

**PP PRIME PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

## Independent Auditor's Report

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

### Qualified opinion

In my opinion, except for the possible effects of the matter as explained in the basis for qualified opinion section, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of PP Prime Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

### Basis for qualified opinion

Refer to Note no. 22 to the financial statements, resulted in a dispute between a subsidiary of the Group in Japan and the buyer in the geothermal power plant sales contract. Afterwards, the buyer made an offer to the subsidiary asking to negotiate for purchasing power plants. However, power plant purchase prices and other obligations in each contract are not yet agreed. As a result, I expressed a qualified opinion for the possible effects from any adjustments need to be made or any additional disclosures were necessary to the consolidated financial statements of the Group and the separate financial statements of the Company for the year ended 31 December 2022. Early 2024, the subsidiary has submitted the draft of settlement agreement for power plant sale contract to the buyer and the buyer requested to change some conditions in the draft of the settlement; however, the agreement has not been signed by both parties. Therefore, the details in the draft agreement are able to change. In addition, the outcome of the dispute is not yet finalised. I was unable to examine the final conclusion of contract dispute outcome and unable to determine whether any other adjustments or disclosures on this matter were necessary, which are circumstances beyond the control of the Company. Had I been able to audit this matter, matters might have come to my attention indicating that any adjustments or any additional disclosures in the notes to the financial statements might be necessary to the financial statements for the year ended 31 December 2023 due to the binding of such contracts and agreement.

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 and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## Material uncertainty related to going concern

I draw attention to Note no. 2 to the financial statements which states that as of 31 December 2023, the consolidated and separate financial statements had current liabilities exceeding current assets by Baht 214 million and Baht 142 million, respectively. In addition, the Group has continuing operating losses. Consequently, the Stock Exchange of Thailand (SET) has posted a C (Caution) sign on securities of the Company. These events and circumstances indicate that there is a material uncertainty which may raise significant doubts to the Group's ability to continue as a going concern. My opinion is not modified in respect of this matter.

## Key audit matters

Key audit matters are those matters that, in my professional judgement, 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 matters described in the Basis for qualified opinion section and the Material uncertainty related to going concern section, I have determined the matter: Carrying amount of deferred tax assets to be the key audit matter to be communicated in my report.

Key audit matter	How my audit addressed the key audit matter
<p><b>Carrying amount of deferred tax assets</b></p> <p>Refer to Note 5.15 Accounting policies related to 'Current and deferred income taxes' and Note 18 'Deferred income taxes, net' to the consolidated and separate financial statements.</p> <p>As of 31 December 2023, the Company recognised the reduction in the carrying amount of deferred tax assets in the consolidated and separate financial statements amounting to Baht 35.60 million. Therefore, the Group has deferred tax assets, net in the consolidated and separate financial statements amounting to Baht 13.67 million and Baht 13.41 million, respectively, which deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised.</p> <p>In considering whether the Group has sufficient future taxable profit requires the management's judgement on the future operating results of business, these might affect to the carrying amount of deferred tax assets.</p> <p>From this review on the carrying amount of deferred tax assets for the year end, the management assessed that the future taxable profit will decrease from the expected forecasts, therefore, there was the derecognition in the carrying amount of deferred tax assets in the consolidated and separate financial statements and resulted in the increase of income tax expense and net loss for the year of the Group amounting to Baht 35.60 million.</p> <p>I focused on the carrying amount of deferred tax assets due to its significant value, reduction of its carrying value and because of the subjectivity of management's judgement on the reasonableness of the key assumptions used in reviewing the carrying amount.</p>	<p>I carried out the following audit procedures to assess the review on the carrying amount of deferred tax assets in the consolidated and separate financial statements prepared by management.</p> <ul style="list-style-type: none"><li>• Held discussions with the management to understand the basis for the assumptions applied to the future taxable profit forecasts.</li><li>• Challenged management's significant assumptions used in calculation of the future taxable profit forecasts, especially in respect to the forecasted revenue, expected changes to working capital, overhead costs and long-term growth rate to the business. My procedures included assessing the reasonableness of the forecasts and those assumptions by comparing them with the business plan approved by the Company's Board of Directors and the external sources such as information with the independence data obtained from available public information of companies in the same industry sector.</li><li>• Assessed the reasonableness of the business plan of 2023 by comparing with actual results and used in considering the reasonableness of the future business plan which the management applied to the future taxable profit forecasts.</li><li>• Assessed the appropriateness of the review result on the carrying amount of deferred tax assets in the consolidated and separate financial statements including tested in calculation and examined the accuracy of transactions related to the reduction in the carrying amount of deferred tax assets.</li></ul> <p>As a result of the procedures performed, I noted that the forecasts and the key assumptions used were reasonable based on the available evidence.</p>

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report 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 will 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 consolidated and separate 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 the audit committee.

### **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities 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 judgement and maintain professional scepticism 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 the directors.
- Conclude on the appropriateness of the directors' 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 the 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 consolidated and separate 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 the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

**Sa-nga Chokenitisawat**  
Certified Public Accountant (Thailand) No. 11251  
Bangkok  
28 February 2024

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

	Notes	Consolidated financial statements		Separate financial statements	
		2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	13,128,221	45,319,052	11,876,944	33,605,998
Trade and other receivables, net	11, 31 (b)	178,598,922	232,318,039	105,656,675	166,700,010
Inventories, net	12	91,059,637	144,187,889	10,077,630	16,721,237
Deposits at banks as collateral	13	1,233,463	66,821,543	1,233,463	66,821,543
Short-term borrowings to related parties, net	31 (c)	33,558	-	-	-
Other current assets		3,678,854	8,289,694	1,955,066	689,351
<b>Total current assets</b>		<b>287,732,655</b>	<b>496,936,217</b>	<b>130,799,778</b>	<b>284,538,139</b>
<b>Non-current assets</b>					
Deposits at banks as collateral	13	7,420,000	7,807,457	-	-
Investment in subsidiaries and an associate, net	14	-	-	549,385,650	549,385,650
Financial assets measured at fair value through other comprehensive income	7	9,477,532	21,642,743	9,477,532	21,642,743
Long-term borrowings to related parties, net	31 (d)	-	-	-	-
Investment properties	15	235,589,805	239,270,365	107,983,680	111,600,790
Property, plant and equipment, net	16	545,079,550	572,240,284	1,258,839	1,124,903
Right-of-use assets, net	17	19,375,887	21,007,504	19,375,887	21,007,504
Intangible assets, net		3,697,928	5,041,122	2,836	10,854
Deferred tax assets, net	18	13,665,743	47,311,603	13,405,788	47,311,603
Advance payments, net	19	-	-	-	-
Other non-current assets		12,378,787	20,490,368	7,599,690	6,893,996
<b>Total non-current assets</b>		<b>846,685,232</b>	<b>934,811,446</b>	<b>708,489,902</b>	<b>758,978,043</b>
<b>Total assets</b>		<b>1,134,417,887</b>	<b>1,431,747,663</b>	<b>839,289,680</b>	<b>1,043,516,182</b>

Director \_\_\_\_\_

Date \_\_\_\_\_

The notes are an integral part of these consolidated and separate financial statements.

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

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdraft and short-term borrowings					
from financial institutions	21	4,890,581	80,688,346	-	69,924,447
Short-term borrowings from a related party	21, 31 (e)	242,298	260,914	-	-
Trade and other payables	20, 31 (b)	140,119,886	136,836,821	69,078,624	117,192,194
Current portion of long-term borrowings					
from financial institutions	21	168,643,183	267,611,198	167,661,878	266,789,319
Debentures	21	33,988,000	78,000,000	33,988,000	78,000,000
Current portion of lease liabilities		-	217,154	-	217,154
Current portion of employee benefit obligations	24	1,439,510	437,130	488,689	437,130
Income tax payable		3,760,021	758,842	-	-
Advance received from sales of geothermal power plants	22	145,378,500	156,548,400	-	-
Other current liabilities		3,762,783	6,388,628	1,461,862	622,784
<b>Total current liabilities</b>		<b>502,224,762</b>	<b>727,747,433</b>	<b>272,679,053</b>	<b>533,183,028</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions, net	21	4,773,261	5,922,748	-	-
Deferred tax liabilities, net	18	60,690,871	59,348,487	-	-
Employee benefit obligations	24	26,769,427	31,496,589	11,351,498	13,202,302
Other non-current liabilities		1,598,200	1,101,700	1,598,200	1,101,700
<b>Total non-current liabilities</b>		<b>93,831,759</b>	<b>97,869,524</b>	<b>12,949,698</b>	<b>14,304,002</b>
<b>Total liabilities</b>		<b>596,056,521</b>	<b>825,616,957</b>	<b>285,628,751</b>	<b>547,487,030</b>

The notes are an integral part of these consolidated and separate financial statements.

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

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital	25				
Authorised share capital					
14,975,241,114 ordinary shares					
at par value of Baht 1 each (31 December 2022:					
14,975,241,114 ordinary shares					
at par value of Baht 1 each)		<u>14,975,241,114</u>	<u>14,975,241,114</u>	<u>14,975,241,114</u>	<u>14,975,241,114</u>
Issued and paid-up share capital					
12,358,187,147 ordinary shares					
fully paid-up of Baht 1 each (31 December 2022:					
10,594,091,201 ordinary shares fully paid-up of					
Baht 1 each)	25	12,358,187,147	10,594,091,201	12,358,187,147	10,594,091,201
Premium on share capital		612,679,954	612,679,954	612,679,954	612,679,954
Discount on share capital		(10,406,178,634)	(8,776,721,033)	(10,406,178,634)	(8,776,721,033)
Share-based payment		41,479,200	41,479,200	41,479,200	41,479,200
Retained earnings (deficits)					
Appropriated					
- Legal reserve	27	56,845,152	56,845,152	56,845,152	56,845,152
Unappropriated		(2,265,048,722)	(2,016,996,282)	(2,001,446,126)	(1,954,611,956)
Other components of equity		140,397,269	94,752,514	(107,905,764)	(77,733,366)
<b>Total equity attributable to owners of the parent</b>		<u>538,361,366</u>	<u>606,130,706</u>	<u>553,660,929</u>	<u>496,029,152</u>
Non-controlling interests		-	-	-	-
<b>Total equity</b>		<u>538,361,366</u>	<u>606,130,706</u>	<u>553,660,929</u>	<u>496,029,152</u>
<b>Total liabilities and equity</b>		<u>1,134,417,887</u>	<u>1,431,747,663</u>	<u>839,289,680</u>	<u>1,043,516,182</u>

The notes are an integral part of these consolidated and separate financial statements.

**PP Prime Public Company Limited**  
**Statements of Comprehensive Income**  
**For the year ended 31 December 2023**

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
Revenues from sales		1,304,378,616	1,196,035,927	1,207,406,670	1,185,863,617
Cost of sales		(1,255,404,856)	(1,188,486,061)	(1,112,832,195)	(1,103,028,836)
<b>Gross profit</b>		<b>48,973,760</b>	<b>7,549,866</b>	<b>94,574,475</b>	<b>82,834,781</b>
Other income		19,489,376	17,057,596	25,241,262	23,554,224
Selling expenses		(68,654,554)	(52,099,555)	(68,654,554)	(52,099,555)
Administrative expenses		(142,045,210)	(151,267,362)	(78,816,256)	(95,496,989)
Expected credit loss		(14,970,722)	(16,031,312)	(3,116,973)	(164,632,159)
Gain (loss) on disposals of property, plant and equipment		1,165,749	(227,294,371)	971,842	2,210
Reversal of (loss) on impairment of assets		-	552,100	-	(682,675,718)
Other gain (loss), net		(55,458,457)	(24,697,501)	10,178,210	34,123,435
Finance costs		(12,903,919)	(42,326,637)	(12,521,661)	(41,781,485)
<b>Loss before income tax</b>		<b>(224,403,977)</b>	<b>(488,557,176)</b>	<b>(32,143,655)</b>	<b>(896,171,256)</b>
Income tax (expense) benefit	29	(27,088,954)	671,884	(15,898,628)	(7,556,843)
<b>Loss for the year</b>		<b>(251,492,931)</b>	<b>(487,885,292)</b>	<b>(48,042,283)</b>	<b>(903,728,099)</b>
<b>Other comprehensive income (expense) :</b>					
Items that will not be reclassified subsequently to profit or loss, net of tax					
Remeasurements of post-employment benefit obligations		3,440,491	6,828,398	1,208,113	3,227,922
Gains on revaluation of assets		4,129,344	529,160	-	529,160
Changes in fair value of equity investments at fair value through other comprehensive income		(30,172,398)	(476,297)	(30,172,398)	(476,297)
Total items that will not be reclassified subsequently to profit or loss, net of tax		(22,602,563)	6,881,261	(28,964,285)	3,280,785
Items that will be reclassified subsequently to profit or loss					
Currency translation differences		71,687,809	41,407,852	-	-
Total items that will be reclassified subsequently to profit or loss		71,687,809	41,407,852	-	-
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>49,085,246</b>	<b>48,289,113</b>	<b>(28,964,285)</b>	<b>3,280,785</b>
<b>Total comprehensive expense for the year</b>		<b>(202,407,685)</b>	<b>(439,596,179)</b>	<b>(77,006,568)</b>	<b>(900,447,314)</b>
<b>Loss attributable to:</b>					
Owners of the parent		(251,492,931)	(487,885,292)	(48,042,283)	(903,728,099)
Non-controlling interests		-	-	-	-
		<b>(251,492,931)</b>	<b>(487,885,292)</b>	<b>(48,042,283)</b>	<b>(903,728,099)</b>
<b>Total comprehensive expense attributable to:</b>					
Owners of the parent		(202,407,685)	(439,596,179)	(77,006,568)	(900,447,314)
Non-controlling interests		-	-	-	-
		<b>(202,407,685)</b>	<b>(439,596,179)</b>	<b>(77,006,568)</b>	<b>(900,447,314)</b>
<b>Loss per share</b>					
Basic loss per share and diluted loss per share	30	(0.022)	(0.075)	(0.004)	(0.139)

The notes are an integral part of these consolidated and separate financial statements.

