

Peace & Living Public Company Limited
Report and financial statements
31 December 2022

Independent Auditor's Report

To the Shareholders of Peace & Living Public Company Limited

Opinion

I have audited the accompanying financial statements of Peace & Living Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2022, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peace & Living Public Company Limited as at 31 December 2022, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Recognition of revenue from sales of real estate

Revenue from sales of real estate is the most significant amount in the statement of comprehensive income and is a key performance indicator in the real estate industry on which the users of the financial statements focus. In addition, the Company has many property development projects for sale. I therefore identified revenue recognition from sales of real estate as a key audit matter and focused on the occurrence and timing of the revenue recognition.

I have examined the recognition of revenue from sales of real estate of the Company by:

- Assessing and testing the Company's internal controls with respect to the cycle of revenue from sales of real estate by making enquiry of responsible executives, gaining an understanding, and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales agreements to assess whether recognition of revenue from sales of real estate was consistent with the conditions of the relevant agreements, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Performing analytical procedures to detect possible irregularities in the sales transactions for revenue from sales of real estate throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.

I am responsible for the audit resulting in this independent auditor's report.



Wilai Sunthornwanee

Certified Public Accountant (Thailand) No. 7356

EY Office Limited

Bangkok: 23 February 2023

Peace & Living Public Company Limited

Statement of financial position

As at 31 December 2022

		(Unit: Baht)	
	<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets			
Current assets			
Cash and cash equivalents	7	284,843,263	106,377,070
Restricted bank deposit	8	2,372,000	2,372,000
Property development costs for sales	9	1,792,753,149	1,542,729,417
Deposits for construction materials		864,493	4,013,026
Deposits for land purchase		145,236,500	67,892,460
Other current financial assets	10	150,554,061	-
Other current assets		5,714,775	3,917,982
Total current assets		<u>2,382,338,241</u>	<u>1,727,301,955</u>
Non-current assets			
Restricted bank deposit	8	1,149,113	1,149,113
Building and equipment	11	8,232,994	10,046,984
Intangible assets		2,607,799	2,425,927
Deferred tax assets	19	12,861,555	16,354,183
Other non-current assets		366,803	187,503
Total non-current assets		<u>25,218,264</u>	<u>30,163,710</u>
Total assets		<u>2,407,556,505</u>	<u>1,757,465,665</u>

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

Peace & Living Public Company Limited
Statement of financial position (continued)
As at 31 December 2022

(Unit: Baht)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	12	128,517,411	95,043,954
Current portion of lease liabilities	13	2,138,861	2,249,912
Retention guarantees		14,707,725	14,833,671
Deposits and advances received from customers		13,901,758	22,807,356
Income tax payable		32,710,768	32,108,502
Total current liabilities		<u>191,976,523</u>	<u>167,043,395</u>
Non-current liabilities			
Lease liabilities - net of current portion	13	665,418	2,804,279
Provision for long - term employee benefits	14	15,250,314	18,336,004
Total non-current liabilities		<u>15,915,732</u>	<u>21,140,283</u>
Total liabilities		<u>207,892,255</u>	<u>188,183,678</u>

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

Peace & Living Public Company Limited
Statement of financial position (continued)
As at 31 December 2022

(Unit: Baht)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Shareholders' equity			
Share capital	15		
Registered			
504,000,000 ordinary shares of Baht 1 each			
(2021: 420,000,000 ordinary shares of Baht 1 each)		<u>504,000,000</u>	<u>420,000,000</u>
Issued and fully paid-up			
503,997,673 ordinary shares of Baht 1 each			
(2021: 336,000,000 ordinary shares of Baht 1 each)		503,997,673	336,000,000
Share premium	15	244,394,327	-
Capital reserve for share-based payments		12,910,000	12,910,000
Retained earnings			
Appropriated - statutory reserve	16	50,400,000	33,805,199
Unappropriated		<u>1,387,962,250</u>	<u>1,186,566,788</u>
Total shareholders' equity		<u>2,199,664,250</u>	<u>1,569,281,987</u>
Total liabilities and shareholders' equity		<u>2,407,556,505</u>	<u>1,757,465,665</u>

