's fair value of Baht 18 million.
2. Business security agreement - trade receivables are the Company's ownership of Baht 230 million.
3. Business security agreement - inventories are the subsidiary company's ownership of Baht 100 million.
4. Business security agreement - fixed deposit is the subsidiary company's ownership of Baht 10 million.
5. The subsidiary company guaranteed.

On February 5, 2021, the Company received credit considerations from financial institutions. Approved the Company's financial support proposal as follows:

1. To suspend the principal payment of promissory note 7 months, paying interest as usual From January 2021 - July 2021 and due for repayment in full by 31 August 2021.
2. Reduce the registered value of the claimed business collateral agreement in the trade receivables. Ownership of the Company from of Baht 230 million, remaining of Baht 75 million and reducing the registered value of the company's ownership inventory business collateral contract. Thai Luxe Enterprise (Thailand) Co., Ltd. from of Baht 1 0 0 million, remaining of Baht 7 5 million.

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3. Bring business collateral Type of claim in a fixed deposit account of Baht 10 million, ownership of Thai Luxe Enterprise (Thailand) Co., Ltd., pay the outstanding balance of promissory note and reduce the limit of promissory note to Baht 50 million.
4. Approval of the letter of guarantee for the payment of additional electricity in the amount of 0.20 million baht at the rate of 1.5% per annum and the original collateral as follows:
 - 4.1 Mortgage the land and buildings Company ownership.
 - 4.2 Registration of business collateral agreement, claim type in trade receivables, ownership of the Company amounting to Baht 75 million.
 - 4.3 Registered business collateral contract, inventory type, ownership of Thai Luxe Enterprise (Thailand) Co., Ltd., amounting to Baht 75 million.
 - 4.4 Thai Luxe Enterprises (Thailand) Company Limited is the guarantor.
5. Cancel the forward contract limit of USD 17.307 million.

As at 3 December 2021, the Company was approved credit by the financial institute, which is granted an extension to pay promissory notes as detailed below:

1. Payment of Promissory Note as follows:
 - 1.1 Payment of Baht 3 million in December 2021, the remaining amount of THB 47 million.
 - 1.2 Payment of Baht 2 million in January 2022, the remaining amount of THB 45 million.
2. The period of each promissory note is not over 30 days.
3. Consideration the credit limit next time by March 2022.

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24. TRADE AND OTHER CURRENT PAYABLES

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade payables - related party (Note 6.2)	13,380	23,770	403,954	512,302
Trade payables - unrelated parties	56,152	155,393	78	126
Other payables - related parties (Note 6.2)	1,409	1,051	9,787	9,787
Other payables - unrelated parties	24,549	16,022	6,363	1,533
Other payables for purchases of assets	471	1,482	-	70
Accrued interest - related party (Note 6.2)	30	21	224	-
Accrued interest - unrelated parties	22,706	12,930	22,706	12,930
Accrued expenses - related party (Note 6.2)	-	-	-	-
Accrued expenses - unrelated parties	15,762	19,989	14,170	16,096
Accrued specific business tax	23,584	23,584	23,584	23,584
Total trade and other current payables	158,043	254,242	480,866	576,428

25. SHORT - TERM LOAN

As at December 31, 2021 and December 31, 2020, are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Short - term loan from related parties (Note 6.2)	291	291	-	-
Short - term loan from other person and other parties	15,000	10,000	15,000	10,000
Total	15,291	10,291	15,000	10,000

Short - term loan from other person and other parties

Movement of the short - term loan from other person and other parties for the year ended December 31, 2021 are as follows:

	(Unit : Thousand Baht)
	Consolidated /Separate financial statements
Beginning balance as at January 1, 2021	10,000
<u>Add</u> Borrowing during for the period	42,000
<u>Less</u> Payment during for the period	(37,000)
Ending balance as at December 31, 2021	15,000

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Loans from other parties as follows :

Contract No. 1

On December 24, 2020, the Company signed a loan agreement from other person totaling amount of Baht 10 million with interest rate at 10 per annum and have maturity date within March 23, 2021.

The Company entered into an extension of the repayment period to June 22,2021. Subsequently, The Company entered into an extension of the repayment period to July 7,2021. (the Company paid successfully)

Contract No. 2

On March 18, 2021, the Company signed a loan agreement with other party totaling amount of Baht 2.5 million with interest rate at 8 per annum and have maturity date within March 31, 2021. (the Company paid successfully)

Contract No. 3

On April 29, 2021, the Company signed a loan agreement from other person totaling amount of Baht 20 million with interest rate at 10 per annum and have maturity date within July 29, 2021. (the Company paid successfully on July 15, 2021)

Contract No. 4

On June 10, 2021, the Company signed a loan agreement from other person totaling amount of Baht 4.50 million with interest rate at 10 per annum and have maturity date within July 10, 2021. (the Company paid successfully on July 9, 2021)

Contract No. 5

On October 29, 2021, the Company signed a loan agreement from other person totaling amount of Baht 15.00 million with interest rate at 10 per annum and have maturity date within January 29, 2022. (the Company paid successfully on January 28, 2022)

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26. LONG - TERM LOAN

As at December 31, 2021 and December 31, 2020 are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	December 31,	December 31,	December 31,	December 31,
	2021	2020	2021	2020
Long - term loan				
Long - term loan from financial institutions	344,575	537,102	333,313	525,474
Less : Current portion of long - term	(334,185)	(525,838)	(333,313)	(525,474)
	<u>10,390</u>	<u>11,264</u>	<u>-</u>	<u>-</u>

26.1 Long - term loan from financial institutions

Movements of the long - term loan from financial institutions account during the year ended December 31, 2021 are as follows:

	(Unit : Thousand Baht)	
	Consolidated	Separate
	financial statement	financial statements
Balance as at January 1, 2021	537,102	525,474
<u>Less</u> Payment	(188,304)	(187,939)
Exchange differences on translation adjustment	(4,223)	(4,222)
Balance as at December 31, 2021	<u>344,575</u>	<u>333,313</u>

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		(Unit : Thousand Baht)			
		Consolidated		Separate	
		financial statement		financial statements	
Interest rate (% per annum)	Maturity date	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
JPY LIBOR (3 months) plus 3%	Repayable in monthly installments commencing from the fourth month after the loan is drawn down (November 2017), with 1 to 35 installments of YEN 14.5 million each and the balance payable in the 36 installment. (the 36th installment will due in February 2021) Installment No. 36 to 41 and 43 to 45 suspense of repayment of the principal amount of loans. Installment No. 42 to 46 payable amount with 11.80 million Yen or 3.42 million Baht, and Installment No. 47 payable amount with 3.42 million Baht. Repayment of the remaining amount of debts on Installment No. 48.	333,313	525,474	333,313	525,474
- 0.46% per annum - After the date of the 3 year loan agreement, the rate is 1.36% per annum.	- Repayment of principal on the 15th of the month, 100 installments, payable 100,000 Yen per installment, the first installment in August 2021 - Interest payment is made on the 15th of the month, the first installment is in September 2020.	2,761	2,907	-	-
- 0.65% per annum - After the date of the 3 year loan agreement, the rate is 1.55% per annum.	- Repayment of principal on the 15th of the month, 200 installments, payable 150,000 Yen per installment, the first installment in August 2021 - Interest payment is made on the 15th of the month, the first installment is in September 2020.	8,501	8,721	-	-
Total		<u>344,575</u>	<u>537,102</u>	<u>333,313</u>	<u>525,474</u>

In accordance with the conditions specified in the agreement, this loan amounting to Yen 1,785 million (equivalent to Baht 525 million) is secured by the pledge of land and buildings of the Company and the

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Company has to mortgage property of the geothermal power plant projects in Japan, pledge power purchases agreements and shares of the companies that own the geothermal power plant projects, pledge or transfer the rights in the electricity revenue accounts of 4 of the companies, which consist of 8 power plants. The loan agreements contain several covenants which, among other things, require the Company to maintain a debt-to-equity ratio.

On 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.

As at December 31, 2020, 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. Therefore, showing loans from financial institutions in the amount of Yen 1,785 million (equivalent to Baht 525 million), as liabilities due within one year in full amount.

Later on February 9, 2021, the lender bank announced the results of the approval for the change of credit limit conditions. By extending the repayment term of the loan for another one year. Cancelled debt to equity ratio and the Company can settle the mortgaged land to pay the loan.

On July 9, 2021 the proceed from sale of the said land have been paid for the loan.

As at December 31, 2021, loans from financial institution in the amount of Yen 1,132 million (equivalent to Baht 333 million), represent as liabilities due within one year in full amount.

