

PRIME ROAD POWER PUBLIC COMPANY LIMITED

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

31 MARCH 2020



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

To the Shareholders and the Board of Directors of Prime Road Power Public Company Limited

I have reviewed the interim consolidated financial information of Prime Road Power Public Company Limited and its subsidiaries, and the interim separate financial information of Prime Road Power Public Company Limited. These comprise the consolidated and separate statements of financial position as at 31 March 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
Bangkok
13 May 2020

Prime Road Power Public Company Limited
Statement of Financial Position
As at 31 March 2020

	Notes	Consolidated financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		31 March	31 December	31 March	31 December
		2020	2019	2020	2019
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Assets					
Current assets					
Cash and cash equivalents		52,933	44,638	7,457	2,263
Restricted deposits at financial institutions		8,000	8,000	-	-
Trade and other receivables	6	115,715	99,470	7,883	3,682
Short-term loans to related parties	14.3	36,239	33,206	-	-
Short-term loans to third party		8,919	8,256	-	-
Other current assets		22,924	25,460	544	181
Receivable from guaranteed investment	10.2	605,863	594,681	16,441	6,225
Assets under Share Subscription Agreement	10.3	623,892	619,431	641,513	636,821
Total current assets		1,474,485	1,433,142	673,838	649,172
Non-current assets					
Restricted deposits at financial institutions		243,613	232,932	-	-
Investments in subsidiaries	7.1	-	-	4,018,001	4,018,001
Investments in associates	7.2	1,147,526	1,078,163	-	-
Long-term loans to third parties		52,000	52,000	-	-
Property, plant and equipment	8	1,870,785	1,862,608	44	46
Right-of-use assets	3.1.2	114,763	-	4,449	-
Intangible assets	9	610,893	613,910	10	11
Deferred income tax assets, net		2,524	1,378	697	652
Other non-current assets		2,725	2,762	-	-
Total non-current assets		4,044,829	3,843,753	4,023,201	4,018,710
Total assets		5,519,314	5,276,895	4,697,039	4,667,882

Director _____ Director _____

The accompanying notes are an integral part of this interim financial information.

Prime Road Power Public Company Limited

Statement of Financial Position (Cont'd)

As at 31 March 2020

	Notes	Consolidated financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		31 March	31 December	31 March	31 December
		2020	2019	2020	2019
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Liabilities and equity					
Current liabilities					
Trade and other payables		55,305	53,576	9,034	6,694
Current portion of rights in power purchase agreements payable	11	3,607	3,566	-	-
Current portion of long-term borrowings from financial institutions	12	141,412	140,166	-	-
Current portion of lease liabilities		3,771	306	1,012	-
Short-term loans from third parties		202	202	-	-
Other current liabilities		3,488	2,776	389	351
Liabilities under Share Subscription Agreement	10.3	652,915	637,272	647,669	632,761
Total current liabilities		860,700	837,864	658,104	639,806
Non-current liabilities					
Rights in power purchase agreements payable	11	158,905	159,822	-	-
Long-term borrowings from financial institutions	12	1,571,431	1,590,402	-	-
Long-term loans from related parties	14.4	10,074	10,074	56,565	33,565
Lease liabilities		115,993	-	3,491	-
Promissory notes	14.6	182,566	313,387	-	-
Deferred income tax liabilities, net		2,953	3,064	-	-
Employee benefit obligations		5,737	5,486	3,429	3,262
Other non-current liabilities		20,425	19,390	-	-
Total non-current liabilities		2,068,084	2,101,625	63,485	36,827
Total liabilities		2,928,784	2,939,489	721,589	676,633

The accompanying notes are an integral part of this interim financial information.

Prime Road Power Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 March 2020

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Audited	Unaudited	Audited
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Liabilities and equity (Cont'd)				
Equity				
Share capital				
Authorised share capital				
Ordinary shares,				
25,514,280,600 shares of par Baht 1 each	25,514,281	25,514,281	25,514,281	25,514,281
Issued and paid-up share capital				
Ordinary shares,				
17,017,941,757 shares of fully-paid	17,017,942	17,017,942	17,017,942	17,017,942
Warrants	-	-	37,318	37,318
Deficits arising from reverse acquisition	(12,423,099)	(12,423,099)	(10,863,480)	(10,863,480)
Retained earnings				
Appropriated - legal reserve	17,193	17,193	-	-
Unappropriated (deficits)	197,890	106,190	(2,216,330)	(2,200,531)
Other components of equity				
Deficits arising from business combination				
under common control	(2,452,138)	(2,452,138)	-	-
Others	133,185	(25,892)	-	-
Equity attributable to owners of the parent	2,490,973	2,240,196	3,975,450	3,991,249
Non-controlling interests	99,557	97,210	-	-
Total equity	2,590,530	2,337,406	3,975,450	3,991,249
Total liabilities and equity	5,519,314	5,276,895	4,697,039	4,667,882

The accompanying notes are an integral part of this interim financial information.

Prime Road Power Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2020

	Notes	Consolidated financial information		Separate financial information	
		2020 Baht Thousand	2019 Baht Thousand	2020 Baht Thousand	2019 Baht Thousand
Revenues from electricity sales		95,556	82,914	-	-
Cost of sales		(40,263)	(34,755)	-	-
Gross profit		55,293	48,159	-	-
Other income		1,586	647	3,439	18,050
Reversal of impairment of investment in subsidiaries		-	-	-	77,288
Administrative expenses		(27,848)	(25,597)	(19,115)	(75,329)
Net gain (loss) on exchange rate		2,223	(120)	29	621
Finance costs		(25,546)	(22,489)	(165)	(15,246)
Share of profit from associates	7.2	88,341	80,805	-	-
Profit (loss) before income tax		94,049	81,405	(15,812)	5,384
Income tax		12	263	38	-
Profit (loss) for the period		94,061	81,668	(15,774)	5,384
Other comprehensive income:					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Fair value reserve		8,328	-	-	-
<i>Item that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial information		47,228	173	-	-
Total comprehensive income (expense) for the period		149,617	81,841	(15,774)	5,384
Profit (loss) attributable to:					
Owners of the parent		91,714	78,834	(15,774)	5,384
Non-controlling interests		2,347	2,834	-	-
		94,061	81,668	(15,774)	5,384
Total comprehensive income (expense) attributable to:					
Owners of the parent		147,270	79,007	(15,774)	5,384
Non-controlling interests		2,347	2,834	-	-
		149,617	81,841	(15,774)	5,384
Earnings per share	13	Baht	Baht	Baht	Baht
Basic earnings (loss) per share		0.005	0.005	(0.001)	0.003
Diluted earnings (loss) per share		0.005	0.005	(0.001)	0.003

The accompanying notes are an integral part of this interim financial information.