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

Directors

Peace & Living Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2022

(Unit: Baht)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Profit or loss:			
Revenues			
Revenue from sales of real estate		1,780,545,805	1,164,817,343
Other income		<u>3,151,740</u>	<u>2,176,715</u>
Total revenues		<u>1,783,697,545</u>	<u>1,166,994,058</u>
Expenses			
Cost of real estate sold		1,051,719,660	710,948,651
Selling expenses		125,389,208	89,736,852
Administrative expenses		<u>126,443,736</u>	<u>95,018,795</u>
Total expenses		<u>1,303,552,604</u>	<u>895,704,298</u>
Operating profit		480,144,941	271,289,760
Finance cost		<u>(171,959)</u>	<u>(2,427,006)</u>
Profit before income tax expenses		479,972,982	268,862,754
Income tax expenses	19	<u>(95,976,307)</u>	<u>(53,777,551)</u>
Profit for the year		<u>383,996,675</u>	<u>215,085,203</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain	14	2,486,235	737,061
Less: Income tax effect	19	<u>(497,247)</u>	<u>(147,412)</u>
Other comprehensive income for the year		<u>1,988,988</u>	<u>589,649</u>
Total comprehensive income for the year		<u><u>385,985,663</u></u>	<u><u>215,674,852</u></u>
Earnings per share			
20			
Basic earnings per share			
Profit for the year		<u>0.78</u>	<u>0.53</u>

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

Peace & Living Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

	Note	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payments	Retained earnings		Total
					Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2021		336,000,000	-	12,910,000	16,210,070	1,028,807,065	1,393,927,135
Profit for the year		-	-	-	-	215,085,203	215,085,203
Other comprehensive income for the year		-	-	-	-	589,649	589,649
Total comprehensive income for the year		-	-	-	-	215,674,852	215,674,852
Dividend paid	23	-	-	-	-	(40,320,000)	(40,320,000)
Transfer retained earning to statutory reserve	16	-	-	-	17,595,129	(17,595,129)	-
Balance as at 31 December 2021		<u>336,000,000</u>	<u>-</u>	<u>12,910,000</u>	<u>33,805,199</u>	<u>1,186,566,788</u>	<u>1,569,281,987</u>
Balance as at 1 January 2022		336,000,000	-	12,910,000	33,805,199	1,186,566,788	1,569,281,987
Profit for the year		-	-	-	-	383,996,675	383,996,675
Other comprehensive income for the year		-	-	-	-	1,988,988	1,988,988
Total comprehensive income for the year		-	-	-	-	385,985,663	385,985,663
Increase share capital	15	84,000,000	250,320,000	-	-	-	334,320,000
Transaction costs - net of income tax	15	-	(5,925,673)	-	-	-	(5,925,673)
Stock dividend payment	15, 23	83,997,673	-	-	-	(83,997,673)	-
Dividend paid	23	-	-	-	-	(83,997,727)	(83,997,727)
Transfer retained earning to statutory reserve	16	-	-	-	16,594,801	(16,594,801)	-
Balance as at 31 December 2022		<u>503,997,673</u>	<u>244,394,327</u>	<u>12,910,000</u>	<u>50,400,000</u>	<u>1,387,962,250</u>	<u>2,199,664,250</u>