Event after the reporting period

On January 12, 2022, there is amended contract that since January 16, 2022 interest reference to “JPY TIBOR” in stead of “JPY LIBOR” and amended term of payment from 48 installment to 60 installment(Final installment will due in February 2023)

Subsidiary Company

On August 5, 2020, a subsidiary in Japan received a loan from a financial institution in Japan in the form of promissory notes (Promissory Notes), divided into two credit lines totaling Yen 40 million, which is a guideline for the government of Japan to assist entrepreneurs from the situation of the Coronavirus 2019 (COVID - 19). That aims to repair machines in Japan. By the said loan amount the interest rate is 0.46 - 1.55 percent per annum due on November 15, 2029 and March 15, 2038.

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27. LIABILITIES UNDER LEASE AGREEMENTS

The net book value of lease liabilities and the movement for the year ended December 31, 2021 are as follow :

	(Unit : Thousand Baht)
	<u>Consolidated /Separate</u>
As at January 1, 2021	568
Increase	549
Payments	(631)
As at December 31, 2021	486
<u>Less</u> current portion	(269)
Lease liabilities - net of current portion	<u>217</u>

The Company and subsidiaries have obligations to be paid minimum rental under lease as follows :

	(Unit : Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Within 1 year	<u>1</u>	<u>3</u>	<u>1</u>	<u>1</u>
Present value of lease liabilities	<u>1</u>	<u>3</u>	<u>1</u>	<u>1</u>

The following are the amounts recognized in profit or loss for the year ended December 31, 2021 and 2020.

	(Unit : Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2021	2020	2021	2020
For the year ended December 31,				
Depreciation of right-of-use assets	1,618	1,595	1,618	1,595
Interest expense on lease liabilities	18	47	18	47
Expense relating to short-term lease	795	1,318	707	1,172
Expenses related to lease agreements in which underlying assets are low	42	42	42	42
Expenses relating to the contract are considered as a service contract	<u>2,981</u>	<u>3,683</u>	<u>341</u>	<u>550</u>
Total	<u>5,454</u>	<u>6,685</u>	<u>2,726</u>	<u>3,406</u>

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28. DEBENTURES

As at December 31, 2021 and December 31, 2020, are as follows:

	(Unit : Thousand Baht)	
	Consolidated / Separate financial statements	
	December 31, 2021	December 31, 2020
Debentures	596,400	633,200
Less : Deferred arrangement fee for debentures	-	(968)
Debentures - net of arrangement fee	596,400	632,232
Less : Portion due within one year	(45,840)	(632,232)
Debentures - net of current portion	<u>550,560</u>	<u>-</u>

Movements of the debentures accounts during the year ended December 31, 2021 are as follows:

	(Unit : Thousand Baht)
	Consolidated / Separate financial statements
Balance as at January 1, 2021	633,200
Issuance of debentures	-
Redemption of debentures	(36,800)
Total	596,400
Deferred arrangement fee for debentures	-
Balance as at December 31, 2021	<u>596,400</u>

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As at December 31, 2021, the balance of the debentures issued by the Company is Baht 596 million. Such debentures has offered to investors by private placement. The debentures pay interest every 3 months. Significant details are as follows:

<u>Time</u>	<u>Issue date</u>	<u>Units</u>	<u>Par value per unit</u>	<u>Total value</u>	<u>Interest rate</u>	<u>Maturity date</u>
			(Baht)	(Million Baht)	(% per annum)	
<u>Registered holders of Debentures unsubordinated and unsecured debentures, which do have</u>						
<u>a debenture holders' representative.*</u>						
2/2018	August 2, 2018	250,800	1,000	250.80	7.83	July 2, 2023
<u>Registered holders of Debentures unsubordinated and secured debentures, which do have a</u>						
<u>debenture holders' representative.*</u>						
1/2018	May 8, 2018	138,000	1,000	138.00	7.06	May 8, 2023
1/2019	March 21, 2019	207,600	1,000	207.60	8.59	March 18, 2023

On December 31, 2019, the Company is unable to maintain the debt to equity ratio as according to the terms and conditions of the debenture issuers and debenture holders. Which is considered as a violation of the conditions causing the bondholders to have the right to call back the said debentures immediately, therefore showing the debenture No. 1/2019 in the amount of Baht 207.60 million as a debt due within one year in the whole amount.

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 annum, increased by 0.50 to 7.75 percent per annum. 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 4,098,438.39.

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 annum but the meeting does not approve the waiver, except for the default interest rate from August 2, 2019 to September 2, 2019.

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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. The resolutions of the debenture holders' meeting No. 1/2020, (the debentures No.2/2018) on February 27, 2020 are as follows:

1. Resolved to approve the amendment of the terms and conditions of the bond issuers and bondholders and to extend the maturity date no.2 (the debentures No.2/2018), valued Baht 319.50 million, from the original date July 2, 2020 to July 2, 2021.
2. Resolved not to approve the amendment of the terms and conditions of the bond issuers and bondholders by requesting an exemption of conditions for maintaining the debt to equity ratio (D/E Ratio) of 3:1. Therefore, the Company shall maintain the debt to equity ratio (D/E Ratio) as previously specified.

In this regard, the Company explained to the bondholders' meeting further as follows:

The Company to exercise the right to redeem some debentures before maturity date amount of Baht 63,900,000 (20% of the debentures of each unit the proportion of debentures held by the holder). On June 17, 2020, which is the exercise of the rights and obligations of the debenture issuer and the debenture holder, No.9. redemption and repurchase of debentures.

Later, on June 12, 2020, the Company would like to postpone the exercise of redemption rights for some of the debentures to July 2, 2020, that was not as informed in the meeting; however, it will be in accordance with the terms and conditions of the rights and obligations No. 9.3, stating that "the bond issuer has the right to redeem the debenture either the whole or partial (and at one time or many times) prior to the redemption date of the bond".

Later, On July 2, 2020, the company has redeemed debentures a mount of Bath 63,900,000.

Accordance to Debenture holders' meeting No. 2/2020 (Debenture No. 2/2018) on March 24, 2020 approved to amend the terms, rights and obligations of the issuer and debenture holders. By adjusting the conditions for maintaining the debt to equity ratio from 3: 1 to 7: 1 in accordance with the proposal of the Issuer proposed to the debenture holders' meeting.

The resolutions of the debenture holders' meeting No. 1/2021, (the debentures No.2/2018) on February 5, 2021 are as follows:

1. Approved the extension maturity date for 2 years and revision of the redemption date from July 2, 2021 to July 2, 2023 and dividing the repayment of the Debentures' principal into 2 installments i.e. July 2, 2022 and 2 July 2023.
2. Approved the amendment of interest payment Date to be payable twice per annum from 2 July, 2 November, 2 February and 2 May to 2 May and 2 November every year throughout the term of Debentures and the amendment of the interest rate from 7.75 percent to be 7.83 percent per annum.
3. Approved the amendment of the terms and conditions clause 6. representations, Warranties and obligations of the Issuer by cancel clause 6.2.11 Financial Covenants which the Issuer shall maintain net debt to equity ratio of not exceeding 7:1 at the end of the quarter or the end of fiscal year of the Issuer and approved the amendment of Terms and Conditions by adding clause 6.4.4, The issuer's obligation, by stipulating that the Issuer agree to not make

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any loan with interest either single or multiple transaction with accumulated amount of not exceeding Baht 1,500,000,000.

In this regard, the company has informed the bondholders' meeting as follows:

The Company agrees to provide the company's asset i.e. ordinary shares of T-Luxe Power Company Limited which the company held in an amount of 65,204,082 shares (equivalent to 60 percent of total shares in T-Luxe Power Company Limited), having a par value at Baht 10 and having a book value at Baht 4.90 per share, which equivalent to the total of Baht 319,500,000 and calculated to be 1.25 times of the total outstanding amount of Debentures, to be the collateral of the TLUXE198A. The Company will proceed with pledging of such collateral shares with the Debenture holders' representative.

The lawsuit is being processed

Case 1

On August 27, 2019, one of debenture holder has filed a lawsuit with the Federal Court ordered the Company to pay the debenture with interest total of Baht 4,098,438.39.

On December 20, 2019 the Federal Courts have judgment the Company pay Baht 4,000,000 with interest at the rate of 9.25% per annum from the date of filing onwards until the payment is completed.

On January 16, 2020 the Company applies a petition to suspend execution. And appealed the decision to the court. The Appeal Court made a listen to judgment on May 19, 2020.

On May 19, 2020 the Appeal Court ruled in accordance with the judgment of the Court of First Instance but to amend the interest payment from the original, calculated from the date of filing as from September 6, 2019 onwards until payment is complete. In addition to the amendment to comply with the judgment of the Court of First Instance and the appeal court fees shall be vested the court. With respect to the judgment of the Court of First Instance and the Court of Appeal, the Company does not agree because the such judgment does not comply with the judgment of the Supreme Court according to the implications and the Company will exercise the right to petition the such judgment with the Supreme Court.