PP Prime Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2023

Consolidated financial statements															
Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Discount on share capital Baht	Share-based payment Baht	Retained earnings (deficit)		Other components of equity						Total owners of the parent Baht	Non-controlling interests Baht	Total equity Baht
					Appropriated - Legal reserve Baht	Unappropriated Baht	Other comprehensive income (expense)			Total other components of equity Baht					
							Assets revaluation surplus Baht	Measurement of equity investment at fair value through other comprehensive income Baht	Currency translation differences Baht						
<b>Opening balance as at 1 January 2022</b>	2,133,643,872	612,679,954	(1,263,172,717)	41,479,200	56,845,152	(1,535,939,388)	237,551,737	(78,040,629)	(106,219,309)	53,291,799	98,827,872	-	98,827,872		
Ordinary shares issued	7,424,674,374	-	(6,682,586,361)	-	-	-	-	-	-	-	742,088,013	-	742,088,013		
Convertible debentures	1,035,772,955	-	(830,961,955)	-	-	-	-	-	-	-	204,811,000	-	204,811,000		
Total comprehensive income (expense) for the year	-	-	-	-	-	(481,056,894)	529,160	(476,297)	41,407,852	41,460,715	(439,596,179)	-	(439,596,179)		
<b>Closing balance as at 31 December 2022</b>	<u>10,594,091,201</u>	<u>612,679,954</u>	<u>(8,776,721,033)</u>	<u>41,479,200</u>	<u>56,845,152</u>	<u>(2,016,996,282)</u>	<u>238,080,897</u>	<u>(78,516,926)</u>	<u>(64,811,457)</u>	<u>94,752,514</u>	<u>606,130,706</u>	<u>-</u>	<u>606,130,706</u>		
<b>Opening balance as at 1 January 2023</b>	10,594,091,201	612,679,954	(8,776,721,033)	41,479,200	56,845,152	(2,016,996,282)	238,080,897	(78,516,926)	(64,811,457)	94,752,514	606,130,706	-	606,130,706		
Convertible debentures	23, 25 1,397,083,500	-	(1,299,146,400)	-	-	-	-	-	-	-	97,937,100	-	97,937,100		
Exercise of warrants	25, 26 367,012,446	-	(330,311,201)	-	-	-	-	-	-	-	36,701,245	-	36,701,245		
Total comprehensive income (expense) for the year	-	-	-	-	-	(248,052,440)	4,129,344	(30,172,398)	71,687,809	45,644,755	(202,407,685)	-	(202,407,685)		
<b>Closing balance as at 31 December 2023</b>	<u>12,358,187,147</u>	<u>612,679,954</u>	<u>(10,406,178,634)</u>	<u>41,479,200</u>	<u>56,845,152</u>	<u>(2,265,048,722)</u>	<u>242,210,241</u>	<u>(108,689,324)</u>	<u>6,876,352</u>	<u>140,397,269</u>	<u>538,361,366</u>	<u>-</u>	<u>538,361,366</u>		

The notes are an integral part of these consolidated and separate financial statements.

PP Prime Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2023

Separate financial statements											
							Other components of equity				
							Retained earnings (deficit)		Other comprehensive income (expense)		
							Measurement of equity				
							Assets	investment at fair	Total other	Total	
							revaluation	value through other	components	equity	
							surplus	comprehensive income	of equity	equity	
Notes	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Share-based payment	Appropriated - Legal reserve	Unappropriated	Baht	Baht	Baht	Baht	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
<b>Opening balance as at 1 January 2022</b>	2,133,643,872	612,679,954	(1,263,172,717)	41,479,200	56,845,152	(1,054,111,779)	254,400	(78,040,629)	(77,786,229)	449,577,453	
Ordinary shares issued	7,424,674,374	-	(6,682,586,361)	-	-	-	-	-	-	742,088,013	
Convertible debentures	1,035,772,955	-	(830,961,955)	-	-	-	-	-	-	204,811,000	
Total comprehensive income (expense) for the year	-	-	-	-	-	(900,500,177)	529,160	(476,297)	52,863	(900,447,314)	
<b>Closing balance as at 31 December 2022</b>	<u>10,594,091,201</u>	<u>612,679,954</u>	<u>(8,776,721,033)</u>	<u>41,479,200</u>	<u>56,845,152</u>	<u>(1,954,611,956)</u>	<u>783,560</u>	<u>(78,516,926)</u>	<u>(77,733,366)</u>	<u>496,029,152</u>	
<b>Opening balance as at 1 January 2023</b>	10,594,091,201	612,679,954	(8,776,721,033)	41,479,200	56,845,152	(1,954,611,956)	783,560	(78,516,926)	(77,733,366)	496,029,152	
Convertible debentures	23, 25 1,397,083,500	-	(1,299,146,400)	-	-	-	-	-	-	97,937,100	
Exercise of warrants	25, 26 367,012,446	-	(330,311,201)	-	-	-	-	-	-	36,701,245	
Total comprehensive expense for the year	-	-	-	-	-	(46,834,170)	-	(30,172,398)	(30,172,398)	(77,006,568)	
<b>Closing balance as at 31 December 2023</b>	<u>12,358,187,147</u>	<u>612,679,954</u>	<u>(10,406,178,634)</u>	<u>41,479,200</u>	<u>56,845,152</u>	<u>(2,001,446,126)</u>	<u>783,560</u>	<u>(108,689,324)</u>	<u>(107,905,764)</u>	<u>553,660,929</u>	

The notes are an integral part of these consolidated and separate financial statements.

**PP Prime Public Company Limited**  
**Statements of Cash Flows**  
**For the year ended 31 December 2023**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Loss before income tax		(224,403,977)	(488,557,176)	(32,143,655)	(896,171,256)
Adjustments to reconcile loss before income tax to net cash provided by operations:					
- Depreciation and amortisation		59,487,219	82,870,679	2,143,919	3,023,273
- Expected credit loss		14,970,722	16,031,312	3,116,973	164,632,159
- (Reversal of) allowance for declining in value of inventories	12	8,853,382	(3,665,067)	-	-
- (Reversal of) allowance for impairment of assets		-	(552,100)	-	682,675,718
- Interest income		(1,702,518)	(545,481)	(1,648,894)	(2,020,670)
- (Gain) loss on fair value measurement of investment property		3,680,560	(733,251)	3,617,110	(701,480)
- (Gain) loss on disposals of property, plant and equipment and intangible assets		(1,165,749)	227,294,371	(971,842)	(2,210)
- Loss on write-off of property, plant and equipment	16	-	1,512	-	-
- (Gain) on disposals of investment securities	7	-	(550,410)	-	(550,410)
- Unrealised (gain) on foreign exchange rate		(13,359,115)	(29,946,949)	(13,359,117)	(31,254,988)
- Finance costs		12,903,919	42,326,637	12,521,661	41,781,485
- Employee benefit expenses	24	1,192,376	4,565,110	435,535	2,300,185
Cash flows before changes in operating assets and liabilities		(139,543,181)	(151,460,813)	(26,288,310)	(36,288,194)
Changes in operating assets and liabilities					
- Trade and other receivables		41,690,616	(80,888,394)	52,816,670	(110,583,813)
- Inventories	12	44,274,870	(69,143,493)	6,643,607	(16,148,322)
- Other current assets		3,988,611	2,714,130	(644,259)	959,302
- Other non-current assets		(532,496)	(11,632,501)	(705,694)	(3,566,979)
- Trade and other payables		3,710,986	(7,067,520)	(47,804,003)	(109,510,021)
- Other current liabilities		(2,625,845)	1,925,653	839,078	(106,650)
- Employee benefit paid	24	(1,476,667)	(850,000)	(1,026,667)	(280,000)
- Other non-current liabilities		496,500	240,000	496,500	240,000
Cash (used in) operating activities		(50,016,606)	(316,162,938)	(15,673,078)	(275,284,677)
- Income tax paid		(6,270,643)	(1,363,507)	(621,456)	-
- Interest paid		(12,575,196)	(55,190,548)	(12,197,728)	(54,874,311)
Net cash (used in) operating activities		(68,862,445)	(372,716,993)	(28,492,262)	(330,158,988)

The notes are an integral part of these consolidated and separate financial statements.

**PP Prime Public Company Limited**  
**Statements of Cash Flows (Unaudited)**  
**For the year ended 31 December 2023**

	Notes	Consolidated financial statements		Separate financial statements	
		2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Cash flows from investing activities</b>					
Interest received		1,918,092	945,903	1,530,283	319,664
Decreased (increased) from deposits at banks as collateral		65,964,255	(66,821,543)	65,576,798	(66,821,543)
Proceeds from disposals of investment in securities		-	4,000,000	-	4,000,000
Payments on short-term borrowings to related parties	31 (c)	(115,372)	(21,543)	-	-
Proceeds from long-term borrowings to related parties	31 (d)	-	-	13,854,936	18,042,272
Payments on long-term borrowings to related parties	31 (d)	-	-	(8,626,632)	(18,272,199)
Proceeds from disposals of property, plant and equipment and intangible assets		1,220,350	20,919,468	972,350	2,232
Purchases of property, plant and equipment and intangible assets		(20,356,767)	(4,848,075)	(781,153)	(403,562)
Net cash generated from (used in) investing activities		48,630,558	(45,825,790)	72,526,582	(63,133,136)
<b>Cash flows from financing activities</b>					
Net (decreased) increased in bank overdraft and short-term borrowings from financial institutions		(75,797,765)	13,837,823	(69,924,447)	22,924,447
Payments on short-term borrowings from a related party		-	(15,000,000)	-	(15,000,000)
Payments on long-term borrowings from financial institutions	21	(86,830,198)	(39,837,421)	(86,346,354)	(36,383,638)
Payments of lease liabilities		(118,918)	(268,681)	(118,918)	(268,681)
Proceeds from ordinary shares issuance		-	742,467,437	-	742,467,437
Payments for ordinary shares issuance		-	(379,425)	-	(379,425)
Proceeds from convertible debentures issuance	23	110,000,000	180,000,000	110,000,000	180,000,000
Payments for convertible debentures issuance	23	(12,062,900)	(20,189,000)	(12,062,900)	(20,189,000)
Payments for redemption of debentures	21	(44,012,000)	(518,400,000)	(44,012,000)	(518,400,000)
Proceeds from exercise of warrants		36,701,245	-	36,701,245	-
Net cash (used in) generated from financing activities		(72,120,536)	342,230,733	(65,763,374)	354,771,140
<b>Net (decrease) in cash and cash equivalents before effect of exchange rate</b>					
		(92,352,423)	(76,312,050)	(21,729,054)	(38,520,984)
Effect of exchange rate on cash and cash equivalents		60,161,592	43,990,436	-	-
<b>Net (decrease) in cash and cash equivalents</b>					
		(32,190,831)	(32,321,614)	(21,729,054)	(38,520,984)
Opening balance		45,319,052	77,640,666	33,605,998	72,126,982
Closing balance		13,128,221	45,319,052	11,876,944	33,605,998
<b>Non-cash transactions</b>					
Account payables from purchase of property, plant and equipment		143,380	310,713	-	44,191
Changes in assets under construction		11,677,900	-	-	-
Lease termination		98,236	-	98,236	-
Subsidiary forgave debt to the Company		-	-	-	240,000,000
Conversion of debentures to ordinary shares	23	97,937,100	204,811,000	97,937,100	204,811,000
Transfer of property, plant and equipment to investment property	15, 16	-	130,845,669	-	3,405,500

The notes are an integral part of these consolidated and separate financial statements.

## 1 General information

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

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

Branch office: (1) No. 98 Moo 13, Bang Rieng, Kuan Niang, Songkla 90220.  
(2) No. 486 People Park Project Building, 3rd Floor E 1 Building, Onnuch Road, Onnuch, Suan Luang, Bangkok 10250.

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

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

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 28 February 2024.

## 2 Going concern

As at 31 December 2023, the Group and the Company have current liabilities exceed current assets in the consolidated and separate financial statement of Baht 214 million and Baht 142 million, respectively, and the Group has continuous operating loss. Consequently, the Stock Exchange of Thailand (SET) has posted a C (Caution) sign on securities of the Company. These events or circumstances indicated that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, the Group's management have policies and procedures to manage its liquidity risk and other circumstances. the Group's management had performed the operations as follows:

- The Company has already obtained the approved waiver letter for the breach of terms and conditions, which is categorised as current liabilities on 31 December 2023, as specified in the long-term borrowings agreement from the financial institution on 27 February 2024, as disclosed in Note no. 21.
- On 30 January 2024, the resolution of the Extraordinary General Meeting of Shareholders No. 1/2024, shareholders approved the issuance and offering of convertible debentures in the amount not exceeding Baht 40 million, as disclosed in Note no. 34.
- In addition, the management is currently sourcing external fund for support business operation and liquidity.

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

## 3 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note no. 8.

An English language version of the consolidated and separated financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statement shall prevail.