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

Peace & Living Public Company Limited

Cash flow statement

For the year ended 31 December 2022

(Unit: Baht)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Profit before tax	479,972,982	268,862,754
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Decrease in property development costs for sales transferring to cost of real estate sold	1,051,719,660	710,948,651
Depreciation and amortisation	4,865,837	4,968,263
Gain on sales of equipment	(2,098)	(319,997)
Loss on write-off of equipment	12	8,893
Unrealised gain on changes in fair value of unit trust in fixed income open-ended fund	(554,061)	-
Provision for long-term employee benefits	2,174,413	2,223,953
Interest income	(1,049,295)	(20,391)
Finance cost	171,959	2,427,006
Profit from operating activities before changes in operating assets and liabilities	1,537,299,409	989,099,132
Operating assets (increase) decrease		
Other receivables	24,139	(109,294)
Property development costs for sales	(1,191,517,614)	(406,438,104)
Deposits for construction materials	3,148,533	(1,354,726)
Deposits for land purchase	(186,899,710)	(62,192,460)
Other current assets	(468,960)	(214,903)
Other non-current assets	(179,300)	40,097
Operating liabilities increase (decrease)		
Trade and other payables	30,121,398	29,464,124
Retention guarantees	(125,947)	2,282,817
Deposits and advances received from customers	(8,905,598)	(6,115,499)
Cash flows from operating activities	182,496,350	544,461,184
Interest received	1,049,295	20,391
Corporate income tax paid	(90,897,242)	(46,348,663)
Net cash flows from operating activities	<u>92,648,403</u>	<u>498,132,912</u>

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

Peace & Living Public Company Limited

Cash flow statement (continued)

For the year ended 31 December 2022

	(Unit: Baht)	
	<u>2022</u>	<u>2021</u>
Cash flows from investing activities		
Acquisition of unit trust in fixed income open-ended fund	(150,000,000)	-
Increase in restricted bank deposit	-	(1,149,113)
Acquisition of equipment	(2,144,889)	(1,081,145)
Acquisition of intangible assets	(628,732)	(224,700)
Proceeds from sales of equipment	2,100	320,000
Net cash flows used in investing activities	<u>(152,771,521)</u>	<u>(2,134,958)</u>
Cash flows from financing activities		
Cash receipt from long-term loans from financial institutions	-	390,700,000
Repayment of long-term loans from financial institutions	-	(735,701,100)
Payment of principal portion of lease liabilities	(2,249,912)	(2,143,292)
Interest paid and front-end fee paid	(2,075,959)	(9,048,006)
Proceeds from increase in share capital	334,320,000	-
Transaction costs on issuance of shares	(7,407,091)	-
Dividend paid	(83,997,727)	(40,320,000)
Net cash flows from (used in) financing activities	<u>238,589,311</u>	<u>(396,512,398)</u>
Net increase in cash and cash equivalents	178,466,193	99,485,556
Cash and cash equivalents at beginning of year	<u>106,377,070</u>	<u>6,891,514</u>
Cash and cash equivalents at end of year	<u><u>284,843,263</u></u>	<u><u>106,377,070</u></u>

Supplemental cash flow information:

Non-cash items consist of:

Additions to right-of-use assets and lease liabilities	-	5,052,997
Increase in account payable for acquisition of equipment	578,193	31,244

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

Peace & Living Public Company Limited

Notes to financial statements

For the year ended 31 December 2022

1. General information

Peace & Living Public Company Limited (“the Company”) is a limited company incorporated and domiciled in Thailand and registered the change in the Company’s status to a public company limited, in accordance with the Public Limited Companies Act B.E. 2535, on 16 June 2021.

The Company is principally engaged in the property development for sales. The registered office of the Company is at 231/14 Soi Ekamai 7, Sukhumvit 63 Road, Klongton Nua, Wattana, Bangkok.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Revenue from sales of real estate

Revenue from sales of land and houses is recognised at the point in time when control of the real estate is transferred to the customer, generally upon transfer of the legal ownership. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented under the caption of "Deposits and advances received from customers" in the statement of financial position.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cost of real estate sold

In determining the cost of land and houses sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land and houses on the basis of the saleable area.

Cost of real estate sales includes cost of other goods, such as furniture and fixtures, that are considered part of the house and transferred to a customer in accordance with the contract.

Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised as expenses when the sales occur.

4.3 Cash and cash equivalents

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

4.4 Property development costs for sales

Property development costs for sales are stated at the lower of cost and net realisable value. Cost consists of the cost of land, land improvement costs, design fees, utilities, construction costs, capitalised borrowing costs and other related expenses, as well as estimated project development costs.