On June 12, 2020, the Company has submitted a request for permission to petition, a petition, a request for suspension of execution. The Supreme Court appointed to hear the order of the Supreme Court on February 10, 2021.

On November 17, 2020, the company has submitted a request to suspend the execution.

On February 10, 2021, the Samut Songkhram Provincial Court read the order of the Supreme Court and issued an order not to allow the petition. Dismiss the request for relief of enforcement As a result of the said order, the judgment of the Court of Appeal Region 7 to the end of the law On February 10, 2021, and the company, as the defendant, has the duty to pay interest at 9.25 percent per annum from September 6, 2019 until the July 2, 2020 of the principal of Baht 4,000,000 and interest payment of 9.25 percent per annum from July 3, 2020 on the principal of Baht 3,200,000 until payment is completed. Including deducting the interest paid.

On June 29, 2021, the Company has already paid the principal and interest as the Court of Appeal's judgment.

Case 2

On November 14, 2019, the second debenture holder filed a lawsuit with the Federal Court ordered the Company to pay the debenture with interest totaling Baht 2,012,835.61. At the

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present, the case is under consideration by the Court. And scheduled the hearing of evidence for the plaintiff and the defendant on March 23, 2020.

On March 23, 2020, It appears that the second debenture holder has appointed a lawyer. And the lawyer submitted a request to postpone the case claiming that Stick to the examination of the case that was scheduled at the Criminal Court. And requested to postpone the case. The company does not oppose the request to postpone the case. And Samut Songkhram Provincial Court has scheduled the hearing of plaintiff's witnesses on June 8, 2020.

On June 11, 2020, the Court has postponed the schedule of the examination of the plaintiff and defendant to July 10, 2020.

On July 10, 2020, plaintiffs and the defendants brought witnesses to testimony until the case was completed by the Court of First Instance. The court scheduled a hearing for the judgment on October 14, 2020.

On October 14, 2020, the Court ordered the defendant to pay the plaintiff Baht 1,600,000 with interest at the rate of 9.25 percent per annum from July 3, 2020, onwards until the payment is completed to the plaintiff. And interest at the rate of 9.25 percent per annum of the principal of Baht 2,000,000 from August 2, 2019 onwards until payment is completed to the plaintiff. By taking the amount of interest that the defendant paid to the plaintiff and deducted from the interest the defendant paid to the plaintiff.

On February 3, 2021, the Company filed an appeal of the judgment.

Then on August 5, 2021 the Appeal Court ruled in accordance with the judgment of the Court of the defendant to pay the plaintiff Baht 1,600,000 with interest at the rate of 9.25 percent per annum from July 3, 2020, onwards until the payment is completed to the plaintiff. And interest at the rate of 9.25 percent per annum of the principal of Baht 2,000,000 from August 2, 2019 to July 2, 2020. By taking the amount of interest that the defendant paid to the plaintiff and deducted from the interest the defendant paid to the plaintiff.

On December 15, 2021, the Company has already paid the principal and interest as the Court of Appeal's judgment.

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 on 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).

The resolutions of the debenture holders' meeting No. 1/2020, (the debentures No.1/2018) on February 27, 2020 are as follows:

1. Resolved to approve the amendment of the terms and conditions of the bond issuers and bondholders and to extend the maturity date of the bond No. 1 (the debentures No.1/2018) from the original due date of May 8, 2020 to May 8, 2021.
2. Resolve to approve the amendment of terms and conditions of the bond issuers and bondholders by redeeming investments in available-for-sale securities that the Company owns and as the guarantee for bond (the debentures No.1/2018). The Company will sell those via the Stock Exchange of Thailand and pay for debt to bondholders of Baht 60 million.

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3. Resolve to approve the amendment of terms and conditions of bond issuers and bondholders with the exception to maintain the debt to equity ratio (D/E Ratio) from the originally specified at the D/E Ratio of 3:1 to no longer fixed the condition of D/E Ratio.

In this regard, the Company explained to the bondholders' meeting further as follows:

The Company is an exercise the right to redeem some debentures before maturity date amount of Baht 30 million, (15% of the debentures of each unit the proportion of debentures held by the holder). On April 23, 2020, which is the exercise of the rights and obligations of the debenture issuer and the debenture holder, No.10 redemption and repurchase of debentures.

On April 23, 2020 the Company exercised the right to redeem some of the debentures, and made the payment of Baht 30 million, representing 15 percent of the number of debentures held by each bondholder together with the interest rate of 7 percent per annum, equivalent to Baht 2.88 million and the fee at the rate of 0.15 percent of the above payment, amounting Baht 0.05 million, which is the exercise of the right to early redemption in accordance with the terms and conditions of the rights regarding the debenture issuer and debenture holder- Item 10.5

According to the debenture holders meeting No. 2/2020 on June 9, 2020, the meeting has resolution to approve the land and building redemption as well as the 2 parcels of land in Samutsongkram together with the security of Thuxe Power out of the guarantee and brought of the machine for the amount of Baht 129.41 at Songkla to be the guarantee instead.

The resolutions of the debenture holders' meeting No. 1/2021, (the debentures No.1/2018) on February 1, 2021 are as follows:

1. Approve the extension of the maturity period of the debentures for another 2 years by revising the maturity date of the debentures. From the original date of May 8, 2021 to May 8, 2023 by dividing the principal repayment in 2 installments: 8 May 2022 and 8 May 2023.
2. Approved to amend the payment date of the debentures every 6 months by paying interest. From every 8 May, 8 August, 8 November and 8 February of each year throughout the life of the debentures to every 8 February and 8 August of each year throughout the life of the bonds. And amend the interest rates of debentures from 7 percent per annum to 7.06 percent per annum.
3. Approved to change the location of machinery used as collateral for debentures from the factory in Songkhla province, moved to install at Phetchaburi factory. And to bring the machine registration to proceed with the registration of change of location with the relevant machinery registration office.

In June 2021, the Company has released the investment available for sale as debentures' collateral to be sold in the Stock Exchange and will use the total amount that proceed from the sale to repay the debt according to the debenture.

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).

The resolutions of the debenture holders' meeting No. 1/2020, (the debentures No.1/2019) on February 28, 2020 are as follows:

Resolved to approve the amendment of the terms & conditions and the duties of the bond issuer and bondholders by revising the maintenance of debt to equity ratio (D/E Ratio) from originally 3:1 to 7:1 as proposed by the bond issuer that proposed to the bondholders' meeting, and also to fix the additional terms & conditions that if the maintenance of the debt to equity ratio (D/E Ratio) is more than that specified above, the bondholder representative shall consider and comment under the scope in case of the effect on impairment of assets and investment of the company only.

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The resolutions of the debenture holders' meeting No. 1/2021, (the debentures No.1/2019) on February 1, 2021 are as follows:

1. Approved the extension maturity date for 2 years and revision of the redemption date from March 18, 2021 to March 18, 2023 and dividing the repayment of the Debentures' principal into 2 installments i.e. 18 March 2022 and 18 March 2023.
2. Approved to amend the payment date of the debentures every 6 months by paying interest. From every every 21 June, 21 September, 21 December and 21 March of each year throughout the life of the bonds to 21 March and 21 September of each year throughout the life of the bonds. And amend the interest rates of debentures from the original 8.50 percent per annum to the interest rate of 8.59 percent per annum.

Resolved to approve the amendment to Clause 7 of the terms of rights, representations, warranties and duties of the Issuer by repealing Clause 7.2.11, the financial condition stipulating that the Issuer will maintain the ratio of "Net Debt to Equity Ratio" (Net Debt to Equity Ratio) in a ratio not exceeding 7: 1 at the end of the quarterly accounting period or the fiscal year end of the debenture issuer. And approved to increase the terms and conditions, Clause 7.4.4 the duties of the issuer of debentures by stating The Issuer agrees to incur an interest-bearing loan burden of more than of Baht 1,500 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
<u>No.</u>	<u>Amount</u>	<u>Due date</u>	
1/2018	138.00	May 8, 2023	The Company has determined to sell equity securities and sell assets that are not used for business operations, as well as to use proceeds from working capital and liquidity to redeem the debentures.
2/2018	250.80	July 2, 2023	
1/2019	207.60	March 18, 2023	

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29. Convertible debentures

On 24 November 2021, Extraordinary General Meeting of Shareholders No.3/2564 approve the issuance and offering of the Convertible Debentures not exceeding THB 300,000,000 divided into 3 tranches, as follows:

- 1 Convertible Debentures Tranche 1 has the value of not more than THB 100 million divided into 20 sets. THB 5 million per set.
- 2 Convertible Debentures Tranche 2 has the value of not more than THB 100 million divided into 20 sets. THB 5 million per set
- 3 Convertible Debentures Tranche 3 has the value or not more than THB 100 million divided into 10 sets. THB 10 million per set.