#### 4 Amended financial reporting standards

Commencing from 1 January 2023, the Group adopted the amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2023 and relevant to the Group. The adoption of these standards does not have significant impacts to the Group.

#### Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and relevant to the Group. The Group has not yet early adopted these standards.

- a) **Amendment to TAS 1 - Presentation of financial statements** revised the disclosure from '*significant* accounting policies' to '*material* accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- b) **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revised to the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.

c) **Amendments to TAS 12 - Income taxes**

- c.1) Companies must recognise any deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or any other component of equity, as appropriate.

- c.2) Companies must apply all income taxes arising from the tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), an international organisation.

In December 2021, the OECD released the Pillar Two model rules to apply the Global Anti-Base Erosion Proposal, or 'GloBE') to reform international corporate taxation. Large multinational enterprises within the rules' scope must calculate the GloBE effective tax rates for each territory in which they operate and pay a top-up tax for the differences between these and the 15% minimum rate.

In December 2023, the amendments to TAS 12 provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also require affected companies to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes
- their current tax expense (if any) related to the Pillar Two income taxes, and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

Earlier application is permitted.

The Group's management is currently assessing the impact of adoption of these standards.

## **5 Accounting policies**

### **5.1 Principles of consolidation accounting**

#### **a) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

#### **b) Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, in consolidated financial statements.

In the separate financial statements, investments in associates are accounted for using cost method.

#### **c) Equity method**

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates equals or exceeds its interest in the associates included other long term interest, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

#### **d) Changes in ownership interests**

Where the Group has control in subsidiaries, the Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

#### **e) Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

## **5.2 Foreign currency translation**

### **a) Functional and presentation currency**

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

### **b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss used exchange rate at the year ended date.

Any gains and losses on a non-monetary item that recognised in other comprehensive income, all of gains and losses on foreign exchange components will also be recognised in other comprehensive income. On the other hand, if gains and losses on a non-monetary item is recognised in profit or loss, all gains and losses on foreign exchange components will be recognised in profit or loss.

### **c) Group companies**

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

## **5.3 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

In the statements of financial position, bank overdrafts are shown in current liabilities.

## **5.4 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 7 days - 90 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note no. 5.6 (f).

## **5.5 Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost of finished goods is determined by the first-in, first-out method. Cost of raw materials, factory supplies and spare parts is determined by weighted average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

## **5.6 Financial asset**

### **a) Classification**

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- 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 investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

### **b) Recognition and derecognition**

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

### **c) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, 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 the cash flows are solely payment of principal and interest.

### **d) Debt instruments**

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. The measurement which the Group classifies its debt instruments is as follow:

- FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains (losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in [finance income / other 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 as a separate line item in the statement of comprehensive income.

**e) Equity instruments**

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the 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 comprehensive income.

Impairment losses and reversal of impairment losses on equity investments are reported together with changes in fair value.

**f) Impairment**

The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, which applies lifetime expected credit loss, from initial recognition, for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI which are borrowings to, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing expected risk of default as of the reporting date against estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment losses and reversal of impairment losses are recognised in profit or loss as a separate line item.

**5.7 Investment property**

Investment properties, principally freehold land, office buildings and right-of-use assets recognised for office buildings under leases, are held for long-term rental yields or for capital appreciation and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Subsequently, they are carried at fair value. Changes in fair values are presented in profit or loss, which is presented in the line item of other gain (loss), net.

## **5.8 Property, plant and equipment**

Land is recognised at fair value based on periodic, but at least once a year, valuations by external independent valuers, less subsequent depreciation of buildings.

Increases in the carrying amounts arising on revaluation of land is recognised in other comprehensive income and accumulated in 'revaluation surplus' in shareholders' equity. To the extent that the decrease reverses an increase previously recognised in equity, the decrease is first recognised in other comprehensive income and accumulated in equity. The excess will then be recognised in profit or loss. The Group transfers any amounts included in revaluation surplus in respect of disposed asset to retained earnings when the revalued assets are sold.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

The Group will recognise other repairs and maintenance to profit or loss when incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building and building improvement	5 years - 20 years
Machinery and equipment	5 years - 15 years
Furniture, fixtures and office equipment	3 years - 5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in other gains or losses, net.

## **5.9 Intangible assets**

The acquired computer software, patent, hot spring rights, and power purchase agreement rights with limited useful life are subsequently measured at cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method over their estimated useful lives, as follows:

Computer software	3 years - 10 years
Patent	8 years
Hot spring rights	15 years
Power purchase agreement rights	15 years

Cost associated with maintaining computer software are recognised as an expense as incurred.

## **5.10 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

## **5.11 Leases**

### **Leases - where the Group is the lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on a rate or an index
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment.

### **Leases - where the Group is the lessor**

Rental income under operating leases (net of any incentives given to lessees) is recognised 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 asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

The investment properties are leased to tenants under operating leases with rentals payable monthly. There are no variable lease payments that depend on an index or rate.

## **5.12 Financial liabilities**

### **a) Classification**

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations as follows:

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**b) Measurement**

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Except a financial liabilities with embedded derivative such as convertible debentures when a contract is settled in a variable number of the entity's own equity instruments, a contract is a financial asset or a financial liability. The Group separately recognises i) conversion rights as derivative that will be measured initially at its fair value and subsequently measured at fair value through profit and loss, and ii) the remainder of the proceeds/ fair value of conversion rights is allocated to the host debt and subsequently measured at amortised cost.

**c) Derecognition and modification**

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

**5.13 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take months to get ready for its intended use) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

**5.14 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

*Current tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

*Deferred income tax*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised.
- investments in subsidiaries and associates where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and is expected to apply when the related deferred tax asset is utilised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **5.15 Employee benefits**

#### *a) Short-term employee benefits*

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, bonuses, and medical care of current employees that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

#### *b) Defined contribution plan*

The Group pays contributions to a separate fund on a fixed basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

#### *c) Defined benefit plans*

Amount of retirement benefits is defined by the agreed benefits which the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches with currency of the expected cash outflows and maturity of the bonds that matches with retirement benefits obligation repayment terms.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

#### *d) Other long-term benefits*

The Group gives money rewards to employees when they have worked for a specified period of time.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

### **5.16 Share-based payment**

#### *Employee options*

The Group receives services from employees as consideration for equity instruments (options) of the Group companies. The fair value of the options is recognised as an expense over the vesting period, with a corresponding increase in equity. The fair value of the options is determined by assumptions, including the entity's share price, term of the share options and dividend yield.

At the end of each reporting period, the Group reviews the number of options that are expected to vest. It recognises the impact of the revision, if any, in profit or loss with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

The option granted by the Company to the employees of subsidiaries is treated as a capital contribution.

### **5.17 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

The Group measures provisions at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **5.18 Revenue recognition**

Revenue includes all revenues from ordinary business activities, all ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into individual distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

#### **a) Sale of goods**

The Group's operation is manufacturing and distribution of aquatic animal feed and pet food. The revenue from agreements with customers is recognised when the Group has fulfilled its performance obligations by transferring the control over the product to the customers as the agreements at point in time.

The Group recognises revenue under the electricity sale and purchase agreements when delivered the products and the customers agree upon the delivery. The revenue is recognised based on quantity transferred and agreed price following the conditions specified in the agreements.

#### **b) Services**

The Group recognised revenue from other services rendered when services are provided to a customer. The Group satisfies a performance obligation over time. The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

#### **c) Interest income**

Interest income is recognised using the effective interest method.

#### **d) Other income**

Other income is recognised in the statement of income on an accrual basis.

### **5.19 Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under TFRS 9; and
- the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of TFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between a) the contractual payments required under the debt instrument; and b) the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

## 6 Financial risk management

The Group's exposure to financial risks and how these risks could affect the future financial performance are as follows:

### 6.1 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management is carried out by the Group Treasury Committee. The Group's policy includes areas such as foreign exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools for Treasury team globally.

#### 6.1.1 Market risk

##### a) Foreign exchange risk

The Group has exposed to foreign currency risks in respect of financial assets and financial liabilities denominated in the currency which is not the functional currency of each entity in the Group. As at 31 December 2023 and 2022, the Group has not entered into any contracts to hedge the foreign exchange risk.

##### *Exposure*

The Group's exposure to foreign currency risk arises from the currency which is not the functional currency and material to the financial statements at the end of the reporting period, expressed in Baht are as follows:

As at 31 December	Consolidated / Separate financial statements	
	2023	2022
	Yen Thousand Baht	Yen Thousand Baht
Cash and cash equivalents	145	16,822
Long-term borrowings from financial institutions	167,662	266,789

The aggregate net foreign gains (losses) recognised in profit or loss were:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Net foreign exchange gain (loss) included in other gains (losses)	(51,115)	(11,735)	14,396	31,577

##### *Sensitivity*

As shown in the table above, the Group is primarily exposed to changes in Baht and Yen exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in Yen.

	Consolidated / Separate financial statements	
	Impact to net profit	
	2023 Thousand Baht	2022 Thousand Baht
Baht to Yen exchange rate - increase 5%*	(6,701)	(9,999)
Baht to Yen exchange rate - decrease 5%*	6,701	9,999

\* Holding all other variables constant

**b) Cash flow and fair value interest rate risk**

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. As at 31 December 2023 and 2022, the Group has not entered into any contracts to hedge the variable interest rate risk. The Group's borrowings at variable rate were mainly denominated in Baht and Yen.

Regarding the interest rate benchmark (IBOR) reform, reference rates were ceased including LIBOR. However, the effects arising from the changes do not have impacts to the Group as at 31 December 2023 and 2022.

The Group's borrowings and receivables are carried at amortised cost. The borrowings are periodically contractually repriced (see table below) and to that extent are also exposed to the risk of future changes in market interest rates.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing rate of the borrowings at the end of the reporting period are as follows:

As at 31 December	Consolidated financial statements			
	2023		2022	
	Thousand Baht	% of total borrowings	Thousand Baht	% of total borrowings
Variable rate borrowings	172,553	81	277,553	64
Fixed rate borrowings				
- repricing or maturity dates:				
Less than 1 year	-	-	822	-
1 - 5 years	-	-	3,131	1
Over 5 years	-	-	2,792	1
	172,553	81	284,298	66
As at 31 December	Separate financial statements			
	2023		2022	
	Thousand Baht	% of total borrowings	Thousand Baht	% of total borrowings
Variable rate borrowings	167,662	83	266,789	64

The percentage of total borrowings shows the proportion of borrowings that are currently at variable rates in relation to the total amount of borrowings. An analysis by maturities is provided in Note no. 6.1.3 (b).

**Sensitivity**

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, and interest expenses from borrowings as a result of changes in interest rates.

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	Impact to net profit		Impact to net profit	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interest rate - increase 3%*	(269)	(1,005)	(261)	(954)
Interest rate - decrease 3%*	269	1,005	261	954

\* Holding all other variables constant

**c) Price risk**

The Group's exposure to aquatic feed price fluctuation as its selling price is based on manufacturing cost which depending on supply and demand of consumers. In addition, the shrimp feed price has been controlled by the Thai Shrimp Association. However, the Group has no exposure to the price risk in relation to financial assets or financial liabilities, and the Group has no financial instruments used to hedge this risk of exposure to the price fluctuations.

### **6.1.2 Credit risk**

Credit risk arises from customers, including outstanding receivables, borrowings to, cash and cash equivalents, as well as contractual cash flows of debt instruments carried at fair value through other comprehensive income (FVOCI).

#### **a) Risk management**

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of investment grade credit rating are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors and individual risk limits are set based on those assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

#### **b) Impairment of financial assets**

The Group has financial assets that are subject to the expected credit loss model as follows:

- Trade and other receivables
- Borrowings to related parties

While cash and cash equivalents and debt investments carried at FVOCI are also subject to the impairment requirements of TFRS 9, the Group has considered the identified impairment loss was immaterial.

The impairment of trade receivables and other receivables are disclosed in Note no. 11.

#### *Borrowings to related parties*

Borrowings to related parties measured at amortised cost and the loss allowance recognised during the year was therefore limited to 12 months expected losses for the borrowings that the credit risk is not significant increased. Lifetime expected credit losses is recognised for the borrowings that the credit risk is significant increased.

### **6.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group and the Company held cash and deposits at call of Baht 14.22 million and Baht 12.96 million, respectively (2022: Baht 45.32 million and Baht 33.61 million, respectively) that are expected to readily generate cash inflows for managing liquidity risk.

Management monitors a) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and b) cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against regulatory requirements and maintaining financing plans.

#### **a) Financing arrangements**

As at 31 December 2023, the Group and the Company does not have undrawn credit facilities as disclosed in Note no. 21.