The Company recognises losses on diminution in value of projects (if any) in profit or loss.

4.5 Building and equipment/Depreciation

Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Building improvements	-	10, 20 years
Machinery and equipment	-	5 years
Furniture and office equipment	-	3 - 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

An item of building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Intangible asset

Computer software is stated at cost less any accumulated amortisation and allowance for impairment losses (if any). Computer software is amortised as expenses to profit or loss on a straight-line basis over the estimated useful lives of 3 and 10 years.

4.8 Leases - as a lessee

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

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

Right-of-use assets

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

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

Land	-	3 years
Building	-	3 years
Motor vehicles	-	5 years

Right-of-use assets are presented as part of building and equipment in the statement of financial position.

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

4.9 Related party transactions

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

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.10 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of building and equipment, right-of-use assets and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.12 Provisions

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

4.13 Income tax

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

Current income tax

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

Deferred tax

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

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

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

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.14 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs.

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investment which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flow that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

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

4.15 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Project development costs estimation

In calculating costs of land and houses, the Company has to estimate all project development costs, comprising land and land improvement costs, design and construction costs, utilities costs, borrowing costs and other related expenses. The management estimates these costs based on their experience in the business and revisits the estimations when the actual costs incurred significantly vary from the estimated costs.

Post-employment benefits under defined benefit plans

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

6. Related party transactions

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

	<u>2022</u>	<u>2021</u>	(Unit: Thousand Baht) <u>Transfer pricing policy</u>
<u>Transaction with related company</u>			
Purchases of materials used for property	3,917	2,077	With reference to market prices
<u>Transaction with related persons</u>			
Revenue from sales of real estate	24,323	20,271	Contract price
Rental expense	1,800	1,750	Contract price

As at 31 December 2022 and 2021, the outstanding balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Trade payables - related company (Note 12)	621	447
Lease liabilities - related person	2,044	3,715
Deposits and advances received from customers - related person	-	10,000

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	27,200	23,088
Post-employment benefits	971	953
Total	<u>28,171</u>	<u>24,041</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Cash	30	30
Bank deposits	284,813	106,347
Total	<u>284,843</u>	<u>106,377</u>

As at 31 December 2022, bank deposits in saving accounts carried interests between 0.20 and 0.50 percent per annum (2021: between 0.05 and 0.35 percent per annum).

8. Restricted bank deposit

The balance of restricted bank deposit amounting to Baht 3.5 million is fixed deposit which the Company has pledged to secure a letter of guarantee for utility maintenance of property development issued by a bank on behalf of the Company. The Company intends to redeem within 1 year amounting to Baht 2.4 million which presented under current assets.

9. Property development costs for sales

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Land and construction under development	1,495,285	1,017,375
Developed land and construction	297,468	525,354
Total	<u>1,792,753</u>	<u>1,542,729</u>

During the year ended 31 December 2022, no borrowing costs were included in property development costs for sales (2021: Baht 7 million, a capitalisation rate of 3.93 percent per annum).

The Company has mortgaged its project land and construction thereon with banks as collateral for bank overdrafts, loans from financial institutions, and issuance of bank guarantees.

10. Other current financial assets

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Financial assets which are measured at fair value through profit or loss		
Unit trust in fixed income open-ended fund	150,000	-
Add: Unrealised gain on change in fair value	554	-
Total	<u>150,554</u>	<u>-</u>

11. Building and equipment

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Net book value:		
Building and equipment	5,550	5,112
Right-of-use assets (Note 13)	2,683	4,935
Total	<u>8,233</u>	<u>10,047</u>