Prime Road Power Public Company Limited
Statement of Changes in Equity (Unaudited)
For the three-month period ended 31 March 2020

Consolidated financial information													
Attributable to owners of the parent													
Capital contributed			Retained earnings			Other components of equity							
Issued and paid-up share capital	Baht Thousand	Baht Thousand	Deficits arising from reverse acquisition	Appropriated - legal reserve	Unappropriated	Deficits arising from business combination under common control	Exchange differences on translating financial information	Changes in controlling interest in subsidiaries	Fair value reserve	Total other components of equity	Total owners of the parent	Non-controlling interests	
			Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Opening balance as at 1 January 2019													
(Adjusted for reverse acquisition)	14,881,483	(10,863,480)		172,170		(2,452,138)	(8,956)	(5,246)	-	(2,466,340)	1,723,833	87,401	1,811,234
Changes in equity for the period													
Subscription of shares in subsidiary by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	152	152
Total comprehensive income for the period	-	-	-	78,834	-	-	173	-	-	173	79,007	2,834	81,841
Closing balance as at 31 March 2019	14,881,483	(10,863,480)		251,004		(2,452,138)	(8,783)	(5,246)	-	(2,466,167)	1,802,840	90,387	1,893,227
Balance as at 31 December 2019													
- Previously reported	17,017,942	(12,423,099)		17,193	106,190	(2,452,138)	(20,646)	(5,246)	-	(2,478,030)	2,240,196	97,210	2,337,406
Retrospective adjustments due to changes in accounting policy	-	-	-	(14)	-	-	-	-	103,521	103,521	103,507	-	103,507
Opening balance as at 1 January 2020													
- Restated	17,017,942	(12,423,099)		17,193	106,176	(2,452,138)	(20,646)	(5,246)	103,521	(2,374,509)	2,343,703	97,210	2,440,913
Change in equity for the period													
Total comprehensive income for the period	-	-	-	91,714	-	-	47,228	-	8,328	55,556	147,270	2,347	149,617
Closing balance as at 31 March 2020	17,017,942	(12,423,099)		17,193	197,890	(2,452,138)	26,582	(5,246)	111,849	(2,318,953)	2,490,973	99,557	2,590,530

The accompanying notes are an integral part of this interim financial information.

Prime Road Power Public Company Limited
Statement of Changes in Equity (Unaudited) (Cont'd)
For the three-month period ended 31 March 2020

	Separate financial information						Total
	Note	Issued and paid-up share capital		Share discount on business acquisition		Deficits	
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand		
Opening balance as at 1 January 2019		2,136,460	37,964	-	(2,142,400)	32,024	
Change in equity for the period		-	-	-	5,384	5,384	
Total comprehensive income for the period							
Closing balance as at 31 March 2019		2,136,460	37,964	-	(2,137,016)	37,408	
Balance as at 31 December 2019 - Previously reported		17,017,942	37,318	(10,863,480)	(2,200,531)	3,991,249	
Retrospective adjustments due to changes in accounting policy	3	-	-	-	(25)	(25)	
Opening balance as at 1 January 2020 - Restated		17,017,942	37,318	(10,863,480)	(2,200,556)	3,991,224	
Change in equity for the period		-	-	-	(15,774)	(15,774)	
Total comprehensive expense for the period							
Closing balance as at 31 March 2020		17,017,942	37,318	(10,863,480)	(2,216,330)	3,975,450	

The accompanying notes are an integral part of this interim financial information.

Prime Road Power Public Company Limited
Statement of Cash Flows (Unaudited)
For the three-month period ended 31 March 2020

	Consolidated		Separate	
	financial information		financial information	
	2020	2019	2020	2019
Notes	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash flows from operating activities				
Profit (loss) before income tax	94,049	81,405	(15,812)	5,384
Adjustments for:				
Depreciation	26,979	21,045	270	1,381
Amortisation	9	6,315	1	1,172
Loss from write-off of equipment	8	40	-	-
Amortisation of debt issuance cost	12	869	-	-
Share of profit from associates	7.2	(80,805)	-	-
Employee benefit obligations	251	32	167	74
Unrealised (gain) loss on exchange rate	(2,184)	236	-	(621)
Impairment of investment in subsidiaries	-	-	-	19,260
Reversal of impairment of investment in subsidiaries	-	-	-	(77,288)
Interest income	(1,334)	(647)	-	(14,181)
Finance costs	24,751	21,620	165	15,246
Bad debts and allowance for doubtful accounts	-	-	-	38,883
Changes in working capital:				
Trade and other receivables	(18,750)	(36,993)	(5,579)	(3,400)
Other current assets	2,709	(7,990)	(218)	(280)
Other non-current assets	37	-	-	-
Trade and other payables	1,764	(4,700)	2,813	864
Other current liabilities	712	560	37	211
Other non-current liabilities	-	-	-	(410)
Cash generated from (used in) operations	48,135	987	(18,156)	(13,705)
<u>Add</u> Interest received	5	52	-	1
<u>Less</u> Interest paid	(21,125)	(21,338)	(516)	(1,456)
<u>Less</u> Income tax paid	(96)	(60)	(78)	(22)
Net cash generated from (used in) operating activities	26,919	(20,359)	(18,750)	(15,182)

The accompanying notes are an integral part of this interim financial information.