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**b) Maturity of financial liabilities**

The tables below analyse the financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Consolidated financial statements					Carrying amount Thousand Baht
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	
<b>Contractual maturities of financial liabilities As at 31 December 2023</b>						
Bank overdrafts and short-term borrowings from financial institutions and related interest	-	5,263	-	-	5,263	4,891
Short-term borrowings from a related party and related interest	284	-	-	-	284	276
Trade and other payables	-	130,165	-	-	130,165	130,165
Long-term borrowings from financial institutions and related interest	-	173,965	3,155	1,942	179,062	173,696
Debentures and related interest	-	34,848	-	-	34,848	34,195
<b>Total non-derivative financial liabilities</b>	<b>284</b>	<b>344,241</b>	<b>3,155</b>	<b>1,942</b>	<b>349,622</b>	<b>343,223</b>

	Consolidated financial statements					Carrying amount Thousand Baht
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	
<b>Contractual maturities of financial liabilities As at 31 December 2022</b>						
Bank overdrafts and short-term borrowings from financial institutions and related interest	49,924	31,521	-	-	81,445	80,718
Short-term borrowings from a related party and related interest	269	-	-	-	269	292
Trade and other payables	-	127,297	-	-	127,297	127,297
Long-term borrowings from financial institutions and related interest	-	277,698	3,394	2,881	283,973	282,211
Debentures and related interest	-	79,931	-	-	79,931	78,015
Lease liabilities	-	225	-	-	225	217
<b>Total non-derivative financial liabilities</b>	<b>50,223</b>	<b>516,672</b>	<b>3,394</b>	<b>2,881</b>	<b>573,170</b>	<b>568,750</b>

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	Separate financial statements					Carrying amount Thousand Baht
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	
<b>Contractual maturities of financial liabilities</b>						
<b>As at 31 December 2023</b>						
Trade and other payables	-	59,164	-	-	59,164	59,164
Long-term borrowings from financial institutions and related interest	-	173,087	-	-	173,087	167,859
Debentures and related interest	-	34,848	-	-	34,848	34,195
<b>Total non-derivative financial liabilities</b>	<b>-</b>	<b>267,099</b>	<b>-</b>	<b>-</b>	<b>267,099</b>	<b>261,218</b>

	Separate financial statements					Carrying amount Thousand Baht
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	
<b>Contractual maturities of financial liabilities</b>						
<b>As at 31 December 2022</b>						
Bank overdrafts and short-term borrowings from financial institutions and related interest	49,924	20,075	-	-	69,999	69,954
Trade and other payables	-	110,808	-	-	110,808	110,808
Long-term borrowings from financial institutions and related interest	-	276,781	-	-	276,781	275,466
Debentures and related interest	-	79,931	-	-	79,931	78,015
Lease liabilities	-	225	-	-	225	217
<b>Total non-derivative financial liabilities</b>	<b>49,924</b>	<b>487,820</b>	<b>-</b>	<b>-</b>	<b>537,744</b>	<b>534,460</b>

## 6.2 Capital management

### 6.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital based on gearing ratio which is determined by dividing debt with equity.

During the year 2023, the Group's strategy, which remains unchanged, was to maintain the gearing ratio not over 2 times. The gearing ratios at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Debt	596,057	825,617	285,629	547,487
Equity (including non-controlling interests)	538,361	606,131	553,661	496,029
<b>Debt to equity ratio</b>	<b>1.11 times</b>	<b>1.36 times</b>	<b>0.52 times</b>	<b>1.10 times</b>

### Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- the debt to equity ratio must be not more than 2 times, and
- the debt service coverage ratio must be not less than 1.2 times.

The Group was unable to maintain the debt service coverage ratio throughout the reporting period. As at 31 December 2023, the ratio of debt service coverage was 0.28 times (2022: There was no financial covenants that the Group has to comply with under the terms and conditions specified in the loan agreement). On 31 December 2023, the loan was classified as current liabilities. However, the Group has already obtained the approved waiver letter for the breach of terms and conditions as specified in the agreement from the financial institutions on 27 February 2024.

## 7 Fair value

The following table shows fair values of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

Consolidated financial statements					
	Fair value through profit or loss (FVPL)	Fair value through other comprehensive income (FVOCI)	Amortised cost	Total carrying amount	Fair value
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>As at 31 December 2023</b>					
<b>Financial assets measured at fair value</b>					
Financial assets measured at fair value through other comprehensive income	-	9,477	-	9,477	9,477
	-	9,477	-	9,477	9,477
<b>Financial liabilities not measured at fair value</b>					
Long-term borrowings from financial institutions	-	-	5,754	5,754	6,107
Debentures	-	-	33,988	33,988	34,001
	-	-	39,742	39,742	40,108
<b>As of 31 December 2022</b>					
<b>Financial assets measured at fair value</b>					
Financial assets measured at fair value through other comprehensive income	-	21,643	-	21,643	21,643
	-	21,643	-	21,643	21,643
<b>Financial liabilities not measured at fair value</b>					
Long-term borrowings from financial institutions	-	-	6,223	6,223	6,745
Debentures	-	-	78,000	78,000	78,298
	-	-	84,223	84,223	85,043

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	Separate financial statements				
	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
<b>As of 31 December 2023</b>					
<b>Financial assets measured at fair value</b>					
Financial assets measured at fair value through other comprehensive income	-	9,477	-	9,477	9,477
	-	9,477	-	9,477	9,477
<b>Financial liabilities not measured at fair value</b>					
Debentures	-	-	33,988	33,988	34,001
	-	-	33,988	33,988	34,001

	Separate financial statements				
	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
<b>As of 31 December 2022</b>					
<b>Financial assets measured at fair value</b>					
Financial assets measured at fair value through other comprehensive income	-	21,643	-	21,643	21,643
	-	21,643	-	21,643	21,643
<b>Financial liabilities not measured at fair value</b>					
Debentures	-	-	78,000	78,000	78,298
	-	-	78,000	78,000	78,298

The following financial assets and financial liabilities measured at amortised cost where their carrying amount approximates fair value.

Consolidated financial statements	Separate financial statements
<b>Financial assets</b>	<b>Financial assets</b>
- Cash and cash equivalents	- Cash and cash equivalents
- Trade and other receivables, net	- Trade and other receivables, net
- Deposits at banks as collateral	- Deposits at banks as collateral
- Short-term borrowings to related parties, net	- Other non-current assets
- Other non-current assets	
<b>Financial liabilities</b>	<b>Financial liabilities</b>
- Trade and other payables	- Trade and other payables
- Bank overdraft and short-term borrowings from financial institutions	- Bank overdraft and short-term borrowings from financial institutions
- Short-term borrowings from a related party	- Short-term borrowings from a related party
- Long-term borrowings from financial institutions (float rate portion)	- Long-term borrowings from financial institutions (float rate portion)
- Other non-current liabilities	- Other non-current liabilities

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The following table presents fair value of financial assets and liabilities recognised or disclosed by their fair value hierarchy, excluding those with the carrying amount approximates fair value.

	Consolidated financial statements									
	Level 1		Level 2		Level 3		Total fair value		Carrying amount	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
<b>Assets</b>										
<b>Financial assets at fair value through other comprehensive income</b>										
Equity investments	5,496	8,212	-	-	3,969	13,419	9,465	21,631	9,465	21,631
Debt investments	-	-	12	12	-	-	12	12	12	12
<b>Total Assets</b>	<b>5,496</b>	<b>8,212</b>	<b>12</b>	<b>12</b>	<b>3,969</b>	<b>13,419</b>	<b>9,477</b>	<b>21,643</b>	<b>9,477</b>	<b>21,643</b>
<b>Liabilities</b>										
<b>Financial liabilities not measured at fair value</b>										
Long-term borrowings from financial institutions	-	-	6,107	6,745	-	-	6,107	6,745	5,754	6,223
Debentures	-	-	34,001	78,298	-	-	34,001	78,298	33,988	78,000
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>40,108</b>	<b>85,043</b>	<b>-</b>	<b>-</b>	<b>40,108</b>	<b>85,043</b>	<b>39,742</b>	<b>84,223</b>

  

	Separate financial statements									
	Level 1		Level 2		Level 3		Total fair value		Carrying amount	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
<b>Assets</b>										
<b>Financial assets at fair value through other comprehensive income</b>										
Equity investments	5,496	8,212	-	-	3,969	13,419	9,465	21,631	9,465	21,631
Debt investment	-	-	12	12	-	-	12	12	12	12
<b>Total assets</b>	<b>5,496</b>	<b>8,212</b>	<b>12</b>	<b>12</b>	<b>3,969</b>	<b>13,419</b>	<b>9,477</b>	<b>21,643</b>	<b>9,477</b>	<b>21,643</b>
<b>Liabilities</b>										
<b>Financial liabilities not measured at fair value</b>										
Debentures	-	-	34,001	78,298	-	-	34,001	78,298	33,988	78,000
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>34,001</b>	<b>78,298</b>	<b>-</b>	<b>-</b>	<b>34,001</b>	<b>78,298</b>	<b>33,988</b>	<b>78,000</b>

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price / closing price by reference to the Stock Exchange of Thailand.
- Level 2: The fair value of financial instruments measured by valuation technique which is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments measured by valuation technique which is not based on observable market data.

During the year 2023, there were no transfers within the fair value hierarchy.

**Valuation techniques used to measure fair value level 2**

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

The fair value of long-term borrowings was calculated based on contractual cash flows discounted using a market lending rate which is an observable input.

**Valuation techniques used to measure fair value level 3**

**Equity instruments**

Changes in level 3 financial assets for the year ended 31 December 2023 is as follows:

	Consolidated / Separate financial statements Thousand Baht
<b>Opening balance as at 1 January 2023</b>	13,419
Loss recognised in other comprehensive income	(9,450)
<b>Closing balance as at 31 December 2023</b>	<b>3,969</b>

### **The valuation processes**

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

Financial assets measured at fair value through other comprehensive income amounting to Baht 9.50 million has been used as collateral for debentures issued by the Company (Note no. 21).

## **8 Critical accounting estimates, assumptions and judgements**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the year 2023, the Group makes estimates and assumptions concerning the future. The result of accounting estimates will, by definition, seldom equal the related actual results. The critical accounting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are outlined below.

### **a) Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

### **b) Impairment of property, plant and equipment, investments in subsidiaries and investment in an associate**

The Group tests impairment of property, plant and equipment, investments in subsidiaries and investment in an associate whenever events or changes in circumstances indicate that the carrying amount of asset is greater than its estimated recoverable amount which calculated by using the higher of the fair value less costs to sell and value-in-use. Value in use involves the future operating results of business, projected cash flows, discount rate to be applied to the projected cash flows. The Group has engaged an independent appraiser in deriving the fair value of underlying assets.

### **c) Property, plant and equipment and intangible assets**

Management determines the estimated useful lives and residual values for the Group's Property, plant and equipment and intangible assets. Management will revise the depreciation or amortisation charge where useful lives and residual values are different to the previously estimation, or it will write off or write down technically obsolete or assets that have been abandoned or sold. The Group reviews for impairment whenever events or changes in circumstances indicate that the carrying amount may not be greater than its recoverable amount.

### **d) Fair value of certain financial assets and derivatives**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note no. 7.

### **e) Provision for employee benefits**

The present value of the provision for employee benefits depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note no. 24.

### **f) Deferred tax assets**

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance.

## 9 Segment information

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

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

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

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

Unallocated costs mainly represent corporate expenses.

### Geographic information

Revenue from external customers based on locations of customers for the year ended 31 December are as follows;

	<b>2023</b>	<b>2022</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Thailand	1,304,379	1,185,864
Japan	-	10,172
Total	1,304,379	1,196,036

### Major customer

For the year ended 31 December 2023, the Group and the Company earned revenue from a single customer from manufacturing and distribution of pet food business amounting to Baht 513 million of the Group's total revenue (2022 : Baht 644 million).

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Operating segments of the Group are as follows:

											Unit: Thousand Baht	
	Domestic				Overseas		Total	Eliminated entries			Consolidated financial statements	
	Aquatic animal feed		Pet food		Electricity generation and distribution						2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue from external customers	1,489,812	1,027,195	924,747	1,274,491	-	17,669	2,414,559	2,319,355	(1,110,180)	(1,123,319)	1,304,379	1,196,036
Profit (loss) from operating segments	34,976	36,212	30,418	14,191	(5,302)	(24,662)	60,292	25,741	(11,119)	(18,191)	48,973	7,550
Other income											19,489	17,058
Selling and administrative expenses											(210,700)	(203,367)
Expected credit loss											(14,971)	(16,031)
Gain (loss) on disposals of property, plant and equipment											1,166	(227,294)
Reversal (loss) on impairment of assets											-	552
Other gain (loss), net											(55,458)	(24,698)
Finance costs											(12,903)	(42,327)
Income tax (expense) benefit											(27,089)	672
Loss for the year											(251,493)	(487,885)
<b>Timing of revenue recognition</b>												
At a point in time	1,489,812	1,027,195	924,747	1,274,491	-	17,669	2,414,559	2,319,355	(1,110,180)	(1,123,319)	1,304,379	1,196,036
Total revenue	1,489,812	1,027,195	924,747	1,274,491	-	17,669	2,414,559	2,319,355	(1,110,180)	(1,123,319)	1,304,379	1,196,036

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

							Unit: Thousand Baht	
	Domestic						Separate financial statements	
	Aquatic animal feed		Pet food				2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue from external customers	791,480	542,012	415,927	643,851			1,207,407	1,185,863
<b>Timing of revenue recognition</b>								
At a point in time	791,480	542,012	415,927	643,851			1,207,407	1,185,863
Total revenue	791,480	542,012	415,927	643,851			1,207,407	1,185,863

## 10 Cash and cash equivalents

As at 31 December	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Cash on hand	82	48	44	23
Deposits held at call with banks	13,046	45,271	11,833	33,583
<b>Total</b>	<b>13,128</b>	<b>45,319</b>	<b>11,877</b>	<b>33,606</b>

As at 31 December 2023, the weighted average effective interest rate of deposits held at call with banks was 0.46% per annum (2022: 0.26% per annum).