Allocate specific investors i.e. Advance Opportunities Fund (“AO Fund”) and Advance Opportunities Fund 1 (“AO Fund 1”)

However, the timeframe of the conversion is within 1 year after shareholder's meeting approved the issuance. If the Company did not issue all the Convertible Debentures within 1 year, the Company may request a resolution of the shareholders' meeting to issue the unissued convertible debentures according to the Company's financial needs.

Name of convertible debentures	Convertible debentures of PP Prime Public Company Limited's long term 1.0 % No. 1 / 2 0 21, matured for redemption in 2024	Convertible debentures of PP Prime Public Company Limited's long term 1.0 % No. 2 / 2 0 2 1 , matured for redemption in 2024
Type of convertible debentures	Convertible debentures can be converted to new ordinary shares of the Company, unsubordinated and unsecured.	Convertible debentures can be converted to new ordinary shares of the Company, unsubordinated and unsecured.
Offering price	Baht 50,000,000	Baht 50,000,000
Number of convertible debentures	50,000 units	50,000 units
Face Value	Baht 1,000 per 1 convertible debenture	Baht 1,000 per 1 convertible debenture
Interest rate	1% per annum	1% per annum
Issuance date	21 December 2021	30 December 2021
Maturity date of redemption	3 years after the insurance of each set (21 December 2024)	3 years after the insurance of each set (21 December 2024)
Interest payment	31 December / 30 June	31 December / 30 June

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Convertible price	In case of the weighted-average price of the ordinary shares of the company of the SET for the not less than 7 day but past 1 5 consecutive business days before date of conversion	In case of the weighted-average price of the ordinary shares of the company of the SET for the not less than 7 day but past 1 5 consecutive business days before date of conversion
Conversion ratio	The principle of convertible debentures divided by Convertible price (1 convertible debenture : 1,388 ordinary shares)	The principle of convertible debentures divided by Convertible price (1 convertible debenture : 1,766 ordinary shares)
Conversion date	22 December 2021	10 January 2022 – 15 February 2022

Convertible debenture – liability component state at amortize cost till conversion to ordinary share or maturity of the debenture. Convertible debenture equity component which is determined on the issuance date, there will be no change in the next accounting period.

For the year ended December 31, 2021, There are convertible debenture holders exercising their right to convert to ordinary shares in accordance with the term and conditions of the convertible with a principal of Baht 50 million or 50% of the convertible debenture offered to be 69.44 million ordinary shares these make the Company to have increase share capital of Baht 2,064 million to Baht 2,134 million and share premium (Discount) on share capital decrease from Baht 626 million to Baht 650 million (Note 36), also have conversion convertible debenture of Baht 50 million or 50% of the convertible debenture offered.

Movements of convertible debentures during the year ended 31 December 2021 are summarized below.

	(Unit:Thousand Baht)
	Consolidated / Separate financial statements
	Convertible debenture – the liability component
Balance as at 1 January 2021	-
Transactions for present value of convertible debentures	100
Debenture expenses	(10)
Conversion to ordinary shares (Note 36)	(45)
Balance as at 31 December 2021	<u>45</u>

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30. OTHER CURRENT LIABILITIES

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Advance received from sales of Geothermal Energy	174,383	174,408	-	-
Other	4,463	3,837	729	1,029
Total other current liabilities	<u>178,846</u>	<u>178,245</u>	<u>729</u>	<u>1,029</u>

Advance received from sales of Geothermal Energy

The 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 equivalent to 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 equivalent to 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 Company has the Memorandum of under Understanding, MOU with the buyer (Relocation Group) for the sale of 15 geothermal power plant projects in Japan in amount of Yen 320 million, the Company has received the deposit amounting of Yen 200 millions, according to sale contract indentify that the buyer (Relocation Group) will pay remaining amounting of Yen 4,600 millions within February 2019.

On February 21, 2019, Relocation Group transferred the right and obligation under the Memorandum of under Understanding (MOU) to Beppu Forest Power Co., Ltd. (which has common director with a subsidiary who sells property until March 31, 2019) and extent to June 30, 2019.

On February 25, 2019, PPSN Co., Ltd. and Beppu Forest Power Co., Ltd. entered into agreements, with an agreement that Beppu Forest Power Co., Ltd. will pay second deposit of Yen 400 million and transfer 25 percent of Beppu Forest Power Co., Ltd. to PPSN Co., Ltd. within March 15, 2019 and PPSN Co., Ltd. will transfer the ownership of the four power plants (part of the 15 plants above) to Beppu Forest Power Co., Ltd. within 15 days from receive payment.

On April 5, 2019, the subsidiary enters into sell agreement of four geothermal power plants (part of the 15 plants) that consisted of P-Power (2 locations) and Lena - 1 power plant (2 locations) with Beppu Forest Power Co., Ltd. value Yen 800 million. Beppu Forest Power Co., Ltd. will pay Yen 400 million within 2 weeks after contract signing and Yen 400 million within 1 year after contract signing. With the addition memorandum that Beppu Forest Power Co., Ltd. could terminate the sell agreement of four geothermal power plants if the contract is not approved by the Company board of directors. However, until present there is no approval resolution of the board of directors.

On April 11, 2019, the subsidiary received the deposit amount of Yen 400 million from Beppu Forest Power Co., Ltd.

The Company received deposit of Yen 600 million (approximately Baht 165.56 million) classified as deposit received in other current liability.

On July 23, 2019, PPSN Co., Ltd. received documents from Beppu Forest Power Co., Ltd. to PPSN Co., Ltd. to pay Yen 16.96 million (approximately Baht 4.75 million) to two companies which is a creditor of Beppu Forest Power Co., Ltd., which the company has made full payment which shown under other current assets.

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On December 23, 2019, the Board of Directors' meeting No.22/2019 considered progress on the sale of 15 geothermal power plant projects in Japan and conclude event are as follows:

According to the Company's resolution on May 15, 2018, disposes of the 15 geothermal power plant in Japan at the price of the Yen 320 million per location, and according to the Memorandum of Understanding, MOU on June 21, 2018, later, Japanese companies entered into 3 contracts are as follows:

On February 25, 2019, the first contract has the essence of Beppu Forest Power Co., Ltd. will also pay 2nd deposit along amount of Yen 400 million with a transfer of 25% shares to the PPSN Co., Ltd. And the PPSN Co., Ltd. will transfer the right and obligation in four power plants under the agreement to Beppu Forest Power Co., Ltd. within 15 days since receiving payment.

On April 5, 2019, the second contract is memorandum of agreement between Beppu Forest Power Co., Ltd. and PPSN Co., Ltd., agreed that Beppu Forest Power Co., Ltd. has the right to terminate the contract if the contract for transfer of property (Contract 3) is not approved by the board of directors.

On April 5, 2019, the third contract has 4 parties as follows Beppu Forest Power Co., Ltd., PPSN Co., Ltd., Lena Power Station No.1 LLC. and the Company which the contract was signed only by Beppu Forest Power Co., Ltd. and PPSN Co., Ltd. which mentions the purchase and sale of power plants at a price of Yen 200 million per location, ownership of PPSN Co., Ltd. 2 locations and Lena Power Station No.1 LLC. 2 locations totaling 4 locations in amount of Yen 800 million and did not mention the transfer of 25% shares in the amount of 25%, which was contrary to the first contract.

The Company has consulted with the Japanese legal counsel in the case of three contracts that are binding on the Company, which the Japanese legal counsel has Legal Opinion, these are conclusion as follows:

1. In the case of Lena, if it proves that Lena has not authorize PPSN Co., Ltd. to act on its behalf, there will not be binding on Lena Power Station No.1 LLC.
2. If the Company can prove that the Company has not authorize PPSN Co., Ltd. to act on its behalf, there will be no binding on the Company.

PPSN Co., Ltd. by the former director No.2 at that time notice privately that he did not sign it. But the former director No.1 signed instead which the Japanese legal counsel informed that according to Japanese law, this case is considered True Intention, which is the true intent of the contract. If contrary to the intention of the signatory this contract will be invalid, which, if proven, that the former director No.2 didn't sign this contract but was signed by the former director No.1 instead this contract will not bind PPSN Co., Ltd. either.

On December 23, 2019, the Board of Directors' meeting No.22/2019 has resolved to send a notice to Beppu Forest Power Co., Ltd. to pay the remaining amount of Yen 4,200 million to the Company within January 31, 2020. If Beppu Forest Power Co., Ltd. ignores the remaining payment, the Board of Directors requires the Company to exercise the right to cancel contract and confiscate the entire deposit of Yen 600 million (Or approximately Baht 176 million). And urgently find other investors interested as well as speeding up production efficiency and acknowledge the arbitrary contract of the contracted company in Japan.

On December 25, 2019, the Company sent the letter in accordance with the resolution of the meeting to Beppu Forest Power Co., Ltd.