Prime Road Power Public Company Limited
Statement of Cash Flows (Unaudited) (Cont'd)
For the three-month period ended 31 March 2020

	Consolidated		Separate	
	financial information		financial information	
	2020	2019	2020	2019
Notes	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash flows from investing activities				
(Increase) decrease in restricted deposits				
at financial institutions	(10,681)	23,283	-	-
Short-term loan made to related parties	-	-	-	(17,772)
Repayments received from short-term loan				
to related parties	-	864	-	1,300
Short-term loan made to third parties	(663)	-	-	-
Acquisition of subsidiaries, net				
of cash acquired	-	(13,069)	-	-
Dividends received	7.2	41,867	-	-
Acquisition of investments in associates	-	(13,109)	-	-
Acquisition of property, plant and equipment	(10,991)	(104,435)	-	-
Acquisition of intangible assets	(1,196)	(663)	-	-
Net cash generated from (used in)				
investing activities	18,336	(107,129)	-	(16,472)
Cash flows from financing activities				
Increase in bank overdrafts	1,245	-	1,245	667
Proceeds from short-term loan from third parties	-	39,780	-	-
Proceeds from issuance of bills of exchange	-	-	-	298,026
Repayments to bills of exchange	-	-	-	(298,000)
Proceeds from short-term loan from related parties	-	-	-	31,627
Repayments to short-term loan from related parties	-	-	-	(500)
Repayments to lease liabilities	(4,451)	(165)	(301)	(255)
Proceeds from long-term loan from related parties	14.4	4,000	23,000	-
Repayments to long-term loan from related parties	-	(4,000)	-	-
Proceeds from long-term borrowings				
from financial institutions, net				
of cash paid for debt issuance cost	-	50,528	-	-
Repayments to long-term borrowings				
from financial institutions	12	(35,787)	-	-
Subscription of shares in subsidiaries				
by non-controlling interests	-	28	-	-
Net cash (used in) generated from				
financing activities	(38,993)	67,433	23,944	31,565

The accompanying notes are an integral part of this interim financial information.

Prime Road Power Public Company Limited
Statement of Cash Flows (Unaudited) (Cont'd)
For the three-month period ended 31 March 2020

	Consolidated financial information		Separate financial information	
	2020 Baht Thousand	2019 Baht Thousand	2020 Baht Thousand	2019 Baht Thousand
Net increase (decrease) in				
cash and cash equivalents	6,262	(60,055)	5,194	(89)
Cash and cash equivalents at beginning of the period	44,638	96,932	2,263	495
Exchange rate differences	2,033	(362)	-	-
Cash and cash equivalents at end of the period	52,933	36,515	7,457	406
Non-cash transactions				
Significant non-cash transactions are as follows:				
Acquisition of property and equipment, not yet paid	720	131,053	-	-
Acquisition of investment in subsidiaries, not yet paid	8,090	13,140	-	-
Receivable from subscription of shares in a subsidiary by non-controlling interests	-	124	-	-
Long-term loan to third parties decreased due to borrowers become subsidiary	-	1,516	-	-

The accompanying notes are an integral part of this interim financial information.

1 General information

Prime Road Power Public Company Limited ("the Company") is incorporated in Thailand and is a public limited company which is listed on the Stock Exchange of Thailand.

The Company changed its name from Food Capitals Public Company Limited to Prime Road Power Public Company Limited on 26 July 2019.

On 31 July 2019, the Company has changed its registered office to:
22nd Floor TP&T Tower, 1 Soi Vibhavadee-Rangsit 19 Chatuchak, Chatuchak, Bangkok

For reporting purposes, Food Capitals Public Company Limited and its subsidiaries before the business acquisition are referred to as "FC Group". Prime Road Alternative Company Limited and its subsidiaries before the business acquisition are referred to as "PRA Group". FC Group and PRA Group after the business acquisition is collectively referred to as "the Group".

On 26 July 2019, under the terms and conditions of "Share Subscription Agreement", the Company acquired 4,018,001 shares of Prime Road Alternative Co., Ltd. ("PRA") by issuing 14,881,481,481 ordinary shares with a par value of Baht 1 each, at the offering price of Baht 0.27 each (Price at the transaction date on 26 July 2019 was Baht 0.42 per share) to PRG Development Company Limited ("PRGD"), the parent of PRA. As a result, PRGD becomes the Company's major shareholders by holding 87.45% of issued shares, having controlling power over the Company. For accounting purpose, considering size of PRA Group that is significantly larger than FC Group and the management of FC Group were replaced by those of PRA Group after acquisition, the transaction is considered as a business acquisition and is a reverse acquisition in accordance with TFRS 3 "Business Combination". As a result, the consolidated financial information reflects PRA Group as acquirer in accounting and FC Group is acquiree, which is different from the legal form and presentation of the separate financial information which is reflecting that the Company holds 99.99% interests in PRA Group.

The principal business operations of the Group are the construction of power plants and generation of electricity from renewable energy to distribute to individuals, corporations, government agencies, state-owned enterprises both domestic and overseas.

This interim consolidated and separate financial information are presented in Thai Baht and rounded to the nearest thousand, unless otherwise stated.

This interim consolidated and separate financial information was authorised for issue by the Board of Directors on 13 May 2020.

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

2 Basis of preparation

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

The consolidated financial information was prepared in accordance with the basis of business combination - reverse acquisition. Prime Road Power Public Company Limited is a legal parent company but is an accounting acquiree. PRA Group is legal subsidiaries but is accounting acquirer as explained in Note 1.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

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

3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019, except as described below.

3.1 Adoption of new financial reporting standards

The Group has adopted financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) retrospectively from 1 January 2020, but has not restated comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

	Consolidated financial information			
	As at 31 December 2019 Previously reported Baht Thousand	TAS 32 and TFRS 9 Reclassifications and adjustments Baht Thousand (Note 3.1.1)	TFRS 16 Reclassifications and adjustments Baht Thousand (Note 3.1.2)	As at 1 January 2020 Restated Baht Thousand
Assets				
Current assets				
Trade and other receivables	99,470	-	(2,349)	97,121
Non-current assets				
Investments in associates	1,078,163	(20,707)	(2,566)	1,054,890
Right-of-use assets	-	-	115,563	115,563
Deferred income tax assets, net	1,378	-	1,245	2,623
Liabilities and equity				
Current liabilities				
Trade and other payable	53,576	-	(1,311)	52,265
Current portion of lease liabilities	306	-	3,018	3,324
Non-current liabilities				
Lease liabilities	-	-	118,769	118,769
Promissory notes	313,387	(132,797)	-	180,590
Equity				
Retained earnings	106,190	8,569	(8,583)	106,176
Fair value reserve	-	103,521	-	103,521

	Separate financial information			
	As at 31 December 2019 Previously reported Baht Thousand	TAS 32 and TFRS 9 Reclassifications and adjustments Baht Thousand (Note 3.1.1)	TFRS 16 Reclassifications and adjustments Baht Thousand (Note 3.1.2)	As at 1 January 2020 Restated Baht Thousand
Assets				
Non-current assets				
Right-of-use assets	-	-	4,018	4,018
Deferred income tax assets, net	652	-	6	658
Liabilities and equity				
Current liabilities				
Current portion of lease liabilities	-	-	777	777
Non-current liabilities				
Lease liabilities	-	-	3,272	3,272
Equity				
Deficits	(2,200,531)	-	(25)	(2,200,556)

3 Accounting policies (Cont'd)

3.1 Adoption of new financial reporting standards (Cont'd)

3.1.1 Financial instrument

Initial recognition of financial assets and liabilities at fair value

The Group has financial liabilities being promissory notes liable to associates (Note 14.6) that were not recognised at fair value. The promissory notes were initially remeasured to fair value and cumulative adjustments of Baht 132.80 million as of 1 January 2020 were made by decreasing investments in associates, promissory notes and retained earnings amounting to Baht 124.23 million, Baht 132.80 million and Baht 8.57 million, respectively.