## 11 Trade and other receivables, net

As at 31 December	Consolidated financial statement		Separate financial statement	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Trade receivables - third parties	228,769	225,716	189,416	210,845
Trade receivables - related parties	-	31,297	-	31,297
<u>Less</u> Expected credit loss	(89,260)	(78,097)	(86,037)	(78,097)
Total trade receivables, net	139,509	178,916	103,379	164,045
Other receivables - third parties	73,516	86,824	2,361	3,813
Other receivables - related parties	2,035	2,174	5,571	4,320
<u>Less</u> Expected credit loss	(36,812)	(35,803)	(5,974)	(5,680)
Total other receivables, net	38,739	53,195	1,958	2,453
Accrued interest income - third parties	795	609	320	202
Accrued interest income - related parties	5,255	5,656	88,994	88,994
<u>Less</u> Expected credit loss	(5,699)	(6,058)	(88,994)	(88,994)
Total accrued interest income, net	351	207	320	202
Total trade and other receivables, net	178,599	232,318	105,657	166,700

### Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.



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	Separate financial statements					Total Thousand Baht
	Not yet due Thousand Baht	Up to 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	More than 12 months Thousand Baht	
<b>As of 31 December 2023</b>						
<b>Third parties</b>						
Gross carrying amount						
- Trade receivables	74,905	33,599	7,072	11,633	62,207	189,416
- Other receivables and accrued interest income	1,965	133	187	396	-	2,681
Loss allowance						
- Trade receivables	(1,382)	(4,852)	(5,964)	(11,633)	(62,206)	(86,037)
- Other receivables and accrued interest income	(8)	-	-	(395)	-	(403)
<b>Related parties</b>						
Gross carrying amount						
- Trade receivables	-	-	-	-	-	-
- Other receivables and accrued interest income	-	790	574	1,456	91,745	94,565
Loss allowance						
- Trade receivables	-	-	-	-	-	-
- Other receivables and accrued interest income	-	(790)	(574)	(1,456)	(91,745)	(94,565)

	Separate financial statements					Total Thousand Baht
	Not yet due Thousand Baht	Up to 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	More than 12 months Thousand Baht	
<b>As of 31 December 2022</b>						
<b>Third parties</b>						
Gross carrying amount						
- Trade receivables	121,686	16,123	665	-	72,371	210,845
- Other receivables and accrued interest income	1,481	1,065	543	128	798	4,015
Loss allowance						
- Trade receivables	(2,143)	(1,844)	(566)	-	(72,371)	(76,924)
- Other receivables and accrued interest income	(7)	(182)	(448)	(27)	(698)	(1,362)
<b>Related parties</b>						
Gross carrying amount						
- Trade receivables	23,888	7,909	-	-	-	31,297
- Other receivables and accrued interest income	-	1,006	476	846	90,986	93,314
Loss allowance						
- Trade receivables	(412)	(761)	-	-	-	(1,173)
- Other receivables and accrued interest income	-	(1,004)	(476)	(846)	(90,986)	(93,312)

The reconciliations of loss allowance for trade receivables, other receivables and accrued interest income for the years ended 31 December are as follow;

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
<b>Opening loss allowance as at 1 January</b>	119,958	105,339	172,771	173,792
Increase in loss allowance recognised in profit or loss during the year	11,813	14,619	8,234	-
Reversal of loss allowance	-	-	-	(1,021)
<b>Closing loss allowance as at 31 December</b>	131,771	119,958	181,005	172,771

## 12 Inventories, net

As at 31 December	Consolidated financial statement		Separate financial statement	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Raw materials	53,139	95,512	-	-
Work-in-process	346	1,529	-	-
Finished goods	16,478	22,219	10,078	16,721
Spare parts	25,814	25,905	-	-
Factory supplies	11,251	6,138	-	-
	107,028	151,303	10,078	16,721
<u>Less</u> Allowance declining in value for obsolescence and damaged of inventories				
- Raw materials	(170)	(194)	-	-
- Work in process	(346)	-	-	-
- Finished goods	(1,703)	-	-	-
- Spare parts	(12,891)	(5,357)	-	-
- Factory supplies	(859)	(1,564)	-	-
	(15,969)	(7,115)	-	-
	91,059	144,188	10,078	16,721

The cost of inventories for the years ended 31 December recognised as expenses in cost of sales are as follow:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Cost of sale	1,146,010	1,102,713	1,112,409	1,102,713
(Reversal of) allowance for declining in value of inventories	8,854	(3,666)	-	-

## 13 Deposits at banks as collateral

As at 31 December 2023, a current portion of deposits at banks as collateral represents saving deposits with local commercial banks amounting to Baht 1.23 million (2022: represented fixed deposits with a local commercial bank with maturity of twelve-month term and saving deposits with local commercial banks amounting to Baht 50.00 million and 16.82 million, respectively). The deposits are pledged as security for bank overdraft facilities, long-term borrowings from a financial institution, and debentures (Note no. 21). A non-current portion of deposits at banks as collateral represents fixed deposits with maturity of more than twelve-month term amounting to Baht 7.42 million (2022: Baht 7.81 million) which the Group pledged as a security of bank guarantees for electrical usage.

**14 Investment in subsidiaries and an associate, net**

As at 31 December	Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Investment in subsidiaries (14.1)	549,385	549,385
Investment in an associate (14.2)	-	-
Total Investment in subsidiaries and an associate	549,385	549,385

**14.1 Investment in subsidiaries, net**

The movements of investment in subsidiaries, net for the years ended 31 December are as follows:

	Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Opening net book balance	549,385	1,472,613
Allowance for impairment	-	(683,228)
Decrease from debt restructuring	-	(240,000)
Closing net book balance	549,385	549,385

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The details of investment in subsidiaries are as follows:

Entity name	Country of incorporation	Nature of business	Separate financial statements									
			Issued and paid-up share capital		% Ownership interest		Cost method		Impairment of investment		Net book value - Cost method - net	
			2023 Thousand Baht	2022 Thousand Baht	2023 %	2022 %	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
<b>Direct subsidiaries</b>												
Tluxe Global Business Co., Ltd.	Thailand	Distribution of raw material for aquatic animals and pet feed	3,000	3,000	100	100	3,000	3,000	(3,000)	(3,000)	-	-
Tluxe Power Co., Ltd.	Thailand	Invest in energy business	1,100,000	1,100,000	100	100	1,100,000	1,100,000	(1,100,000)	(1,100,000)	-	-
Thai Luxe Enterprises (Thailand) Co., Ltd.	Thailand	Manufacturing and distribution of feeds for aquatic animals and pets	789,385	789,385	100	100	549,385	549,385	-	-	549,385	549,385
Investments in subsidiaries directly held by the Company - net							1,652,385	1,652,385	(1,103,000)	(1,103,000)	549,385	549,385
<b>Indirect subsidiaries</b>												
Subsidiaries held through Tluxe Power Co., Ltd.												
Tluxe Investments Limited	Republic of Mauritius	Invest in energy business	10*	10*	100	100	-	-	-	-	-	-
Origin Power Investment Co., Ltd.	Republic of Mauritius	Invest in energy business	0.1*	0.1*	100	100	-	-	-	-	-	-
Subsidiaries held through Tluxe Investments Limited												
Tluxe Holdings Limited	Hong Kong	Invest in energy business	10*	10*	100	100	-	-	-	-	-	-
Geothermal Power A Co., Ltd.	Hong Kong	Invest in energy business	10*	10*	100	100	-	-	-	-	-	-
Geothermal Power B Co., Ltd.	Hong Kong	Invest in energy business	10*	10*	100	100	-	-	-	-	-	-



## 14.2 Investment in an associate

Detail of investment in an associate is as follows:

Entity name	Country of incorporation	Nature of Business	% of ownership interest		Consolidated financial statements		Separate financial statements	
			2023 %	2022 %	Equity method		Cost method	
					2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
<b>Indirect associate</b>								
M-Luxe Energy Co., Ltd.	Japan	The land development to construct geothermal power plant	25	25	-	-	-	-
Total					-	-	-	-

The Company recognised share of losses from the investment in an associate until the value of the investment by equity method approached to zero. Subsequent losses incurred by an associate has not been recognised since the Company has no obligation whether legal or constructive to make any payments to the associate.

As of 31 December 2023, the associate's share of losses during the period and accumulated losses not recognised in the financial statements amounting to Baht 2.40 million and Baht 23.35 million, respectively. (2022: Baht 4.01 million and Baht 24.57 million, respectively).

## 15 Investment property

	Consolidated financial statements			
	Right of use assets - building Thousand Baht	Land and land improvement Thousand Baht	Building and building improvement Thousand Baht	Total Thousand Baht
<b>Opening balance as at 1 January 2022</b>	46,680	45,525	15,289	107,494
Transfer from property, plant and equipment (Note no. 16)	-	125,301	5,545	130,846
Net gain (loss) from fair value adjustment	(137)	343	724	930
<b>Closing balance as at 31 December 2022</b>	46,543	171,169	21,558	239,270
<b>Opening balance as at 1 January 2023</b>	46,543	171,169	21,558	239,270
Net gain (loss) from fair value adjustment	(2,275)	-	(1,406)	(3,681)
<b>Closing balance as at 31 December 2023</b>	44,268	171,169	20,152	235,589
	Separate financial statements			
	Right of use assets - building Thousand Baht	Land and land improvement Thousand Baht	Building and building improvement Thousand Baht	Total Thousand Baht
<b>Opening balance as at 1 January 2022</b>	46,680	45,525	15,289	107,494
Transfer from property, plant and equipment (Note no. 16)	-	3,406	-	3,406
Net gain (loss) from fair value adjustment	(137)	343	495	701
<b>Closing balance as at 31 December 2022</b>	46,543	49,274	15,784	111,601
<b>Opening balance as at 1 January 2023</b>	46,543	49,274	15,784	111,601
Net gain (loss) from fair value adjustment	(2,275)	-	(1,342)	(3,617)
<b>Closing balance as at 31 December 2023</b>	44,268	49,274	14,442	107,984

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The fair value of investment properties is assessed by an independent appraiser. The fair value of the land not being used in operation has been determined based on the comparative market value method. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size and the locations.

The fair value of land with office buildings has been determined based on the cost approach for the construction cost of the building following the construction cost basis and depreciation of the Association of Property Valuers of Thailand.

The fair value of land and office buildings for rental has been determined based on the income approach. The key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate, and long-term rental growth rate.

The fair value of investment property is within level 2 of the fair value hierarchy.

As at 31 December 2023, the Company has investment property at the fair value of Baht 105.62 million to pledged as collaterals for short-term borrowings, long-term borrowings from financial institutions and debentures (Note no.21) (2022: Baht 183.60 million to pledged as collaterals for short-term borrowings and long-term borrowings from financial institutions).

Amounts recognised in profit and loss that are related to investment property are as follows:

	<b>Consolidated / Separate financial statements</b>	
	<b>2023 Thousand Baht</b>	<b>2022 Thousand Baht</b>
<b>For the year ended 31 December</b>		
Rental income from operating lease	6,085	3,639
Direct operating expense that generated rental income for the year	3,106	2,739

Minimum lease payments receivable on lease of investment properties are as follows:

	<b>Consolidated / Separate financial statements</b>	
	<b>2023 Thousand Baht</b>	<b>2022 Thousand Baht</b>
Due within 1 year	4,539	5,148
Due within 2 years	3,135	4,539
Due within 3 years	16	3,135
Due within 4 years	-	16
	<b>7,690</b>	<b>12,838</b>

As at 31 December, the Group and the Company has right-of-use assets for the leases of office building that are classified as investment properties as follows:

	<b>Consolidated / Separate financial statements</b>	
	<b>2023 Thousand Baht</b>	<b>2022 Thousand Baht</b>
Net book value of right-of-use assets	44,268	46,543

During the year 2023 and 2022, the Group and the Company has no addition to the right-of-use asset that is included in the investment properties in consolidated and separate financial statements.

16 Property, plant and equipment, net

	Consolidated financial statements						Total Thousand Baht
	Revaluation	Cost					
	Land Thousand Baht	Building and building improvement Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht	
<b>As at 1 January 2022</b>							
Cost or fair value	435,451	472,957	1,634,182	29,907	23,319	-	2,595,816
<u>Less</u> Accumulated depreciation	-	(269,052)	(904,917)	(24,751)	(22,419)	-	(1,221,139)
<u>Less</u> Accumulated allowance for impairment	(7,863)	-	(260,588)	-	-	-	(268,451)
Net book amount	427,588	203,905	468,677	5,156	900	-	1,106,226
<b>For the year ended 31 December 2022</b>							
Opening net book amount	427,588	203,905	468,677	5,156	900	-	1,106,226
Revaluation	202	-	-	-	-	-	202
Additions	-	40	3,911	659	-	-	4,610
Disposals, net	(46,762)	(177)	(258,845)	-	-	-	(305,784)
Write-off, net	-	-	-	(2)	-	-	(2)
Transfer to investment property, net (Note no. 15)	(124,290)	(5,742)	-	-	-	-	(130,032)
Depreciation charge	-	(19,675)	(55,864)	(3,056)	(840)	-	(79,435)
Translation differences	-	-	(23,545)	-	-	-	(23,545)
Closing net book amount	256,738	178,351	134,334	2,757	60	-	572,240
<b>As at 31 December 2022</b>							
Cost or fair value	256,738	465,630	985,672	29,004	23,320	-	1,760,364
<u>Less</u> Accumulated depreciation	-	(287,279)	(761,471)	(26,247)	(23,260)	-	(1,098,257)
<u>Less</u> Accumulated allowance for impairment	-	-	(89,867)	-	-	-	(89,867)
Net book amount	256,738	178,351	134,334	2,757	60	-	572,240

**PP Prime Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
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	<b>Consolidated financial statements</b>						<b>Total Thousand Baht</b>
	<b>Revaluation</b>	<b>Cost</b>					
	<b>Land Thousand Baht</b>	<b>Building and building improvement Thousand Baht</b>	<b>Machinery and equipment Thousand Baht</b>	<b>Furniture, fixtures and office equipment Thousand Baht</b>	<b>Vehicles Thousand Baht</b>	<b>Assets under construction Thousand Baht</b>	
<b>For the year ended 31 December 2023</b>							
Opening net book amount	256,738	178,351	134,334	2,757	60	-	572,240
Revaluation	5,162	-	-	-	-	-	5,162
Additions	-	3,469	7,612	1,106	147	19,120	31,454
Disposals, net	-	-	(3,797)	-	-	-	(3,797)
Depreciation charge	-	(19,781)	(34,349)	(1,993)	(75)	-	(56,198)
Translation differences	-	-	(3,781)	-	-	-	(3,781)
Closing net book amount	261,900	162,039	100,019	1,870	132	19,120	545,080
<b>As at 31 December 2023</b>							
Cost or fair value	261,900	469,099	960,243	27,818	18,108	19,120	1,756,288
<u>Less</u> Accumulated depreciation	-	(307,060)	(770,963)	(25,948)	(17,976)	-	(1,121,947)
<u>Less</u> Accumulated allowance for impairment	-	-	(89,261)	-	-	-	(89,261)
Net book amount	261,900	162,039	100,019	1,870	132	19,120	545,080

As at 31 December 2023, the building and equipment are fully depreciated but still in use with costs value of Baht 656.67 million (2022: Baht 595.41 million).