By stating that the company insists on selling the power plant at a price of Yen 320 million per plant, not accepting the contract that the Beppu Forest Power Co., Ltd. later created to buy four power plants at the price of Yen 200 million per plant and requesting the Beppu Forest Power Co., Ltd. to pay the remaining balance according to the MOU, suitable for Yen 4,200 million within January 31, 2020, otherwise the company will cancel the contract and confiscate the deposit.

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Later on January 24, 2020 and February 20, 2020, the Company was informed by a subsidiary of the electricity generating group that the electricity buyer has notified the subsidiary that the electricity buyer has brought the electricity payment to the subsidiary in 2020, in total of Yen 11,383,944 and Yen 16,599,528 respectively. A total of four plants that consisted of P-Power (2 locations) and Lena - 1 power plant (2 locations) put it at the Oita Legal Affairs Bureau because Beppu Forest Power Co., Ltd., which has entered into an agreement to purchase 15 power plants from the electricity generating group of companies asked the electricity buyer pay electricity bills to Beppu Forest Power Co., Ltd. Electricity buyers therefore have questions about the right to receive payment for electricity bills for the period of January to July 2020 which is due in February to August 2020 put it at the Oita Legal Affairs Bureau. (P-Power and Lena stopped producing electricity in August 2020 and June 2020 respectively)

According to the resolutions of the Board of Directors' Meeting No. 1/2020 held on February 5, 2020, the resolution to acknowledge the progress of the sale of 15 power plants, Beppu Forest Power Co., Ltd. has not paid the remainder to the Company, so management will proceed with the seizure of a deposit of Yen 600 million.

On June 18, 2020, PPSN Co., Ltd. received a letter from Beppu Forest Power Co., Ltd., a counterparty to acquire PPSN Co., Ltd.'s geothermal power plant by Beppu Forest Power Co., Ltd. Referring to the 2nd contract dated April 5, 2019, the contents of this agreement will sell four power plants at a price of Yen 200 million each, totaling 800 million yen by Beppu Forest Power Co., Ltd. Amount of Yen 400 million will be paid within 2 weeks, and the remaining of Yen 400 million will be paid within a year. Four of the power plants are owned by PPSN Co., Ltd. 2 and 2 are owned by Lena Power Station No. 1 LLC. Beppu Forest Power Co., Ltd. will cancel the purchase of 2 power plants of Lena Power Station No. 1 LLC., A 100% subsidiary of the company.

And on July 17, 2020, PPSN Co., Ltd. received a "summons to report on the 1st verbal press release and response letter requesting letter" from Beppu Forest Power Co., Ltd. demanding PPSN Co., Ltd. pays to Beppu Forest Power Co., Ltd. in an amount of 40,540,542 yen plus accrued interest at the rate of 3% per annum from May 2, 2020 until the payment is completed and paid. In this regard, "the summons for reporting on the day of the 1st oral statement and the letter of response," requires PPSN Co., Ltd. to submit the testimony on August 27, 2020.

On August 6, 2020, PPSN Co., Ltd. received two "Temporary seizure orders" from the Tokyo District Court in Japan, which can be summarized as follows:

1. Issue 1 states that Beppu Forest Power Co., Ltd., is appropriate and request Beppu Forest Power Co., Ltd. to provide security of Yen 300,000. Temporary seizure of two lands in PPSN Co., Ltd. has been decided. If PPSN Co., Ltd. deposit Yen 1,404,131, PPSN Co., Ltd. can request suspension of execution or cancellation of the execution disposition.
2. Issue 2 states that Beppu Forest Power Co., Ltd., is appropriate and request Beppu Forest Power Co., Ltd. to provide security of Yen 7,900,000. Temporary seizure of electricity revenue generated from PPSN Co., Ltd. Binary plant from July 17, 2020 to July 16, 2021 has been decided. If PPSN Co., Ltd. deposit Yen 39,433,306, PPSN Co., Ltd. can request suspension of execution or cancellation of the execution disposition.

The company has assigned Momo-o, Matsuo & Namba (MMN), a lawyer responsible for the case submitting a petition against the attachment of both copies, which are expected to be completed within the first quarter of 2021.

On August 27, 2020, the directors and executives of PPSN Co., Ltd. reported themselves on first announcement, which PPSN Co., Ltd. appointed a lawyer on that date. And PPSN Co., Ltd. has already clarified the information to the court on October 6, 2020 and November 5, 2020.

On December 24, 2020, the second buyer and the subsidiary reported to the court on time, which the second buyer will ask for another addition. The Court therefore required a second buyer to submit an objection to the testimony by February 5, 2021, with the fourth hearing scheduled for February 15, 2021.

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On February 15, 2021, the subsidiary and the second buyer have submitted the court proceedings and clarified the information to the court. with the fourth hearing scheduled for fifth hearing on April 13, 2021.

The Company has informed about the incident to the Stock Exchange of Thailand as follows:

The Company also has agreed to transfer ownership of the power plant to a subsidiary to Beppu Forest Power Co., Ltd. Because Beppu Forest Power Co., Ltd. has not paid the remaining Yen 4,200 million (or approximately Baht 1,143 million) to the Company within the time limit previously agreed with the Company (June 30, 2019). The Board of Directors meeting passed a resolution on December 23, 2019, the management rush to send a letter notifying Beppu Forest Power Co., Ltd. to pay the remaining Yen 4,200 million to the Company and the power plant transfer is in accordance with the conditions previously agreed to be completed within January 31, 2020, till the present, Beppu Forest Power Co., Ltd. still ignored the remaining payment. However, the Company proceeded according to the legal procedure to seize a deposit of Yen 600 million.

The Company hereby declares that the Company does not know the reason why in Beppu Forest Power Co., Ltd., informed the cancellation of the purchase of 2 power plants of Lena Power Station No. 1 LLC., But in the indictment filed by Beppu Forest Power Co., Ltd. A local court in Tokyo, Beppu Forest Power Co., Ltd., said it had paid of Yen 400 million for the power plant transaction settlement of two P-Power plants to PPSN Co., Ltd. Has been completed, Beppu Forest Power Co., Ltd. has therefore notified the cancellation of the purchase of 2 power plants of Lena Power Station No. 1 LLC. And Beppu Forest Power Co., Ltd. have requested the court to judge PPSN. Co., Ltd., of 2 plants at Beppu Forest Power Co., Ltd., said that a settlement of Yen 400 million was settled.

1. PPSN Co., Ltd. make payment for electricity between June 2019 and June 2020, the amount is Yen 40,540,542 with interest at the rate of 3% per annum from May 2, 2020 until payment is made to Beppu Forest Power Co., Ltd. After June 2020 will have to wait for an order from the court.
2. PPSN Co., Ltd. bear the costs of the lawsuit.

Beppu Forest Power Co., Ltd. has not requested PPSN Co., Ltd. to return the amount of Yen 400 million, which the company does not know why Beppu Forest Power Co., Ltd did not make this claim. However, the Board of Directors and the Audit Committee is pending the legal advisor and the lawyer commented and laid out strategies for further prosecution.

The management of company examination of the above lawsuit found that the Company used to ask for opinions from 2 legal advisors regarding the case. The aforementioned legal advisors agree that the asset purchase agreement dated April 5, 2019 will not be binding on the subsidiary. If the former 2nd director of the subsidiary is not a signatory of the contract and there will be no binding on the second subsidiary.

The management of PP Prime Public Company Limited considers that the story in the case does not contain information that differs from the information provided to both law firms. Therefore, the management's opinion remains that the contract dated April 5, 2019, which the second buyer claims is there will be no binding on the subsidiary.

On February 15, 2021, the subsidiary and the second buyer have submitted the court proceedings and clarified the information to the court. with the fourth hearing scheduled for fifth hearing on April 13, 2021.

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On April 13, 2021, the subsidiary and the second buyer have submitted the court proceedings and clarified the information to the court. with the next hearing scheduled on June 8, 2021.

On June 8, 2021, an off set expenses amount of Yen 40.50 million has been added, with the next hearing scheduled on July 26, 2021.

On July 26, 2021 the second buyer did not file a dispute due to it is in the process of negotiating the settlement. Therefore on the hearing scheduled on September 17, 2021 an November 9, 2021 are still under negotiating the settlement and the next hearing scheduled on December 20, 2021(At first the court schedule on December 21, 2021 then change to January 20, 2022).

On January 20, 2022, the second buyer did not file a dispute due to it is in the process of negotiating the settlement. The court made next hearing scheduled on March 10, 2022.