Classification and measurement of investments in equity instruments (previously classified as general investments)

Unquoted investment invested by an associate, Aizu Energy Pte. Ltd. was remeasured to fair value through other comprehensive income. A cumulative adjustment of Baht 103.52 million as of 1 January 2020 was made by increasing investments in associates and other components of equity (Fair value reserve).

3.1.2 Lease Agreement

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was ranging from 4.50% to 5.00% per annum.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

	Consolidated financial information Baht Thousand
Operating lease commitments disclosed as at 31 December 2019	190,250
<u>Less</u> Discounted using the lessee's incremental borrowing rate at the date of initial application	<u>(68,463)</u>
Lease liability recognised as at 1 January 2020	121,787
Current lease liabilities	3,018
Non-current lease liabilities	118,769

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

3 Accounting policies (Cont'd)

3.1 Adoption of new financial reporting standards (Cont'd)

3.1.2 Lease Agreement (Cont'd)

The recognised right-of-use assets relate to the following types of assets:

	Consolidated financial information		Separate financial information	
	31 March 2020 Baht Thousand	1 January 2020 Baht Thousand	31 March 2020 Baht Thousand	1 January 2020 Baht Thousand
Land	110,314	111,545	-	-
Office building	3,808	4,018	3,808	4,018
Motor vehicle	641	-	641	-
Total right-of-use assets	114,763	115,563	4,449	4,018

Practical expedients applied

In applying TFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 determining whether an Arrangement contains a Lease.

3.2 Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases

3.2.1 Financial instrument

Impairment

From 1 January 2020, the Group assesses expected credit loss on a forward-looking basis for its financial assets carried at fair value through other comprehensive income (FVOCI) and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except trade receivables, contract assets, and lease receivables which the Group applies the simplified approach in determining its expected credit loss.

Financial guarantee

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 a) the amount of expected credit loss determined; and b) the amount initially recognised less the cumulative amount of income recognised.

3 Accounting policies (Cont'd)

3.2 Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases (Cont'd)

3.2.2 Leases

The Group leases various office building, land and motor vehicle. Rental contracts are typically made for fixed periods of 3 to 25 years but may have extension options. Before 2020 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2020, 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.

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 an index or a rate
- 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.

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 and small items of office equipments and motor vehicles.

3.3 Reclassification

Comparative separate statement of comprehensive income has been reclassified to conform with changes in presentation in the current period as follows:

	Before reclassification Baht Thousand	Reclassification Baht Thousand	After reclassification Baht Thousand
Other income	1,811	16,239	18,050
Management service income	2,679	(2,679)	-
Interest income	14,181	(14,181)	-
Net gain on exchange rate	-	621	621

4 Estimates

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

5 Segment and revenue information

The Board of Directors is the Group's chief operating decision-maker. The Board of Directors has determined the operating segments based on the information reviewed for the purposes of allocating resources and assessing performance.

Business segment

The Group operates in a single business being the generation and distribution of electricity generated from solar energy. Therefore, the Board of Directors considers that the Group has only one business segment.

Geographic segment

Segment information is presented in respect of the Group's geography segments which are domestic and international. The two segments presented were classified and reviewed by authorised persons which is the Board of Directors. The following information is used by authorised persons to evaluate operation of each segment.

Prime Road Power Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2020

5 Segment and revenue information (Cont'd)

Financial information by geography segment

For the three-month period ended 31 March	Consolidated financial information														
	Domestic			International			Total			Elimination			Total		
	2020 Baht Thousand	2019 Baht Thousand	2020 Baht Thousand	2019 Baht Thousand	2020 Baht Thousand	2019 Baht Thousand	2020 Baht Thousand	2019 Baht Thousand	2020 Baht Thousand	2019 Baht Thousand	2020 Baht Thousand	2019 Baht Thousand	2020 Baht Thousand	2019 Baht Thousand	
Revenues from electricity sales	86,620	82,914	8,936	-	95,556	82,914	-	-	(2,740)	-	95,556	82,914	-	82,914	
Cost of sales	(32,066)	(31,150)	(5,457)	-	(37,523)	(31,150)	-	(3,605)	-	(3,605)	(40,263)	(34,755)	-	(34,755)	
Gross profit	54,554	51,764	3,479	-	58,033	51,764	(2,740)	(3,605)	(2,740)	(3,605)	55,293	48,159	1,586	48,159	
Other income	10,523	15,409	5	1	10,528	15,410	(8,942)	(14,763)	(8,942)	(14,763)	1,586	647	1,586	647	
Administrative expenses	(29,917)	(27,560)	(1,967)	(939)	(31,884)	(28,499)	4,036	2,902	4,036	2,902	(27,848)	(25,597)	(27,848)	(25,597)	
Net gain (loss) on exchange rate	2,223	(86)	-	(4)	2,223	(90)	-	(30)	-	(30)	2,223	(120)	2,223	(120)	
Finance costs	(28,134)	(26,093)	(1,617)	(56)	(29,751)	(26,149)	4,205	3,660	4,205	3,660	(25,546)	(22,489)	(25,546)	(22,489)	
Share of profit (loss) from associates	82,030	81,290	6,311	(485)	88,341	80,805	-	-	-	-	88,341	80,805	-	80,805	
Profit (loss) before income tax	91,279	94,724	6,211	(1,483)	97,490	93,241	(3,441)	(11,836)	(3,441)	(11,836)	94,049	81,405	12	81,405	
Income tax	299	263	-	-	299	263	(287)	-	(287)	-	12	263	-	263	
Net profit (loss) for the period	91,578	94,987	6,211	(1,483)	97,789	93,504	(3,728)	(11,836)	(3,728)	(11,836)	94,061	81,668	12	81,668	
At	Domestic			International			Total			Elimination			Total		
31 March 2020	31 March 2019	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	
15,808,780	15,668,349	1,202,644	1,020,951	17,011,424	16,689,300	(11,412,405)	5,519,314	5,276,895	(11,492,110)	(11,412,405)	5,519,314	5,276,895	(1,418,560)	2,939,489	
3,991,593	4,059,032	355,751	339,533	4,347,344	4,398,565	(1,459,076)	2,928,784	2,939,489	(1,418,560)	(1,459,076)	2,928,784	2,939,489	(1,418,560)	2,939,489	

The Board of Directors assesses the performance of the operating segments bases on a measure of net profit as presented in consolidated financial information which is relevant and comparable with other entities in the same industries.