PP Prime Public Company Limited  
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	Separate financial statements					Total Thousand Baht
	Revaluation	Cost				
	Land Thousand Baht	Building and building improvement Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	
<b>As at 1 January 2022</b>						
Cost or fair value	2,744	2,972	610	3,415	20,987	30,728
<u>Less</u> Accumulated depreciation	-	(2,856)	(495)	(2,553)	(20,087)	(25,991)
<u>Less</u> Accumulated allowance for impairment	(552)	-	-	-	-	(552)
Net book amount	2,192	116	115	862	900	4,185
<b>For the year ended 31 December 2022</b>						
Opening net book amount	2,192	116	115	862	900	4,185
Revaluation	202	-	-	-	-	202
Additions	-	-	-	448	-	448
Disposals, net	-	-	-	-(1)	-	-(1)
Transfer to investment property, net (Note no. 15)	(2,394)	-	-	-	-	(2,394)
Depreciation charge	-	(18)	(97)	(361)	(840)	(1,316)
Closing net book amount	-	98	18	949	60	1,125
<b>As at 31 December 2022</b>						
Cost or fair value	-	2,972	610	3,763	20,987	28,332
<u>Less</u> Accumulated depreciation	-	(2,874)	(592)	(2,814)	(20,927)	(27,207)
Net book amount	-	98	18	949	60	1,125

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	<b>Separate financial statements</b>					<b>Total Thousand Baht</b>
	<b>Revaluation</b>	<b>Cost</b>				
	<b>Land Thousand Baht</b>	<b>Building and building improvement Thousand Baht</b>	<b>Machinery and equipment Thousand Baht</b>	<b>Furniture, fixtures and office equipment Thousand Baht</b>	<b>Vehicles Thousand Baht</b>	
<b>For the year ended 31 December 2023</b>						
Opening net book amount	-	98	18	949	60	1,125
Additions	-	-	-	590	147	737
Disposals, net	-	-	-(1)	-(1)	-(1)	-
Depreciation charge	-	(18)	(18)	(493)	(75)	(604)
Closing net book amount	-	80	-(1)	1,046	132	1,258
<b>As at 31 December 2023</b>						
Cost or fair value	-	2,972	537	3,913	18,108	25,530
<u>Less</u> Accumulated depreciation	-	(2,892)	(537)	(2,867)	(17,976)	(24,272)
Net book amount	-	80	-(1)	1,046	132	1,258

As at 31 December 2023, the building and equipment are fully depreciated but still in use with costs value of Baht 14.25 million (2022: Baht 12.75 million).

(1) The balance is below Baht 1 thousand

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As at 31 December 2023, the land of the Group and the Company are stated at the revalued amounts according to the appraisal reports of independent appraisers of 2023. The fair value of land is Baht 261.90 million (2022: Baht 256.74 million). The revaluation surplus net with applicable deferred income taxes was recognised to other comprehensive income and is shown as "Gains on asset revaluation" in equity.

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

As at 31 December 2023, the Group and the Company has property, plant and equipment at the net book value of Baht 515.08 million (2022: Baht 528.40 million) to pledged as collaterals for long-term borrowings from financial institutions and debentures (Note no. 21).

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

Depreciation charge for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Cost of sales	54,095	72,243	-	-
Administrative expenses	2,103	7,192	604	1,316
	56,198	79,435	604	1,316

## 17 Right-of-use assets, net

	Consolidated / Separate financial statements
	Building Thousand Baht
<b>Balance as at 1 January 2022</b>	22,706
Depreciation	(1,699)
<b>Balance as at 31 December 2022</b>	21,007
<b>Balance as at 1 January 2023</b>	21,007
Lease termination	(98)
Depreciation	(1,533)
<b>Balance as at 31 December 2023</b>	19,376

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use and cash outflows for leases for the years ended 31 December is as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Expense relating to leases of low-value assets	273	25	105	25
Expense relating to short-term leases	211	131	-	30
Total cash outflow for leases	484	456	105	355

18 Deferred income taxes, net

The analysis of deferred tax assets and deferred tax liabilities is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Deferred tax assets	22,701	56,295	22,701	56,295
Deferred tax liabilities	(69,726)	(68,332)	(9,295)	(8,983)
<b>Deferred income taxes, net</b>	<b>(47,025)</b>	<b>(12,037)</b>	<b>13,406</b>	<b>47,312</b>

The movements in deferred tax assets and liabilities during the year are as follows:

	Consolidated financial statements					
	Employee benefits obligations Thousand Baht	Expected credit loss Thousand Baht	Impairment of assets Thousand Baht	Tax losses Thousand Baht	Remeasurement of financial assets at fair value Thousand Baht	Total Thousand Baht
<b>Deferred tax assets</b>						
At 1 January 2022	5,088	19,736	121	12,216	24,477	61,638
Charged (credited) to profit or loss	(1,553)	(2,980)	(121)	-	-	(4,654)
Charged (credited) to other comprehensive income	(807)	-	-	-	118	(689)
At 31 December 2022	2,728	16,756	-	12,216	24,595	56,295
At 1 January 2023	2,728	16,756	-	12,216	24,595	56,295
Charged (credited) to profit or loss	(122)	1,718	-	(12,216)	(4,967)	(15,587)
Charged (credited) to other comprehensive income	-	-	-	-	(18,007)	(18,007)
At 31 December 2023	2,606	18,474	-	-	1,621	22,701

	Consolidated financial statements			
	Gain on fixed asset revaluation Thousand Baht	Remeasurement of investment property Thousand Baht	Right of return on assets Thousand Baht	Total Thousand Baht
<b>Deferred tax liabilities</b>				
At 1 January 2022	(59,387)	(5,886)	-	(65,273)
(Charged) credited to profit or loss	-	(2,927)	-	(2,927)
(Charged) credited to other comprehensive income	(132)	-	-	(132)
At 31 December 2022	(59,519)	(8,813)	-	(68,332)
At 1 January 2023	(59,519)	(8,813)	-	(68,332)
(Charged) credited to profit or loss	-	(108)	(253)	(361)
(Charged) credited to other comprehensive income	(1,033)	-	-	(1,033)
At 31 December 2023	(60,552)	(8,921)	(253)	(69,726)

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	Separate financial statements					Total Thousand Baht
	Employee benefits obligations Thousand Baht	Expected Credit Loss Thousand Baht	Impairment of assets Thousand Baht	Tax losses Thousand Baht	Remeasurement of financial assets at fair value Thousand Baht	
<b>Deferred tax assets</b>						
At 1 January 2022	5,088	19,736	121	12,216	24,477	61,638
Charged (credited) to profit or loss	(1,553)	(2,980)	(121)	-	-	(4,654)
Charged (credited) to other comprehensive income	(807)	-	-	-	118	(689)
At 31 December 2022	2,728	16,756	-	12,216	24,595	56,295
At 1 January 2023	2,728	16,756	-	12,216	24,595	56,295
Charged (credited) to profit or loss	(122)	1,718	-	(12,216)	(4,967)	(15,587)
Charged (credited) to other comprehensive income	-	-	-	-	(18,007)	(18,007)
At 31 December 2023	2,606	18,474	-	-	1,621	22,701

	Separate financial statements			Total Thousand Baht
	Gain on fixed asset revaluation Thousand Baht	Remeasurement of investment property Thousand Baht	Right of return on assets Thousand Baht	
<b>Deferred tax liabilities</b>				
At 1 January 2022		(63)	(5,886)	(5,949)
(Charged) credited to profit or loss		-	(2,902)	(2,902)
(Charged) credited to other comprehensive income		(132)	-	(132)
At 31 December 2022		(195)	(8,788)	(8,983)
At 1 January 2023		(195)	(8,788)	(8,983)
(Charged) credited to profit or loss		-	(52)	(312)
At 31 December 2023		(195)	(8,840)	(9,295)

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group does not recognise deferred tax asset of the Company and subsidiaries in Thailand at amount of Baht 67.55 million (2022: Baht 63.93 million) from tax losses of Baht 337.73 million (2022: Baht 319.65 million), to carry forward against future taxable income; these tax losses of Baht 337.73 million will expire during 2024 to 2028 (2022: Baht 319.65 million will expire during 2023 to 2027). Also, the Group does not recognise deferred tax asset of foreign subsidiaries which have tax losses at amount of JPY 2,847.39 million (2022: JPY 1,733.98 million), to carry forward against future taxable income; these tax losses of JPY 2,847.39 million will expire during 2024 to 2033 (2022: JPY 1,733.98 million will expire during 2024 to 2032).

## 19 Advance payment, net

Details of advance payment are as follows;

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
<b>As at 31 December</b>				
1. Advance payment for construction of geothermal power plants	24,957	26,874	-	-
2. Advance payment for hot spring rights	29,076	31,310	-	-
3. Advance payment for Riverside project	12,997	12,997	12,997	12,997
4. Advance payment for wind power plant	56,275	60,599	-	-
Total	123,305	131,780	12,997	12,997
Less Expected credit loss	(123,305)	(131,780)	(12,997)	(12,997)
Advance payment, net	-	-	-	-

1. Advanced payment for construction of geothermal power plants

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

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

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

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

2. Advanced payment for hot spring rights

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

3. Advanced payment for the Riverside project

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

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

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

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

4. Advanced payment for wind power plant

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

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

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

On 12 May 2023, the court considered the evidence of PPSN Co., Ltd. relating to the payments for the construction of wind power plants to Aura Green Energy Co., Ltd. Currently, it is in the process of examination of evidence relating to the payments. The court scheduled for the next hearing on 16 April 2024.

## 20 Trade and other payables

As at 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade payables - third parties	79,656	71,800	78	78
Trade payables - related parties	-	239	24,723	61,719
Other payables - third parties	14,936	20,258	3,890	5,266
Other payables - related parties	1,406	1,678	-	9,787
Accrued interest expenses - third parties	8,457	8,722	8,457	8,722
Accrued interest expenses - related parties	39	35	-	-
Accrued expenses - third parties	12,042	10,521	8,347	8,036
Accrued specific business tax	23,584	23,584	23,584	23,584
	140,120	136,837	69,079	117,192

## 21 Borrowings and debentures

As at 31 December	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Current</b>					
Bank overdraft		4,891	60,688	-	49,924
Short-term borrowings from a financial institution	a)	-	20,000	-	20,000
Short-term borrowings from a related party (Note no. 31 (e))		242	261	-	-
Current portion of long-term borrowings:					
- Financial institutions	b)	168,643	267,611	167,662	266,789
- Debentures	c)	33,988	78,000	33,988	78,000
Total current borrowings and debentures		207,764	426,560	201,650	414,713
<b>Non-current</b>					
Long-term borrowings from financial institutions, net	b)	4,773	5,923	-	-
Total non-current borrowings and debentures		4,773	5,923	-	-
<b>Total borrowings and debentures</b>		212,537	432,483	201,650	414,713

### a) Short-term borrowings from a financial institution

The details of short-term borrowings from a financial institution which are borrowings in Thai Baht as of 31 December are as follows:

No.	Currency in agreement	Interest rate	Principal repayment term	Consolidated financial statements		Separate financial statements	
				2023	2022	2023	2022
				Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
1	THB	Fixed interest rate	Repayment within 30 days from the date of the promissory note	-	20,000	-	20,000

As at 31 December 2023, the Group had financial credit facilities of short-term borrowings from financial institutions which have not been fully drawn down totaling Baht 7.10 million. (2022: the Group and the Company had financial credit facilities of short-term borrowings from financial institutions which have not been fully drawn down totaling Baht 201.31 million and Baht 200.08 million, respectively).