31. NON - CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	35,722	27,093	17,218	12,583
Transfer provision for benefit employees to subsidiaries	-	-	-	751
<u>Included in profit or loss:</u>				
Current service cost	4,418	4,183	2,343	2,080
Interest cost	488	726	236	362
Historical cost	-	-	-	730
Past service costs due to changing benefit plans	(4,065)	1,624	(3,888)	395
<u>Included in other comprehensive income:</u>				
Actuarial gain arising from				
Financial assumptions changes	-	3,778	-	1,620
Experience adjustments	-	(867)	-	(973)
Benefits paid during the year	(710)	(815)	(255)	(330)
Provision for long-term employee benefits at ending of year	35,854	35,722	15,654	17,218

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cost of sales	418	3,354	-	-
Selling and administrative expenses	424	3,179	(1,309)	3,566
Total expenses recognised in profit or loss	842	6,533	(1,309)	3,566

Significant actuarial assumptions are summarised below:

	Consolidated / Separate financial statements	
	2021	2020
	(% per annum)	(% per annum)
Discount rate	0.53 - 2.97	0.53 - 2.97
Salary increase rate	5	5
Turnover rate	0.00 - 35.00	0.00 - 35.00
	100 of The Thai Mortality Act B.E.	100 of The Thai Mortality Act B.E.
Mortality rate	2560	2560

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2021 are summarized below:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	2021		2020	
	Increase	Decrease	Increase	Decrease
Discount rate (Increase/Decrease 1%)	(3,642)	4,179	(3,499)	4,022
Salary increase rate (Increase/Decrease 1%)	4,058	(3,552)	3,556	(3,117)
Turnover rate (Increase/Decrease 20%)	(2,788)	3,516	(2,427)	3,028
Mortality rate (Increase/Decrease 1%)	148	(166)	130	(146)

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	(Unit: Thousand Baht)			
	Separate financial statements			
	2020		2019	
	Increase	Decrease	Increase	Decrease
Discount rate (Increase/Decrease 1%)	(1,710)	1,935	(1,649)	1,874
Salary increase rate (Increase/Decrease 1%)	1,945	(1,725)	1,701	(1,509)
Turnover rate (Increase/Decrease 20%)	(1,096)	1,367	(957)	1,179
Mortality rate (Increase/Decrease 1%)	60	(67)	52	(58)

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

As at December 31, 2021, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial	Separate financial
	statements	statements
Within 1 year	1,085	422
Over 1 and up to 5 years	13,264	5,502
Over 5 years	90,077	42,054

32. STATURY RESERVE

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

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33. EXPENSES BY NATURE

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Salaries and wages and other employee benefits	127,858	155,202	57,782	73,780
Depreciation	101,604	105,332	4,220	5,305
Raw materials and consumables used	469	1,053	-	-
Changes in inventories of finished goods and work in process	(8,808)	29,003	(10,764)	(43,600)
Credit losses for loans and interest receivable	-	67,443	13	225,179
Credit losses for investment in subsidiary company	-	-	-	3,000
Loss on impairment of land	-	-	52	-
Loss on impairment of plant and equipment	-	20,263	-	-
Loss on impairment of intangible assets	-	94,313	-	-
Loss on impairment of goodwill	-	6,761	-	-

34. INCOME TAX

Income tax expenses for the years ended December 31, 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	1,465	22,794	174	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,082)	(27,312)	(6,082)	(15,761)
Income tax expense reported in the statement of comprehensive income	(4,617)	(4,518)	(5,908)	(15,761)

The amounts of income tax relating to each component of other comprehensive income for the years ended December 31, 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2021	2020	2021	2020
Deferred tax on (gain) loss from the change in value of available-for-sale investments	2,708	107	2,708	107
Deferred tax on (gain) from actuarial estimates	-	130	-	130
Deferred tax on (gain) from revaluation of fixed assets	28,109	-	17,479	-
	30,817	237	20,187	237

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for doubtful accounts	19,736	20,719	19,736	20,719
Allowance for impairment on plant and equipment	121	-	121	-
Provision for long-term employee benefits	3,131	3,444	3,131	3,444
Provision for long-term employee benefits transfer to subsidiary	1,957	-	1,957	-
Unrealised loss from revaluation of available-for-sale securities	24,477	23,050	24,477	23,050
Accumulated deficit	12,216	10,492	12,216	10,492
Total	61,638	57,705	61,638	57,705
Deferred tax liabilities				
Deferred arrangement fees for loans and debentures	-	200	-	200
Gain from revaluation of fixed assets	59,387	66,238	63	17,544
Surplus from investment property revaluation	5,886	10,541	5,886	10,541
Total	65,273	76,979	5,949	28,285

As at December 31, 2021 the subsidiaries have tax deductible temporary differences unused tax losses totaling Yen 964 million (2020 :Yen 502 million), on which deferred tax assets have not been recognised as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of the tax deductible temporary differences and unused tax losses.

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35. PROMOTIONAL PRIVILEGES

The Company and its subsidiaries 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 not yet generated revenues 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% of the amount in invested in the installation of facilities in addition to normal depreciation.

On July 16, 2018 the Extraordinary General Meeting of Shareholders No.1/2018 of PP PRIME PUBLIC COMPANY LIMITED, approved the transfer rights in the investment promotion certificate No.1131(2)/2015, No.1856(2)/2013 and No. 2091(2)/2011 category 1.6: Manufacture of animal feeds or animal feed ingredients of the company to Thai Luxe Enterprises (Thailand) Co., Ltd. as in Note 6.4 to the financial statements.

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The Company's operating revenues for the years ended December 31, 2021 and 2020, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2021	2020	2021	2020	2021	2020
Sales						
Domestic sales	210,737	305,864	417,275	1,290,355	628,012	1,596,219
Export sales	-	-	21,783	21,419	21,783	21,419
Total sales	<u>210,737</u>	<u>305,864</u>	<u>439,058</u>	<u>1,311,774</u>	<u>649,795</u>	<u>1,617,638</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2021	2020	2021	2020	2021	2020
Sales						
Domestic sales	-	-	114,000	1,253,316	114,000	1,253,316
Export sales	-	-	-	-	-	-
Total sales	<u>-</u>	<u>-</u>	<u>114,000</u>	<u>1,253,316</u>	<u>114,000</u>	<u>1,253,316</u>

36. SHARE CAPITAL

36.1 Year 2020

1. According to the resolution of the Annual General Meeting of Shareholders No. 1/2020 on June 4, 2020, has passed significant resolutions as follows:

- 1.1 Resolved to approve the reduction of the company's registered capital of Baht 209,200,252 from the registered capital of Baht 1,126,101,375 to Baht 916,901,123 by cutting 209,200,252 ordinary shares that have not been sold, with a par value of 1 baht each.
- 1.2 Resolved to approve the amendment of Clause 4 of the Memorandum of Association in order to be in line with the reduction of the company's registered capital.

Subsequently, on June 16, 2020, 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.

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36.2 Year 2021

1. According to the resolution of the Extraordinary General Meeting of Shareholders No.1/2564 on June 4, 2021, has passed significant resolutions as follows:

- 1.1 Resolved to approve the increase of the company's registered capital of 1,669,041,301 Baht. From the original registered capital of 916,901,123 Baht to the registered capital of 2,585,942,424 Baht By issuing 1,669,041,301 newly issued ordinary shares at a par value of 1 baht per share (one baht) for (1) offering the said ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering)) At the ratio of 1 existing share to 2 newly issued ordinary shares (Fractions of shares shall be discarded) 1,376,132,952 shares at the offering price of Baht 0.10 per share, which is the value of the issuance 137,613,295.20 Baht and (2) Supporting the adjustment of the exercise ratio of the warrants to purchase ordinary shares of PP Prime Public Company Limited, No 4 (PPPM-W4), the amount of 292,908,349 shares.
- 1.2 Resolved to approve the amendment of Clause 4 of the Memorandum of Association in order to be in line with the reduction of the company's registered capital.

Subsequently, on June 30, 2021, 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 reduction of the registered capital as detailed above, with the Department of Business Development, the Ministry of Commerce.

- 1.3 Approved the allocation of the Company's newly issued ordinary shares to rights offering (RO) of not exceeding 1,376,132,952 newly issued ordinary shares with par value of Baht 1 per share.

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

<u>Allocation to</u>	<u>Amount of Shares (shares)</u>	<u>Ratio (Old : New)</u>	<u>Offering Price (Baht per share)</u>	<u>Share Subscription and Payment Date and Time</u>
The existing shareholders	Not exceeding 1,376,132,952 shares	1 existing ordinary shares: 2 new ordinary shares	Baht 0.10 per share, totaling Baht 137,613,295.20	June 21 -25, 2021 (5 business days)

During June 21 -25, 2021, the existing shareholders has right to purchase newly issued ordinary share in proportion of their existing shareholding (RO) of 1,376,132,952 shares, totaling of Baht 137,613,295.20. As a result, the Company registered the increase of its issued and paid-up capital of Baht 688 million (divided into 688 million ordinary shares at Baht 1 par value) to Baht 2,064 million (divided into 2,064 million ordinary shares at Baht 1 par value) with the Ministry of Commerce on June 30, 2021.