All of revenues of the Group are revenues from electricity sales which have timing of revenue recognition at a point in time.

6 Trade and other receivables

The Group has only one trade accounts receivable which is Provincial Electricity Authority ("PEA"). All outstanding trade accounts receivable are not yet due.

7 Investments in subsidiaries and associates

7.1 Investments in subsidiaries

Transactions incurred during 2020

Investment by subsidiary

Prime Road Alternative (Cambodia) Co., Ltd.

During the period, Prime Road Group ("PRG") made additional payment for the called-up capital in Prime Road Alternative (Cambodia) Co., Ltd. amounting to USD 125,304.

7.2 Investments in associates

	Consolidated financial information	
	31 March 2020 Baht Thousand	31 December 2019 Baht Thousand
Investments in associates	1,147,526	1,078,163

The movements of investments in associates are as follows:

	Consolidated financial information Baht Thousand
For the three-month period ended 31 March 2020	
Opening net book amount	1,078,163
Retrospective adjustments from changes in accounting policy (Note 3)	(23,273)
Share of profit from investments	88,341
Share of loss from guaranteed investment	(300)
Dividends income	(41,867)
Exchange differences on translating financial information	37,834
Transfer to assets under Share Subscription Agreement	300
Fair value reserve	8,328
Closing net book amount	1,147,526

8 Property, plant and equipment

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
For the three-month period ended 31 March 2020		
Opening net book amount	1,862,608	46
Additions	11,711	-
Disposals/write-offs, net	(8)	-
Depreciation charge	(25,480)	(2)
Exchange differences on translating financial information	21,954	-
Closing net book amount	<u>1,870,785</u>	<u>44</u>

As at 31 March 2020, land with the net book amount of Baht 32.72 million (31 December 2019: Baht 32.72 million) and buildings and equipment of Baht 1,828.69 million (31 December 2019: Baht 1,819.76 million) are pledged as collateral for long-term borrowings (Note 12).

Capital commitments

Capital commitments as at the date of the statement of financial position but not included in the financial information are as follows:

		Consolidated financial information	
	Currency	31 March 2020	31 December 2019
Power plants, tools and equipment in power plants	USD Thousand	5	-
Power plants, tools and equipment in power plants	NTD Thousand	349,982	1,758

9 Intangible assets

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
For the three-month period ended 31 March 2020		
Opening net book amount	613,910	11
Additions	320	-
Amortisation charge	(6,688)	(1)
Exchange differences on translating financial information	3,351	-
Closing net book amount	<u>610,893</u>	<u>10</u>

Capital commitments

Capital commitments as at the date of the statement of financial position but not included in the financial information are as follows:

		Consolidated financial information	
	Currency	31 March 2020	31 December 2019
Computer software	Baht Thousand	202	375

10 Business combination

As explained in Note 1, for accounting purpose, PRA Group – the acquirer, has completed the acquisition of FC Group - the acquiree, on 26 July 2019, with the conditions that the former shareholders of FC Group have to comply with as follows:

- a) Disposal of investments and liabilities in accordance with the “Conditions Precedent” before the business combination.

The former shareholders of FC Group has completed the disposal of the investments and liabilities before 26 July 2019.

- b) Obligations for disposal of assets and liabilities in connection with the Covenants of business combination and guarantee of investment value.

The former shareholders of FC Group has to dispose of assets and liabilities in accordance with the Covenants after business combination within 12 months, and payment of the consideration has to be made in full within 15 months from 26 July 2019.

At all events, the FC Group must have net assets after completing the conditions in both a) and b) in the amount of Baht 576.84 million. In case the net assets are less than Baht 576.84 million, Mr. Krit Srichawla - the former major shareholder of FC Group, has agreed to undertake the assets for FC Group in order to derive the net assets to be converted into cash at Baht 576.84 million. Consequently, the assets and liabilities acquired from the acquisition of FC Group of net amount of Baht 576.84 million are presented as “Assets/Liabilities under Share Subscription Agreement” (Note 10.3) in the consolidated financial information. The difference of Baht 576.84 million and net book value of the assets and liabilities of FC Group at the acquisition date will be recorded as “Receivable from guaranteed investment” as explained in Note 10.2.

10 Business combination (Cont'd)

Transactions related to business combination are as follows:

10.1 Transactions at business acquisition date

Consideration paid to FC Group and identifiable assets and liabilities assumed at the acquisition date are as follows:

	Consolidated financial information Baht Thousand
Recognised amounts of identifiable assets acquired and liabilities assumed	
Assets	
Cash and cash equivalents	283
Trade and other receivables	162,312
Short-term loans to third party	4,636
Other current assets	9,383
Investments in associates	95,154
Other investments	246,340
Short-term loans to related parties	30,070
Leasehold right of land	49,917
Investment property	54,699
Other non-current assets	700
Receivable from guaranteed investment (Note 10.2)	586,430
Liabilities	
Bank overdraft	(30,105)
Trade and other payables	(88,329)
Promissory notes	(310,749)
Current portion of debentures	(200,000)
Other current liabilities	(6,737)
Short-term loans from related parties	(27,164)
Identifiable net assets	<u>576,840</u>
Consideration paid	<u>576,840</u>
Goodwill	<u>-</u>

The consideration paid is calculated from number of shares issued by PRA to the former shareholders of FC Group, in order for the ownership proportion in the combined business equal to the proportion after reverse acquisition, which is 576,840 ordinary shares of PRA presenting at the value amount of Baht 576.84 million which is the price agreed by acquirer and acquiree on the contract date. The Group is currently assessing the fair value of PRA's shares as at the acquisition date, which is expected to be completed within 12 months from the acquisition date.

The difference between the agreed price and fair value of PRA's shares issued for the business acquisition will be recognised as goodwill or bargain purchase, as the case may be.