**b) Long-term borrowings from financial institutions**

The details of long-term borrowings from financial institutions which are all borrowings in Yen as of 31 December are as follows:

No.	Currency in agreement	Interest rate	Principal repayment term	Consolidated financial statements		Separate financial statements	
				2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
1	JPY	JPY TIBOR 3 months plus a certain margin	Repayment every month from November 2017 until February 2026	167,662	266,789	167,662	266,789
2	JPY	Fixed interest rate	Repayment every month from August 2021 until November 2029	1,720	2,166	-	-
3	JPY	Fixed interest rate	Repayment every month from August 2021 until August 2032	4,034	4,579	-	-
				173,416	273,534	167,662	266,789

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

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

Under the terms of the long-term borrowings agreement, the Company is required to comply with certain criteria and condition; for example, maintaining debt to equity ratio, maintaining debt service coverage ratio at the level as specified in the agreement, which the Company was unable to maintain the debt service coverage ratio at the rate specified in the contract for some financial institutions throughout the reporting period. Therefore, the Company classified the long-term borrowings from the financial institution as current totaling Baht 167.66 million. However, the Company has already obtained the approved waiver letter for the breach of terms and conditions as specified in the agreement from the financial institution on 27 February 2024.

As at 31 December 2023, bank overdrafts, short-term borrowings, long-term borrowings from financial institutions, and debentures were secured by pledge of deposits bank account of Baht 1.23 million (2022: Baht 66.82 million) (Note no.13) and investment properties at a fair value of Baht 105.62 million (2022: Baht 183.60 million) (Note no.15) and property, plant and equipment at a net book value of Baht 515.08 million (2022: Baht 528.40 million) (Note no. 16).

The movements of long-term borrowings for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Opening balance	273,534	344,575	266,789	333,313
Repayment	(86,830)	(39,837)	(86,346)	(36,384)
Unrealised (gain) on exchange rate	(12,781)	(30,140)	(12,781)	(30,140)
Translation differences	(507)	(1,064)	-	-
Closing balance	173,416	273,534	167,662	266,789

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The weighted average effective interest rates at the statements of financial position date are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	%	%	%	%
Bank overdrafts	7.59	4.02	-	1.70
Short-term borrowings from a financial institution	-	6.85	-	6.85
Short-term borrowings from a related party	3.00	3.00	-	-
Long-term borrowings from financial institutions	3.03	3.00	3.08	3.06
Debentures	7.16	7.06	7.16	7.06

Maturity of long-term borrowings are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Within 1 year	168,643	267,611	167,662	266,789
Later than 1 year but not later than 5 years	2,908	3,131	-	-
Later than 5 years	1,865	2,792	-	-
	173,416	273,534	167,662	266,789

As at 31 December 2023 and 2022, the Group had financial credit facilities of long-term borrowings from a local financial institution totalling JPY 2,205 million, which have been fully drawn down.

The carrying amounts of short-term borrowings with fixed interest rate approximate their fair values due to the short-term maturity period. The long-term borrowings from financial institutions with floating interest rates has the fair values approximate their carrying amounts. The fair values of the long-term borrowings from financial institutions with fixed interest rates approximate their carrying amounts because the current interest rates of the similar terms of borrowings as the Group's approximate the fixed interest rates per the agreement.

**c) Debentures**

The movements of debentures for the years ended 31 December are as follows:

	Consolidated / Separate financial statements	
	2023	2022
	Thousand Baht	Thousand Baht
Opening balance	78,000	596,400
Redemption of debentures	(44,012)	(518,400)
Closing balance	33,988	78,000

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

No.	Issue date	Maturity date	Par value per unit (Baht)	Consolidated / Separate financial statements				Interest rate (% per annum)	Condition
				2023		2022			
				Units (Thousand units)	Total value (Thousand Baht)	Units (Thousand units)	Total value (Thousand Baht)		
1/2018	8 May 2018	8 May 2024	1,000	33.98	33,988	78.00	78,000	7.06-7.16	Unsubordinated, secured, and with a debenture holders' representative
				33.98	33,988	78.00	78,000		

Debentures No. 1/2018

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

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

On 8 November 2023, the Company redeemed debentures TLUXE205A (No. 1/2018) which is due for the first instalment by paying the principal amount of Baht 39 million plus interests of Baht 1.41 million to the debenture holders already.

On 30 November 2023, the Company redeemed debentures TLUXE205A (No. 1/2018) before their maturity date by paying the principal amount of Baht 5.01 million plus interests of Baht 0.17 million already. The early redemption of the debentures was in accordance with the terms of the redemption rights of the debentures before maturity by the debenture issuer.

The debentures No. 1/2018 are guaranteed by pledge deposit bank account of Baht 1.08 million (31 December 2022: nil) and shares of equity investments which measured at fair value through other comprehensive income of two listed companies on the Stock Exchange of Thailand with 6.62 million shares (carrying amount of Baht 5.49 million) and 18.90 million shares (carrying amount of Baht 3.97 million), respectively. The Company has also pledged leasehold rights which classified as an investment property measured at fair value of Baht 44.27 million (31 December 2022: land which classified as an investment property measured at fair value of Baht 121.90 million). In addition, the machines at the net book value of Baht 58.24 million (31 December 2022: Baht 67.25 million) were pledged as collaterals for debentures.

Maturity of debentures are as follows:

As at 31 December	Consolidated / Separate financial statements	
	2023	2022
	Thousand Baht	Thousand Baht
Within 1 year	33,988	78,000
	33,988	78,000

The interest rate risks on long-term borrowings and debentures are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Long-term borrowings and debentures				
- At fixed rates	39,742	84,745	33,988	78,000
- At floating rates	167,662	266,789	167,662	266,789
Total	207,404	351,534	201,650	344,789

## 22 Advance received from sales contract of geothermal power plants

The movements of advance received from sales contract of geothermal power plants during the years ended 31 December are as follows :

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Opening balance	156,548	174,383	-	-
Translation differences	(11,169)	(17,835)	-	-
Closing balance	145,379	156,548	-	-

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

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

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

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

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

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

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

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

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

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

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

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

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

During the year 2023, the Company is still in the negotiation process which the conditions and obligation of the mentioned purchase will be presented for the settlement negotiations as the court scheduled for the next hearing on 12 December 2023 and 26 December 2023. However, there was no conclusion from both parties for the conditions and obligations; therefore, the court scheduled for the next hearing on 10 January 2024.

On 10 January 2024. The Company presented the conditions and obligation of the mentioned sale agreement to BF Power for consideration. BF Power proposed to change some conditions. The mentioned settlement agreement will be effective once it is signed by both parties. The settlement agreement is expected to sign within the first quarter of 2024.

## 23 Convertible debentures

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

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

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

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Details of convertible debentures for the year ended 31 December 2023 are as follows:

<b>Consolidated / Separate financial statements</b>					
<b>No.</b>	<b>Issuance date</b>	<b>Offering Price (Baht million)</b>	<b>Number of Convertible debentures</b>	<b>Conversion ratio</b>	<b>Conversion date</b>
1/2023	6 January 2023	20	20,000	1 convertible debenture : 8,734 ordinary shares	6 January - 8 February 2023
2/2023	20 January 2023	5	5,000	1 convertible debenture: 8,418 ordinary shares	31 January - 8 February 2023
3/2023	3 February 2023	10	10,000	1 convertible debenture : 8,475 ordinary shares	8 February - 15 February 2023
4/2023	10 February 2023	10	10,000	1 convertible debenture : 9,019 ordinary shares	15 February - 24 February 2023
5/2023	17 February 2023	5	5,000	1 convertible debenture : 9,974 ordinary shares	24 February - 13 March 2023
6/2023	3 March 2023	10	10,000	1 convertible debenture : 10,728 ordinary shares	8 March - 4 April 2023
7/2023	24 March 2023	10	10,000	1 convertible debenture : 11,545 ordinary shares	24 March - 17 April 2023
8/2023	12 April 2023	10	10,000	1 convertible debenture : 12,157 ordinary shares	12 April - 7 August 2023
9/2023	26 April 2023	10	10,000	1 convertible debenture : 16,678 ordinary shares	18 July - 13 December 2023
10/2023	1 June 2023	10	10,000	1 convertible debenture : 22,222 ordinary shares	13 December 2023
11/2023	28 June 2023	10	10,000	1 convertible debenture : 22,222 ordinary shares	13 December 2023

The convertible debenture is stated at amortised cost until conversion to ordinary shares or maturity of the debentures.

During the year ended 31 December 2023, the convertible debenture holders exercised their rights to convert into ordinary shares in accordance with the terms and conditions of the convertible debentures, with a principal of Baht 110 million or 100% of the convertible debentures offered for sale. This represented 1,397 million ordinary shares which increased the Company's share capital from Baht 10,594 million to Baht 11,991 million and the discount on share capital net from premium on share capital increased from Baht 8,164 million to Baht 9,463 million (Note no. 25), also have conversion convertible debentures of Baht 110 million or 100% of the convertible debentures offered for sale.

The movements of convertible debentures during the years ended 31 December are as follows :

	<b>Consolidated / Separate financial statements</b>	
	<b>Convertible debenture - the liability component</b>	
	<b>2023</b>	<b>2022</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Opening balance	-	45,000
Convertible debentures issuance	110,000	180,000
<u>Less</u> Convertible debenture issuance expense	(12,063)	(20,189)
Conversion to ordinary shares (Note no. 25)	(97,937)	(204,811)
Closing balance	-	-

24 Employee benefit obligations

As at 31 December	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
<b>Statements of financial position</b>				
Employee benefit obligations	28,209	31,934	11,840	13,639

The movements in the defined benefit obligation for the years are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
As at 1 January	31,934	35,854	13,639	15,654
Current service cost	3,986	4,691	1,930	2,297
Past service cost	(3,046)	-	(1,673)	-
Interest expense	808	503	348	220
<u>Remeasurements:</u>				
(Gain) loss from change in financial assumptions recognised in other comprehensive income	31	(4,255)	(60)	(1,793)
(Gain) from change in demographical assumptions recognised in other comprehensive income	(218)	-	(58)	-
(Gain) from change in financial assumptions recognised in profit or loss	(556)	(629)	(169)	(217)
(Gain) from experience	(3,253)	(3,380)	(1,090)	(2,242)
<u>Payment from plans:</u>				
Benefit payment	(1,477)	(850)	(1,027)	(280)
As at 31 December	28,209	31,934	11,840	13,639

The significant actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	2.37 % - 4.68%	1.45% - 5.43%	2.37 % - 4.68%	1.45% - 5.43%
Salary increase rate	5.00%	5.00%	5.00%	5.00%
Turnover rate	0.00% - 35.00%	0.00% - 35.00%	0.00% - 35.00%	0.00% - 35.00%
Mortality rate	100% of the Thai Mortality Act B.E. 2560	100% of the Thai Mortality Act B.E. 2560	100% of the Thai Mortality Act B.E. 2560	100% of the Thai Mortality Act B.E. 2560

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Sensitivity analysis for each significant assumption used is as follows:

	<b>Consolidated financial statements</b>					
	<b>Impact on defined benefit obligation</b>					
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Discount rate	1.0%	1.0%	Decrease by 8.3%	Decrease by 8.3%	Increase by 9.5%	Increase by 9.4%
Salary increase rate	1.0%	1.0%	Increase by 8.4%	Increase by 8.3%	Decrease by 7.5%	Decrease by 7.4%
Turnover rate	20.0%	20.0%	Decrease by 5.0%	Decrease by 4.8%	Increase by 6.2%	Increase by 5.8%
Mortality rate	1.0%	1.0%	Increase by 0.4%	Increase by 0.4%	Decrease by 0.4%	Decrease by 0.4%

  

	<b>Separate financial statements</b>					
	<b>Impact on defined benefit obligation</b>					
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Discount rate	1.0%	1.0%	Decrease by 8.3%	Decrease by 8.2%	Increase by 9.3%	Increase by 9.4%
Salary increase rate	1.0%	1.0%	Increase by 8.5%	Increase by 8.5%	Decrease by 7.7%	Decrease by 7.6%
Turnover rate	20.0%	20.0%	Decrease by 3.5%	Decrease by 4.0%	Increase by 4.3%	Increase by 4.8%
Mortality rate	1.0%	1.0%	Increase by 0.3%	Increase by 0.3%	Decrease by 0.4%	Decrease by 0.3%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method which is the present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period has been applied as when calculating the pension liability recognised within the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the defined benefit obligation is 11.2 years - 14.0 years (2022: 12.0 years - 14.3 years).