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2. According to the resolution of the Extraordinary General Meeting of Shareholders No.3/2564 on November 24, 2021, has passed significant resolutions as follows:

- 2.1 Resolved to approve the increase of the company's registered capital of 510,000,000 Baht. From the original registered capital of 2,585,942,424 Baht to the registered capital of 3,095,942,424 Baht By issuing 510,000,000 newly issued ordinary shares at a par value of 1 baht per share (one baht) for supporting the conversion of convertible debenture.

The Company registered the increase capital with the Department of Business Development, the Ministry of commerce on December 23, 2021.

Movement of share capital for the year ended December 31, 2021 are as follow :

	Ordinary Share	Paid – up Capital	Discount on Share Capital
	Thousand Share	Thousand Baht	Thousand Baht
As of January 1, 2021	688,066	688,066	612,679
Increase from issuance share capital	1,376,133	1,376,133	(1,238,658)
Increase from conversion on convertible debenture (Note 29)	69,445	69,445	(19,514)
As of December 31, 2021	<u>2,133,644</u>	<u>2,133,644</u>	<u>(645,493)</u>

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37. 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).

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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.

According to the Extraordinary General Meeting of Shareholders No.2/2564 on October 4, 2021, Shareholders approved the revision of the exercise price of warrants PPPM-W4 to purchase the ordinary shares of the company to be effective on May 6, 2021, then the new exercise price will be as follow;

PPPM-W4	Before Adjustment	After Adjustment
Exercise Price (Baht per share)	1.00	0.439
Exercise Ratio (warrant per ordinary share)	1 Unit : 1 Share	1 Unit : 2.280 Share

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38. 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 year ended December 31, 2021 and 2020 as follows:

	For the year ended December 31			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit (loss) attributable to equity holders of the parent company (Million Baht)	<u>(186,268)</u>	<u>(329,577)</u>	<u>(67,605)</u>	<u>(324,809)</u>
Number of ordinary shares as at January 1	688,066	688,066	688,066	688,066
Effect of share issued during the period	<u>695,244</u>	<u>-</u>	<u>695,244</u>	<u>-</u>
Weighted average number of common shares	<u>1,383,310</u>	<u>688,066</u>	<u>1,383,310</u>	<u>688,066</u>
Basic earnings (loss) per share (Baht / Share)	<u>(0.1347)</u>	<u>(0.4790)</u>	<u>(0.0706)</u>	<u>(0.4721)</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 year.) This calculation is made to determine the number of ordinary shares to be added to ordinary shares held by third parties in the calculation of diluted earnings (loss) per share. Without any improvement in net profit. However, the Company does not calculate diluted earnings per share for the year ended December 31, 2021 and 2020, because the fair value of ordinary shares is less than the exercise price.

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The following table sets forth the computation of basic and diluted earnings per share.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Net profit (loss) (Baht)		Number of ordinary shares		Earnings per share	
	2021	2020	2021	2020	2021	2020
Basic earning (loss) per share						
Profit of ordinary shareholders assuming	(186,268)	(329,577)	1,383,310	688,066	<u>(0.13)</u>	<u>(0.48)</u>
Effect of dilutive potential ordinary shares						
- Convertible debenture	-	-	242	-	-	-
- Warrants	-	-	85,323	-	-	-
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>(186,268)</u>	<u>(329,577)</u>	<u>1,468,875</u>	<u>688,066</u>	<u>(0.13)</u>	<u>(0.48)</u>
Separate financial statements						
	Net profit (loss) (Baht)		Number of ordinary shares		Earnings per share	
	2021	2020	2021	2020	2021	2020
Basic earning (loss) per share						
Profit of ordinary shareholders assuming	(97,605)	(324,809)	1,383,310	688,066	<u>(0.07)</u>	<u>(0.47)</u>
Effect of dilutive potential ordinary shares						
- Convertible debenture	-	-	242	-	-	-
- Warrants	-	-	85,323	-	-	-
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>(97,605)</u>	<u>(324,809)</u>	<u>1,468,875</u>	<u>688,066</u>	<u>(0.07)</u>	<u>(0.47)</u>

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39. 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 organized 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 year ended December 31, 2021 and 2020, as follow:

(Unit : Million Baht)

	For the year ended December 31,													
	Domestic				Overseas									
	Aquatic animal feed		Pets food		Production and distribution of electricity				Total segments		Eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue form external customers	147	2,338	570	322	36	35	753	2,695	(103)	(1,031)	650	1,664		
Total revenues	147	2,338	570	322	36	35	753	2,695	(103)	(1,031)	650	1,664		
Results														
Segment profit (loss)	(123)	34	(30)	10	(75)	(124)	(228)	(80)	(5)	16	(233)	(64)		
Gain (loss) on investments in securities											15	-		
Interest income											-	2		
Other income (expenses)											49	29		
Foreign exchange gains and losses											42	3		
Allowance for impairment											-	(187)		
Loss from fair value adjustment											5	(32)		
Share of loss from investments in associates											-	-		
Finance cost											(74)	(86)		
Impairment loss (impairmen gain and reversal of impairment loss) determined in accordance with TFRS 9											5	-		
Loss before income tax expenses											(191)	(335)		
Tax expense											(5)	(5)		
Loss for the period											(186)	(330)		

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Geographic information

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

	(Unit: Thousand Baht)	
	2021	2020
Thailand	628,012	1,596,219
Japan	21,783	21,419
Total	<u>649,795</u>	<u>1,617,638</u>

Non-current assets

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

	(Unit: Thousand Baht)	
	2021	2020
Thailand	841,653	993,036
Japan	410,329	445,879
Total	<u>1,251,981</u>	<u>1,438,915</u>

Major customers

For the years 2021 and 2020, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues

40. PROVIDENT FUND

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and its employees contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 1 million (2020 : Baht 1 million) were recognised as expenses.

41. COMMITMENTS AND CONTINGENT LIABILITIES

41.1 Power purchase agreements

As at December 31, 2021 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.

41.2 Hot springs service agreement

As at December 31, 2021 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.

41.3 Power plant operation and maintenance agreement

As at December 31, 2021, 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

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awarded date, which can be extended every 5 years, and has maximum duration of 15 years, under the same conditions.

41.4 Property rights of land agreement

As at December 31, 2020, 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.

41.5 Capital Commitments

As at December, 2021 the overseas subsidiaries had capital commitments of approximately Yen 2,351 million (December 31, 2020: Yen 2,351 million), relating to the construction of power plant.

41.6 Guarantees

As at December 31, 2021 the Company and subsidiary were outstanding bank guarantees of approximately Baht 18 million (December 31, 2020 : Baht 18 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 electricity use.

42. FINANCIAL INSTRUMENTS

42.1 Foreign currency risk

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

Credit risk

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

Interest rate risk

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

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As at December 31, 2021 and 2020 financial asset and liabilities can be reclassified by type of interest rate. And financial asset and liabilities that have fixed interest rate can be separated by either due date or date of the re-price were. (If the date of the re-price were determined before) as follows:

(Unit: Million Baht)

	Consolidated financial statements													
	Fixed interest rates						Floating		Non-interest		Total		Effective	
	Within 1 year		1 - 5 years		Over 5 years		Total		interest rate		Total		interest rate	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
													(% p.a.)	(% p.a.)
Financial Assets														
Cash and cash equivalents	-	-	-	-	-	-	78	38	-	-	78	38	0.1 – 0.125	0.0 - 0.6
Trade and other receivables	-	-	-	-	-	-	-	-	108	193	108	193	-	-
Restricted bank deposits	8	18	-	-	-	-	-	-	-	-	8	18	0.9	0.9
Non-current financial assets	-	-	-	-	-	-	-	-	3	3	3	3	-	-
Non-current non-cash financial assets pledged as collateral	-	-	-	-	-	-	-	-	22	46	22	46	-	-
Long-term loan to related party	-	-	-	-	-	-	-	-	-	-	-	-	-	3.0
	<u>8</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78</u>	<u>38</u>	<u>133</u>	<u>242</u>	<u>219</u>	<u>298</u>		
Financial liabilities														
Short-term loans from financial institutions	67	84	-	-	-	-	-	-	-	-	67	84	5.85 - 5.99	4.5 - 7.5
Trade and other payables	-	-	-	-	-	-	-	-	158	245	158	245	-	-
Long-term loan	334	526	11	3	-	8	-	-	-	-	345	537	JPY TIBOR (3 months) plus 3%	JPY LIBOR (3 months) plus 3% 0.46% and 0.65% per annum After the date of the 3 year loan agreement, the rate is 1.36% and 1.55% per annum.
Debentures	46	632	-	-	-	-	-	-	550	-	596	632	7.06 – 8.59	6.3 - 7.25
Liabilities under long-term lease agreements	-	1	-	-	-	-	-	-	-	-	-	1	0.7	1.17 - 5.12
	<u>447</u>	<u>1,243</u>	<u>11</u>	<u>3</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>708</u>	<u>245</u>	<u>1,166</u>	<u>1,508</u>		