10 Business combination (Cont'd)

Transactions related to business combination are as follows: (Cont'd)

10.2 Receivable from guaranteed investment

Receivable from guaranteed investment at the business acquisition date is the difference of book value of FC Group's identifiable net assets at the acquisition date which is lower than the guaranteed amount per agreement.

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
Guaranteed amount per agreement	576,840	-
Book value of FC Group's net liabilities at the acquisition date	9,590	-
Receivable from guaranteed investment at the acquisition date	586,430	-
Guarantee of related income and expenses after the acquisition date		
Other income	(6,408)	(7,809)
Finance costs	36,948	36,948
Administrative expenses	3,176	2,313
Amortisation expense	1,880	1,880
Share of loss from investment in associates	728	-
Repayment of liabilities under Share Subscription Agreement	(16,891)	(16,891)
Receivable from guaranteed investment at 31 March 2020	605,863	16,441

Balance of receivable from guaranteed investment has been changed from the acquisition date according to the conditions of guarantee, which includes the transactions of income and expenses after the acquisition date, that are relating to FC Group's net assets as on the acquisition date.

10 Business combination (Cont'd)

Transactions related to business combination are as follows: (Cont'd)

10.3 Assets and liabilities under Share Subscription Agreement

Book value of assets and liabilities under Share Subscription Agreement as at 31 March 2020 and as at 31 December 2019 are as follows:

	Consolidated financial information		Separate financial information	
	31 March 2020 Baht Thousand	31 December 2019 Baht Thousand	31 March 2020 Baht Thousand	31 December 2019 Baht Thousand
Assets under Share Subscription Agreement				
Cash and cash equivalents	165	166	82	82
Trade and other receivables	136,405	131,260	167,710	162,267
Short-term loans to related parties	30,070	30,070	1,090	1,090
Short-term loans to third party	4,901	4,523	-	-
Other current assets	8,868	8,946	8,949	9,017
Investments in subsidiaries	-	-	315,964	315,964
Investments in associates	94,407	94,707	-	-
Other investment	246,340	246,340	-	-
Investment property	54,699	54,699	54,699	54,699
Leasehold right of land	48,037	48,720	48,037	48,720
Long-term loans to related parties	-	-	44,982	44,982
Total assets	623,892	619,431	641,513	636,821
Liabilities under Share Subscription Agreement				
Bank overdraft	29,988	28,743	29,988	28,743
Trade and other payables	74,983	60,585	69,767	56,104
Short-term loans from related parties	27,194	27,194	27,164	27,164
Short-term loans from other	514,250	514,250	514,250	514,250
Other current liabilities	6,500	6,500	6,500	6,500
Total liabilities	652,915	637,272	647,669	632,761
Total net (liabilities) assets under Share Subscription Agreement	(29,023)	(17,841)	(6,156)	4,060
Receivable from guaranteed investment				
Guaranteed amount per agreement	576,840	576,840		
Additional receivable from guarantee of related transactions after the acquisition date	29,023	17,841		
Balance as at 31 March 2020 (Note 10.2)	605,863	594,681		

11 Rights in power purchase agreements payable

The Group has entered into sponsorship agreements to produce electricity from ground - mounted solar power plants. The royalties of the sponsorship are recognised as "Rights in power purchase agreements payable" commencing from the commercial operations dates (COD).

The present value of rights in power purchase agreements payable are due as follows:

	Consolidated financial information	
	31 March 2020 Baht Thousand	31 December 2019 Baht Thousand
Not later than one year	3,607	3,566
Later than 1 year but not later than 5 years	16,228	16,041
Later than 5 years	142,677	143,781
	162,512	163,388

The movements of rights in power purchase agreements payable are as follows:

	Consolidated financial information Baht Thousand
For the three-month period ended 31 March 2020	
Opening net book amount	163,388
Repayments of liabilities	(2,784)
Finance cost	1,908
Closing net book amount	162,512

12 Long-term borrowings from financial institutions

	Consolidated financial information	
	31 March 2020 Baht Thousand	31 December 2019 Baht Thousand
Current portion of long-term borrowings	141,412	140,166
Long-term borrowings	1,571,431	1,590,402
	1,712,843	1,730,568

12 Long-term borrowings from financial institutions (Cont'd)

The movements of long-term borrowings from financial institutions are as follows:

	Consolidated financial information Baht Thousand
For the three-month period ended 31 March 2020	
Opening net book amount	1,730,568
Interest	19,251
Repayment of borrowings:	
- Principal	(35,787)
- Interest	(19,429)
Amortisation of debt issuance costs	796
Exchange differences on translating financial information	17,444
Closing net book amount	<u>1,712,843</u>

The borrowings are secured by the pledge of share certificates of subsidiaries, property, plant and equipment (Note 8) and saving accounts.

The loan agreements contain covenants imposed on the Group as specified in the agreements, related to such matters as dividend payment, transfer of share capital, merger or consolidation with other entities and maintenance of certain debt servicing ratios.

Interest rates

The effective interest rates at the statement of financial position date were as follows:

	Consolidated financial information	
	31 March 2020	31 December 2019
Long-term borrowings from financial institutions	THBFIX + 3.70% 4.50 - 5.00% 1 year TAIBOR + 1.30%	THBFIX + 3.70% 4.50 - 5.00% 1 year TAIBOR + 1.30%

13 Earnings per share

The calculation of earnings per share of the consolidated financial information is as follows:

- a) Earnings per share for the three-month period ended 31 March 2020 with the reverse acquisition basis are calculated by dividing the profit (loss) for the period by the weighted average of number of ordinary shares during the period, as follows:
 - Weighted average number of ordinary shares during the period of Prime Road Alternative Company Limited multiplied by the exchange ratio and
 - Outstanding ordinary shares at the acquisition date to the date of period end of Prime Road Power Public Company Limited.
- b) The comparative earnings per share are calculated by dividing the net profit for the period of Prime Road Alternative Company Limited by the weighted average number of ordinary shares in each period of Prime Road Alternative Company Limited multiplied by the exchange ratio.