Expected maturity analysis of undiscounted retirement benefits are as follows:

	<b>Consolidated financial statements</b>			
	<b>Less than a year</b>	<b>Between</b>	<b>More than</b>	<b>Total</b>
	<b>Thousand Baht</b>	<b>1 - 5 years</b>	<b>5 years</b>	<b>Thousand Baht</b>
		<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Retirement benefits - 2022	1,287	13,651	87,792	102,730
Retirement benefits - 2023	1,440	7,622	74,648	83,710

  

	<b>Separate financial statements</b>			
	<b>Less than a year</b>	<b>Between</b>	<b>More than</b>	<b>Total</b>
	<b>Thousand Baht</b>	<b>1 - 5 years</b>	<b>5 years</b>	<b>Thousand Baht</b>
		<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Retirement benefits - 2022	802	4,044	40,006	44,852
Retirement benefits - 2023	489	1,582	35,147	37,218

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**25 Share capital**

	Issued and fully paid-up capital				
	Authorised share capital Thousand Share	Number of ordinary shares Thousand Share	Ordinary shares Thousand Baht	Premium on share capital Thousand Baht	Discount on share capital Thousand Baht
As at 1 January 2022	3,095,942	2,133,644	2,133,644	612,680	(1,263,173)
Increase from conversion on convertible debentures (Note no. 23)	-	1,035,773	1,035,773	-	(830,962)
Decrease in authorised share capital	(1,275,078)	-	-	-	-
Ordinary shares issued	13,154,377	7,424,674	7,424,674	-	(6,682,586)
As at 31 December 2022	14,975,241	10,594,091	10,594,091	612,680	(8,776,721)
Increase from conversion on convertible debentures (Note no. 23)	-	1,397,084	1,397,084	-	(1,299,146)
Increase from exercise of warrants (Note no. 26)	-	367,012	367,012	-	(330,311)
As at 31 December 2023	14,975,241	12,358,187	12,358,187	612,680	(10,406,178)

**26 Warrants**

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

Issued by	Allocated to	Approval date	Issuance and Offering date	Determined exercising date		As at 31 December 2022	Increase during the year	Decrease during the year					As at 31 December 2023	
				First exercise	Last exercise			Outstanding warrants Million unit	Warrants Million unit	Exercise Million unit	Exercise ratio for ordinary share per 1 warrant	Issue of ordinary share during the period Million share		Exercise price Baht
Company	Existing shareholder (PPPM-W4)	10 June 2019	23 September 2019	31 October 2019	31 July 2024	229	-	-	5.03	-	0.199	-	-	229
Company	Existing shareholder (PPPM-W5)	11 May 2022	1 July 2022	31 January 2023	30 June 2023	1,238	-	367	1.00	-	0.100	37	871	-
						1,467	-	367				37	871	229

During the year 2023, the warrant holders to purchase ordinary shares of PP Prime Public Company Limited No.5 (PPPM-W5) exercised 367.01 million units of warrants at an exercise price of Baht 0.10 per share, totalling Baht 36.70 million. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 6 July 2023. The PPPM-W5 warrants have already expired due to the last exercise date was on 30 June 2023.

**27 Legal reserve**

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

## 28 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Changes in inventories of finished goods and work in process	(6,924)	22,074	(6,643)	16,148
Raw materials and supplies used	1,083,699	978,185	-	-
Staff costs	137,175	131,754	63,726	56,404
Depreciation and amortisation	59,487	82,871	2,144	3,023
Expected credit loss	14,971	35,252	8,345	179,534
Loss on impairment of assets	-	-	-	683,228
Loss on disposals of property, plant and equipment and intangible assets	470	228,267	-	-
Bad debts	13,808	9,733	3,242	9,733
Transportation expenses	26,143	15,623	20,970	13,159

## 29 Income tax expense

Income tax expense for the year comprises the following:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Current tax:				
Current tax on profits for the year	3,523	530	-	-
Adjustments in respect of prior year	7,618	(8,783)	-	-
<b>Total current tax</b>	<b>11,141</b>	<b>(8,253)</b>	<b>-</b>	<b>-</b>
Deferred income tax:				
(Increase) decrease in deferred tax assets (Note no. 18)	15,587	4,654	15,587	4,654
Increase (decrease) in deferred tax liabilities (Note no. 18)	361	2,927	312	2,902
<b>Total deferred tax</b>	<b>15,948</b>	<b>7,581</b>	<b>15,899</b>	<b>7,556</b>
<b>Income tax (benefit) expense</b>	<b>27,089</b>	<b>(672)</b>	<b>15,899</b>	<b>7,556</b>

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The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Parent's home country as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
<b>For the year ended 31 December</b>				
Loss before tax	(224,404)	(488,557)	(32,144)	(896,171)
Tax calculated at a tax rate of 20% (2022 : 20%)	(44,881)	(97,711)	(6,429)	(179,234)
Tax effect of:				
Additional income subject to tax	15,129	15,040	15,354	62,737
Income not subject to tax	-	(6)	-	-
Expenses not deductible for tax purpose	5,715	2,704	2,174	178,857
Expenses deductible at the greater amount	(7,245)	(5,812)	(7,121)	(1,892)
Utilisation of previously unrecognised tax losses	(5,262)	(4,912)	(5,262)	(52,912)
Tax losses for which no deferred income tax asset was recognised	28,387	26,522	-	-
Difference in overseas tax rate	10,445	72,286	-	-
Adjustment in respect of prior year	7,618	(8,783)	-	-
Adjustment on deferred income tax	17,183	-	17,183	-
Income tax (benefit) expense	27,089	(672)	15,899	7,556

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated financial statements					
	2023			2022		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>For the year ended 31 December</b>						
Revaluation surplus - Land and buildings	(5,162)	1,033	(4,129)	(661)	132	(529)
Remeasurements of:						
- Financial assets measured at fair value through other comprehensive income	12,165	18,007	30,172	594	(118)	476
Remeasurement on retirement benefit obligations	(3,440)	-	(3,440)	(7,635)	807	(6,828)
<b>Other comprehensive income</b>	3,563	19,040	22,603	(7,702)	821	(6,881)

	Separate financial statements					
	2023			2022		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>For the year ended 31 December</b>						
Revaluation surplus - Land and buildings	-	-	-	(661)	132	(529)
Remeasurements of:						
- Financial assets measured at fair value through other comprehensive income	12,165	18,007	30,172	594	(118)	476
Remeasurement on retirement benefit obligations	(1,208)	-	(1,208)	(4,035)	807	(3,228)
<b>Other comprehensive income</b>	10,957	18,007	28,964	(4,102)	821	(3,281)

### 30 Basic loss per share

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

Basic loss per share for the years ended 31 December calculation details are as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Basic loss per share</b>				
Loss for the year attributable to shareholders of the parent company (Thousand Baht)	(251,493)	(487,885)	(48,042)	(903,728)
Weighted average number of ordinary shares during the year (Thousand shares)	11,452,551	6,516,093	11,452,551	6,516,093
Basic loss per share (Baht per share)	(0.022)	(0.075)	(0.004)	(0.139)
<b>Diluted loss per share</b>				
Loss for the year attributable to shareholders of the parent company (Thousand Baht)	(251,493)	(487,885)	(48,042)	(903,728)
Weighted average number of ordinary shares during the year (Thousand shares)	11,452,551	6,516,093	11,452,551	6,516,093
Diluted loss per share (Baht per share)	(0.022)	(0.075)	(0.004)	(0.139)

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

### 31 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The following material transactions were carried out with related parties:

a) **Business transactions with related parties**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Transaction with Subsidiaries</b>				
Service income	-	-	12,505	16,911
Interest income	-	-	-	1,499
Purchase of goods	-	-	1,110,266	1,121,880
<b>Transaction with Related parties</b>				
Revenue from sales	-	643,851	-	643,851
Interest income	2	-	-	-
Purchase of raw materials	-	418,528	-	-
Other income	-	1,448	-	-
Finance costs	7	8	-	-

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Trade receivables, net</b>				
Related parties	-	31,297	-	31,297
<u>Less</u> Expected credit loss	-	(1,173)	-	(1,173)
	-	30,124	-	30,124
<b>Other receivables and accrued interest income, net</b>				
Subsidiaries	-	-	94,565	93,314
Associate	5,849	6,255	-	-
Related parties	1,441	1,575	-	-
<u>Less</u> Expected credit loss	(5,355)	(5,767)	(94,565)	(93,314)
	1,935	2,063	-	-
<b>Trade payables</b>				
Subsidiaries	-	-	24,723	61,719
Related parties	-	239	-	-
	-	239	24,723	61,719
<b>Other payables, accrued interest expenses and accrued expenses</b>				
Subsidiaries	-	-	-	9,787
Associate	727	782	-	-
Related parties	718	931	-	-
	1,445	1,713	-	9,787

**c) Short-term borrowings to related parties, net**

As at 31 December	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Related parties	61,921	66,554
Associate	72,568	78,144
<u>Less</u> Expected credit loss	(134,456)	(144,698)
Short-term borrowings to related parties, net	33	-

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

For the year ended 31 December	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Opening balance - net	-	-
Additions	115	22
Expected credit loss	(82)	(22)
Closing balance - net	33	-

The reconciliations of loss allowance for short-term borrowings to related parties for the years ended 31 December are as follow:

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
<b>Opening loss allowance as at 1 January</b>	144,698	161,159
Increase in loss allowance recognised in profit or loss during the year	82	22
Translation differences	(10,324)	(16,483)
<b>Closing loss allowance as at 31 December</b>	134,456	144,698

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

**d) Long-term borrowings to related parties, net**

As at 31 December	Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Subsidiaries	716,179	721,407
<u>Less</u> Expected credit loss	(716,179)	(721,407)
Long-term borrowings to related parties, net	-	-

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

<b>For the year ended 31 December</b>	<b>Separate financial statements</b>	
	<b>2023</b>	<b>2022</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Opening balance - net	-	165,424
Additions	8,627	18,272
Repayments received	(13,855)	(18,042)
Reversal of expected credit (loss)	5,228	(165,654)
Closing balance - net	-	-

The reconciliations of loss allowance for long-term borrowings to related parties for the years ended 31 December are as follow:

	<b>Separate financial statements</b>	
	<b>2023</b>	<b>2022</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Opening loss allowance as at 1 January</b>	721,407	555,753
(Reversal) Increase in loss allowance recognised in profit or loss during the year	(5,228)	165,654
<b>Closing loss allowance as at 31 December</b>	716,179	721,407

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

**e) Short-term borrowings from related parties**

<b>As at 31 December</b>	<b>Consolidated financial statements</b>	
	<b>2023</b>	<b>2022</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Related parties	242	261

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

<b>For the year ended 31 December</b>	<b>Consolidated financial statements</b>	
	<b>2023</b>	<b>2022</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Opening balance	261	291
Translation differences	(19)	(30)
Closing balance	242	261

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

f) **Directors' and management's remuneration**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term benefits	16,954	16,073	11,951	13,031
Post-retirement benefits	1,392	1,194	1,243	1,152
Other long-term benefits	11	18	11	18
	18,357	17,285	13,205	14,201

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

**32 Promotional privileges**

The Company and a local subsidiary has been granted privileges by the Board of Investment relating to manufacturing and distribution of aquatic animal feed. The Company and the subsidiary has received several tax privileges and exemptions. The summary of privileges granted are as follows:

- an exemption from payment of import duty and tax on machinery and equipment as approved by the Board of Investment,
- an exemption from payment of corporate income tax for promoted operations for periods of 8 years from the dates on which the income is received, and
- In case of loss from operation incurred during tax exemption period in (b), the loss carry forward can be offset with profits from operations after tax exemption period for the period of 5 years from the expiration date of the granted privileges in (b).

As a promoted company, a subsidiary must comply with certain conditions and restrictions provided for in the promotional certificates.

The details of each privilege are as follows:

Certificate	Privilege section	Date	Nature of privilege business	First derived income date	Expiry date
2091(2)/2554	25, 26, 28, 31, 34	31 August 2011	Manufacture of animal feeds or animal feed ingredients	1 June 2012	1 June 2020
1856(2)/2556	25, 26, 28, 31, 34, 35	19 June 2013	Manufacture of animal feeds or animal feed ingredients	16 May 2018	16 May 2026
1131(2)/2558	25, 26, 28, 31, 34, 35, 37	4 February 2015	Manufacture of animal feeds or animal feed ingredients	30 April 2015	30 April 2023

On 16 July 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. 2091(2)/2554, No.1856(2)/2556, and No.1131(2)/2558 category 1.6: Manufacture of animal feeds or animal feed ingredients of the company to Thai Luxe Enterprises (Thailand) Co., Ltd.

**33 Commitments and contingent liabilities**

a) **Capital commitments**

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

As at 31 December	Consolidated financial statements	
	2023	2022
	Thousand Baht	Thousand Baht
Property, plant and equipment	571,377	613,513

**b) Commitments under service agreements**

Power plant operation and maintenance agreement

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

**c) Commitments under Electricity sale/purchase agreements**

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

**d) Bank guarantees**

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

### 34 Events occurring after the reporting date

**1) Decrease of the Company's registered capital**

At the Company's Extraordinary General Meeting of Shareholders no. 1/2024 held on 30 January 2024, shareholders approved for the decrease of the Company's registered capital of Baht 1,443,132,226 from the existing registered capital of Baht 14,975,241,114 to Baht 13,532,108,888 by canceling the unsold registered share capital of 1,443,132,226 shares with the par value of Baht 1 per share and the amendment of the Company's Memorandum of Association Clause 4. The Company registered the decreased share capital with the Ministry of Commerce on 6 February 2024.

**2) Issuance and offering of convertible debentures**

At the Company's Extraordinary General Meeting of Shareholders no. 1/2024 held on 30 January 2024, shareholders approved for the following matters.

- 2.1) Approved the issuance and offering of the Convertible Debentures by private placement with the total offering price of not exceeding Baht 40,000,000 (40,000 units, Baht 1,000 per unit) to specific investors i.e. Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund 1 ("AO Fund 1") and the related authorisation.
- 2.2) Approved the increase of the Company's registered capital of Baht 1,000,000,000 from the existing registered capital of Baht 13,532,108,888 to Baht 14,532,108,888 by issuing not exceeding 1,000,000,000 newly issued ordinary shares with the par value of Baht 1 per share to support the exercise of convertible debentures by private placement and the amendment of the Company's Memorandum of Association Clause 4. The Company registered the increased share capital with the Ministry of Commerce on 7 February 2024.
- 2.3) Approved the allocation of the newly issued ordinary shares, whether once or several times, not exceeding 1,000,000,000 shares with the par value of Baht 1 per share to accommodate the exercise of the Convertible Debentures' conversion rights of AO Fund and AO Fund 1.