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	Fixed interest rates						Floating		Non-interest		Total		interest rate	
	Within 1 year		1 - 5 years		Over 5 years		interest rate		Bearing					
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial Assets													(% p.a.)	(% p.a.)
Cash and cash equivalents	-	-	-	-	-	-	72	30	-	-	72	30	0.1 - 0.125	0.0 - 0.05
Trade and other receivables	-	-	-	-	-	-	-	-	54	115	54	115	-	-
Non-current financial assets	-	-	-	-	-	-	-	-	3	3	3	3	-	-
Non-current non-cash financial assets pledged as collateral	-	-	-	-	-	-	-	-	22	46	22	46	-	-
Long-term loan to related party	-	-	178	168	-	-	-	-	-	-	178	168	2.5 - 8.0	2.5 - 8.0
	-	-	178	168	-	-	72	30	79	164	329	362		
Financial liabilities														
Short-term loans from financial institutions	47	60	-	-	-	-	-	-	-	-	47	60	5.85 - 5.99	4.5 - 7.5
Trade and other payables	-	-	-	-	-	-	-	-	473	576	473	576	-	-
Short-term loan	15	10	-	-	-	-	-	-	-	-	15	10	10	6.5 - 15
Long-term loan	333	525	-	-	-	-	-	-	-	-	333	525	YEN TIBOR (3 months) plus 3%	YEN LIBOR (3 months) plus 3%
Debentures	46	632	600	-	-	-	-	-	-	-	646	632	7.06 - 8.59	6.3 - 7.25
Liabilities under long-term lease agreements	1	1	-	-	-	-	-	-	-	-	1	1	0.7	1.17 - 5.12
	442	1,228	600	-	-	-	-	-	473	576	1,515	1,804		

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42.2 Foreign currency risk

The Company exposure to foreign currency risk arise mainly from long-term loan with financial institution contract that are denominated in foreign currencies.

As at December 31, 2021 and 2020, the balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Financial liabilities		Average exchange rate	
	December 31, 2021 (Million)	December 31, 2020 (Million)	December 31, 2021 (Baht per 1 foreign currency unit)	December 31, 2020
US dollar	-	-	33.42	31.29
Japanese yen	1,132	1,825	0.29	0.29

42.3 Fair values of financial instruments

Fair values

Fair value is the amount the buyer and seller agree to exchange assets or settle liabilities. While both sides were knowledgeable and willing to exchange. And can negotiate the price freely In the manner of those who are not related to each other Further information about the fair value assumptions is disclosed in the warrant relating to the assets and liabilities.

Financial assets and financial liabilities that are short-term matured are estimated fair value based on the carrying amounts shown in the statement of financial position.

The book value and fair value of each type of financial assets and liabilities as at December 31, 2021 and 2020 are presented as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at December 31, 2021				
Cash and cash equivalents	-	-	77,641	77,641
Trade and other current receivables	-	-	108,310	108,310
Short-term loans	-	-	-	-
Other current financial assets	-	11	-	11
Other non-current financial assets	3,450	-	-	3,450
Non-current non-cash assets pledged as collateral	-	22,227	-	22,227
Restricted bank deposits	-	-	7,796	7,796
Total financial assets	3,450	22,238	193,747	219,435
Financial assets as at December 31, 2020				
Cash and cash equivalents	-	-	38,392	38,392
Trade and other current receivables	-	-	193,114	193,114
Short-term loans	-	-	-	-
Other current financial assets	-	12	-	12
Other non-current financial assets	3,450	-	-	3,450
Non-current non-cash assets pledged as collateral	-	46,127	-	46,127

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	Consolidated financial statements			
	Fair value	Fair value through	Amortised	Total
	through profit	other comprehensive	cost	
or loss	income			
Restricted bank deposits	-	-	17,980	17,980
Total financial assets	3,450	46,139	249,486	299,075

(Unit: Thousand Baht)

	Separate financial statements			
	Fair value	Fair value through	Amortised	Total
	through profit	other comprehensive	cost	
or loss	income			
Financial assets as at December 31, 2021				
Cash and cash equivalents	-	-	72,127	72,127
Trade and other current receivables	-	-	53,394	53,394
Other current financial assets	-	11	-	11
Other non-current financial assets	3,450	-	-	3,450
Long-term loans	-	-	165,424	165,424
Non-current non-cash assets pledged as collateral	-	22,227	-	22,227
Restricted bank deposits	-	-	-	-
Total financial assets	3,450	22,238	290,945	316,633
Financial assets as at December 31, 2020				
Cash and cash equivalents	-	-	30,317	30,317
Trade and other current receivables	-	-	114,535	114,535
Other current financial assets	-	12	-	12
Other non-current financial assets	3,450	-	-	3,450
Long-term loans	-	-	168,014	168,014
Non-current non-cash assets pledged as collateral	-	46,127	-	46,127
Restricted bank deposits	-	-	202	202
Total financial assets	3,450	46,139	313,068	362,657

As at 31 December 2020, the Company and its subsidiaries have not required any financial liabilities to be measured at fair value through profit or loss.

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42.4 Determination of fair values

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

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

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

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

Fair values and the carrying values of financial assets and liabilities other than the aforementioned were book value and fair value as at December 31, 2020 and 2019 are as follows:

The Company has assets and liabilities that are measured at fair value or disclosed in fair value classified according to the fair value hierarchy as follows:

(Unit: Million Baht)

Consolidated financial statements								
Level 1		Level 2		Level 3		Total		
2021	2020	2021	2020	2021	2020	2021	2020	

Financial assets measured at fair value

as at December 31,

Financial asset at fair value through Other comprehensive income

Equity instruments	22	46	-	-	-	-	22	46
Debt instruments*	-	-	0.01	0.01	-	-	0.01	0.01
Investment properties	-	-	107	135	-	-	107	135
Land revaluation	-	-	385	430	-	-	385	430

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

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	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Financial assets measured at fair value								
Financial asset at fair value through Other comprehensive income								
Equity instruments	22	46	-	-	-	-	22	46
Debt instruments*	-	-	0.01	0.01	-	-	0.01	0.01
Investment properties	-	-	107	135	-	-	107	135
Land revaluation	-	-	2	100	-	-	2	100

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

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

43. LITIGATION

Subsidiary

On September 10, 2021, a creditor has filed a complaint to the Court requests a subsidiary to pay debts amounted to Baht 6,809,572 and interest at the rate 5% p.a. of principal of Baht 6,809,572 from filing date to the payment is completed, The case is under the Court's hearing in November 2021.

On January 5, 2022, a subsidiary sent a compromise letter to the plaintiff. In which the plaintiff has considered to give 10% discount from the outstanding principal amounted to Baht 6,471,000. Then the subsidiary has fully paid this loan amounted to Baht 5,823,900 on January 28, 2022.

44. 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 December 31, 2021 the Group's debt - to - equity ratio was 15.35 : 1 (December 31, 2020 : 24.86: 1) and the Company's was 3.43 : 1 (December 31, 2020 : 5.51 : 1).

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45. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the consolidate and separate statement of financial position as at 31 December 2020 and statement of comprehensive income for the year ended 31 December 2020 which are included in the financial statements of financial position for the year ended 31 December 2021 for comparative purposes, have been reclassified to conform to the presentation in the financial statements are as follows:

	(Unit : Thousand Baht)		
	Consolidated financial statements		
	Before Reclassification	Reclassification	After Reclassification
Statement of financial position as at 31 December 2020			
Inventories - Net	88,107	(9,189)	78,918
Trade and other current payables	254,242	(9,189)	245,053
Statement of comprehensive income for the year end 31 December 2021			
Revenues from sales	1,663,836	(46,198)	1,617,638
Cost of sales	1,453,189	(46,198)	1,406,991
Administrative expenses	206,783	(6,437)	200,346
Impairment loss (impairmen gain and reversal of impairment loss) determined in accordance with TFRS 9	-	6,437	6,437

	(Unit : Thousand Baht)		
	Separate financial statements		
	Before Reclassification	Reclassification	After Reclassification
Statement of comprehensive income for the year end 31 December 2021			
Administrative expenses	125,699	(6,406)	119,293
Impairment loss (impairmen gain and reversal of impairment loss) determined in accordance with TFRS 9	-	6,406	6,406

46. APPROVAL OF FINACIAL STAEMENTS

These financial statements were authorized for issue by the Company's authorized director on February 28, 2022.