Earnings (loss) per share for the three-month period ended 31 March are as follows:

	Consolidated financial information		Separate financial information	
	2020 Baht Thousand	2019 Baht Thousand	2020 Baht Thousand	2019 Baht Thousand
Net profit (loss) for the period	91,714	78,834	(15,774)	5,384
Number of weighted average of ordinary share for basic earnings per share				
Number of ordinary shares (thousand shares)	17,017,942	4,018	17,017,942	2,136,460
Exchange ratio	1.00	3,703.70		
Number of weighted average of ordinary shares from reverse acquisition (thousand shares)	17,017,942	14,881,482		
Number of weighted average of ordinary share (thousand shares)			17,017,942	2,136,460
Basic earnings (loss) per share (Baht)	0.005	0.005	(0.001)	0.003
Adjustment for diluted earnings per share				
Number of weighted average of ordinary share and ordinary shares to be used for diluted earnings per share (thousand shares)	17,017,942	14,881,482	17,017,942	2,136,460
Diluted earnings (loss) per share (Baht)	0.005	0.005	(0.001)	0.003

Warrants were not included in the calculation of diluted earnings per share because the exercise price of the warrants was higher than the market price.

14 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 Company is controlled by Prime Road Tech Inter Limited, incorporated in Hong Kong Special Administrative Region, which owns 41.97% of the Company's total ordinary shares.

The Group's ultimate controlling party is Mr. Somprasong Panjalak.

14.1 Transactions with related parties

Transactions with related parties for the three-month period ended 31 March are as follows:

	Consolidated financial information		Separate financial information	
	2020 Baht Thousand	2019 Baht Thousand	2020 Baht Thousand	2019 Baht Thousand
Interest income				
Subsidiaries	-	-	-	14,181
Associates	556	5	-	-
	<u>556</u>	<u>5</u>	<u>-</u>	<u>14,181</u>
Management fee				
Subsidiaries	-	-	3,210	2,679
Other income				
Subsidiaries	-	-	30	410
Related parties	54	-	-	-
	<u>54</u>	<u>-</u>	<u>30</u>	<u>410</u>
Interest expense				
Subsidiaries	-	-	109	294
Related parties	-	-	-	67
Directors	25	32	-	1,421
	<u>25</u>	<u>32</u>	<u>109</u>	<u>1,782</u>
Purchase of goods and services				
Subsidiaries	-	-	-	49
Related parties	-	-	-	234
	<u>-</u>	<u>-</u>	<u>-</u>	<u>283</u>

14 Related-party transactions (Cont'd)

14.2 Outstanding balances arising from sales and purchases of goods and services

The outstanding balances at the end of the period in relation to transactions with related parties are as follows:

	Consolidated financial information		Separate financial information	
	31 March 2020 Baht Thousand	31 December 2019 Baht Thousand	31 March 2020 Baht Thousand	31 December 2019 Baht Thousand
Accrued income				
Subsidiaries	-	-	1,656	1,521
Amounts due from related parties				
Subsidiaries	-	-	2,083	1,511
Related parties	1,560	1,506	-	-
	<u>1,560</u>	<u>1,506</u>	<u>2,083</u>	<u>1,511</u>
Advance payment				
Related parties	<u>21,670</u>	<u>21,670</u>	-	-
Interest receivable				
Associates	<u>1,463</u>	<u>811</u>	-	-
Amounts due to related parties				
Directors	<u>41</u>	<u>126</u>	<u>21</u>	<u>106</u>
Accrued interest expenses				
Subsidiaries	-	-	184	75
Directors	<u>6,420</u>	<u>6,396</u>	-	-
	<u>6,420</u>	<u>6,396</u>	<u>184</u>	<u>75</u>

14.3 Short-term loans to related parties

	Consolidated financial information	
	31 March 2020 Baht Thousand	31 March 2020 Baht Thousand
Short-term loans to		
Associates	<u>36,239</u>	<u>33,206</u>

The movement of short-term loans to related parties is as follows:

	Consolidated financial information Baht Thousand
For the three-month period ended 31 March 2020	
Opening net book amount	33,206
Foreign currency translation differences	<u>3,033</u>
Closing net book amount	<u>36,239</u>

14 Related-party transactions (Cont'd)

14.4 Long-term loans from related parties

	Consolidated financial information		Separate financial information	
	31 March 2020 Baht Thousand	31 December 2019 Baht Thousand	31 March 2020 Baht Thousand	31 December 2019 Baht Thousand
Long-term loans from Subsidiaries	-	-	56,565	33,565
Directors	10,074	10,074	-	-
	<u>10,074</u>	<u>10,074</u>	<u>56,565</u>	<u>33,565</u>

The movements of long-term loans from related parties are as follows:

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
For the three-month period ended 31 March 2020		
Opening net book amount	10,074	33,565
Additions	-	23,000
Closing net book amount	<u>10,074</u>	<u>56,565</u>

Long-term loans from related parties are in form of loan agreements with maturity during 2022 to 2023 and carrying interest rates ranging from 0.75% to 1.00% per annum (2019: 0.75% to 6.50% per annum).

14.5 Key management compensation

Key management includes directors (executive and non-executive), and members of the executive committee. The compensation paid or payable to key management is as follows:

	Consolidated financial information		Separate financial information	
	2020 Baht Thousand	2019 Baht Thousand	2020 Baht Thousand	2019 Baht Thousand
For the three-month period ended 31 March				
Salaries and other short-term employee benefits	3,050	2,603	3,050	2,308
Post-employee benefits	103	-	103	-
	<u>3,153</u>	<u>2,603</u>	<u>3,153</u>	<u>2,308</u>

14 Related party transactions (Cont'd)

14.6 Significant agreements between associates and related parties

Investment in long-term promissory notes

On 17 July 2019, Prime Energy Capital Co., Ltd. ("PEC") was transferred liabilities from investment in long-term promissory notes totaling Baht 311.98 million liable to 8 associates, from Prime Road Tech Co., Ltd. ("PRT"), a related party having common shareholders, which PRT had obtained during investing in a 30% stake along with entering into a debt transfer agreement of shareholders with project companies liable limited to shareholding's proportion. On 19 July 2019, PEC issued 9 new promissory notes with the same amount, conditions and terms as the former promissory notes issued by PRT, implying that the promissory notes were issued at the proportion of 30% stake in 8 associates. Likewise, the stated promissory notes were issued in accordance to 30% stake in 8 project companies have the same conditions and terms as the promissory notes issued by shareholder holding 70% stake in 8 project companies.

Promissory notes are stated at fair value calculated by discounting the face value through the periods of maturities, using a discount rate of 4.40% per annum which is the cost of debt of the lenders.

As at 31 March 2020, details of long-term promissory notes are as follows:

Associates	Redemption period	Maturity date	Purchase price Baht Thousand	Prepaid interest Baht Thousand	Total Baht Thousand	Face value at maturity date Baht Thousand
Chiangmai Renewable Energy Co., Ltd.	10 years 8 months	3 August 2027	28,811	(5,456)	23,355	32,042
Golden Light Solar Co., Ltd.	10 years 8 months	3 August 2027	29,558	(5,597)	23,961	32,873
Bueng Samphan Solar Co., Ltd.	10 years 8 months	3 August 2027	24,159	(4,575)	19,584	26,869
Northwest Solar Co., Ltd.	10 years 8 months	3 August 2027	23,329	(4,417)	18,912	25,945
Solartech Energy Co., Ltd.	10 years 8 months	3 August 2027	24,007	(4,546)	19,461	26,699
Nine A Solar Co., Ltd.	10 years 8 months	3 August 2027	25,072	(4,747)	20,325	27,884
Infinite Alpha Capital Co., Ltd.	10 years 8 months	3 August 2027	28,580	(5,412)	23,168	31,785
ESPP Co., Ltd.	10 years 10 months	4 October 2027	37,499	(7,258)	30,241	41,792
ESPP Co., Ltd.	100 years	15 October 2116	82,858	(79,299)	3,559	223,851
			<u>303,873</u>	<u>(121,307)</u>	<u>182,566</u>	<u>469,740</u>

These promissory notes are due for repayment of principal together with interest upon maturity. The promissory notes are non-transferable but can be redeemed premature.

Movements of investment in long-term promissory notes are as follows:

	Consolidated financial information Baht Thousand
For the three-month period ended 31 March 2020	
Opening net book amount	313,387
Retrospective adjustments from changes in accounting policy (Note 3)	(132,797)
Amortisation of prepaid interest	1,976
Closing net book amount	<u>182,566</u>

15 Commitments and contingencies

15.1 Power purchase agreements

Domestic subsidiaries

As at 31 March 2020, subsidiaries have 8 Power purchase agreements with the Provincial Electricity Authority ("PEA") (2019: 8 agreements). Currently, the subsidiaries have commenced the production and distribution of electricity for all Power purchase agreements, with total electricity power generation of 40.64 megawatts.

The Power purchase agreements of subsidiaries require the subsidiaries to sell electricity generated from ground - mounted solar farms to the PEA under the Feed-in Tariff system (FiT) granted for periods of 25 years starting from commercial operation dates (COD).

Overseas subsidiaries

As at 31 March 2020, subsidiaries in Republic of China (Taiwan) have 4 Power purchase agreements with Taiwan Power Company (2019: 4 Power purchase agreements). Currently, the subsidiaries have commenced the production and distribution of electricity for all Power purchase agreements, with total electricity power generation of 6.00 megawatts.

The Power purchase agreements of subsidiaries require the subsidiaries to sell electricity generated from ground - mounted solar farms to Taiwan Power Company under the Feed-in Tariff system (FiT) granted for periods of 20 years starting from commercial operation dates (COD).

Associates

As at 31 March 2020, associates have 10 Power purchase agreements with the Provincial Electricity Authority ("PEA") (2019: 10 agreements). Currently, the subsidiaries have commenced the production and distribution of electricity for all Power purchase agreements, with total electricity power generation per agreements of 72.0 megawatts and total installed electricity power generation capacity of 91.7 megawatts.

The agreements are for a period of 5 years and will be automatically renewed every 5 years until the contract termination. The Company has also been granted an adder amounting to Baht 8.0 per kilowatt-hour granted for a period of 10 years commencing from commercial operation dates (COD).

15.2 Operating lease commitments - where the Group is the lessee

A subsidiary in Republic of China (Taiwan) has entered into operating lease agreements in respect of the lease of land in order to construct solar power plants under 3 contracts made with Department of Irrigation of Yunlin, Republic of China (Taiwan). The terms of agreements are 20 years terminated in 2039. Rent is calculated based on electricity sales. The rent for the three-month period ended 31 March 2020 amounting to Baht 536,152 has been recognised as expenses.

15 Commitments and contingencies (Cont'd)

15.3 Commitment on service agreements for reviewing and monitoring the operation and maintenance of power plants

The subsidiaries have entered into the service agreements for reviewing and monitoring the operation and maintenance of power plants.

The future minimum payments committed were as follows:

	Consolidated financial information	
	31 March 2020 Baht Thousand	31 December 2019 Baht Thousand
Within 1 year	18,496	19,203
Later than 1 year but not later than 5 years	24,917	28,970
	<u>43,413</u>	<u>48,173</u>

15.4 Letter of guarantee

During May 2019, the Company has entered into a guaranteed credit agreement with a local financial institution for the issuance of letter of guarantee with credit limit not over than USD 0.50 million for the bid security of an oversea project. The Company has to pledged certain securities to the financial institution along with cash flow guaranteed from dividend income of Prime Energy Capital Co., Ltd.

16 Litigation

On 25 December 2018, a subsidiary was sued by an individual, who is a shareholder of the subsidiary in a lawsuit with a black case number Phor.7554/2561 regarding non-compliance with the MOU. The litigation filed with the Civil Court by the plaintiff requested the subsidiary to deliver 1,260 shares (9% of the paid-up capital) to the plaintiff, including a request to terminate filing process of the defendant to discharge the plaintiff from being a director of the subsidiary, and also demand the return of power to withdraw money and conduct transactions of the subsidiary.

On 27 February 2020, the Civil court has rendered the judgement of the case by ordering the subsidiary to transfer and deliver 1,260 shares or 9% of a paid and registered capital of the subsidiary to plaintiff. However, the Court dismissed both the request to terminate the filing process by the defendant to discharge the plaintiff from being a director of the subsidiary and the demand to return of power to withdraw money and conduct transactions of the subsidiary.

As at 31 March 2020, the subsidiary is under preparation and gathering of evidence to appeal and object the judgement of the Civil Court. Due to the outbreak of COVID-19 in Thailand, the subsidiary has requested the court to extend the period of appeal filing, which the court has ordered the extension of appeal filing period until 27 May 2020. The management considers that there is no impact on the business operation and performance of the Group, to be caused by this case.

17 Events after the reporting period

On 31 March 2020, the Board of Directors meeting approved the postponement of the 2020 Annual General Meeting of Shareholders ("AGM") and to cancel the date of AGM, which was previously scheduled on 28 April 2020 due to the pandemic situation of COVID-19.