Movements of building and equipment for the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Building improvements	Machinery and equipment	Furniture and office equipment	Motor vehicles	Total
Cost:					
As at 1 January 2021	1,035	429	10,445	7,005	18,914
Additions	24	-	1,088	-	1,112
Disposals/write-off	-	-	(105)	(1,425)	(1,530)
Transfer to property cost	-	-	(866)	-	(866)
As at 31 December 2021	1,059	429	10,562	5,580	17,630
Additions	232	5	2,486	-	2,723
Disposals/write-off	-	-	(91)	-	(91)
Transfer to property cost	-	-	(278)	-	(278)
As at 31 December 2022	1,291	434	12,679	5,580	19,984
Accumulated depreciation:					
As at 1 January 2021	305	274	5,432	6,211	12,222
Depreciation for the year	85	36	1,822	361	2,304
Depreciation on disposals/write-off	-	-	(96)	(1,425)	(1,521)
Depreciation on transfer to property cost	-	-	(487)	-	(487)
As at 31 December 2021	390	310	6,671	5,147	12,518
Depreciation for the year	92	35	1,735	305	2,167
Depreciation on disposals/write-off	-	-	(91)	-	(91)
Depreciation on transfer to property cost	-	-	(160)	-	(160)
As at 31 December 2022	482	345	8,155	5,452	14,434
Net book value:					
As at 31 December 2021	669	119	3,891	433	5,112
As at 31 December 2022	809	89	4,524	128	5,550
Depreciation for the year:					
2021 (included in administrative expenses)					2,304
2022 (included in administrative expenses)					2,167

As at 31 December 2022, certain items of building and equipment were fully been depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 9 million (2021: Baht 7 million).

12. Trade and other payables

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
Trade payables - unrelated companies	35,393	28,746
Trade payables - related company (Note 6)	621	447
Other payables	21,518	20,330
Revenue department payable	865	1,227
Accrued expenses	40,145	28,261
Accrued expenses for project	29,975	16,033
Total trade and other payables	<u>128,517</u>	<u>95,044</u>

13. Leases - as a lessee

The Company has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 3 - 5 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Land and building	Motor vehicles	Total
As at 1 January 2021	240	1,855	2,095
Additions	5,053	-	5,053
Depreciation for the year	(1,644)	(569)	(2,213)
As at 31 December 2021	3,649	1,286	4,935
Depreciation for the year	(1,684)	(568)	(2,252)
As at 31 December 2022	<u>1,965</u>	<u>718</u>	<u>2,683</u>

b) Lease liabilities

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
Lease payments	2,891	5,312
Less: Deferred interest expenses	(87)	(258)
Total	<u>2,804</u>	<u>5,054</u>
Less: Portion due within one year	(2,139)	(2,250)
Lease liabilities - net of current portion	<u>665</u>	<u>2,804</u>

The weighted average incremental borrowing rate of the Company is between 3.96 and 4.36 percent per annum (2021: 3.43 and 4.36 percent per annum).

A maturity analysis of lease payments is disclosed in Note 26 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	<u>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets	2,252	2,213
Interest expense on lease liabilities	172	228
Expense relating to short-term leases	329	185

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2022 of Baht 2.7 million (2021: Baht 2.6 million), including the cash outflow related to short-term leases.

14. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Provision for long-term employee benefits at beginning of year	18,336	16,849
Included in profit or loss:		
Current service cost	1,708	2,015
Interest cost	466	209
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	(571)	(566)
Financial assumptions changes	(1,569)	718
Experience adjustments	(346)	(889)
Transfer benefits payment to accrued expenses	(2,774)	-
Provision for long-term employee benefits at end of year	<u>15,250</u>	<u>18,336</u>

The Company doesn't expects to pay long-term employee benefits during the next year (2021: Baht 2.9 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 7.79 years (2021: 7.32 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)	
	<u>2022</u>	<u>2021</u>
Discount rate	2.94	1.30
Salary increase rate	7.00	7.00
Turnover rate	10.00 - 18.00	9.00 - 14.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	<u>2022</u>		<u>2021</u>	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(671)	828	(925)	1,152
Salary increased rate	785	(653)	1,073	(888)
Turnover rate	(733)	447	(993)	624

15. Share capital

15.1 On 2 June 2021, the Extraordinary General Meeting of the Company's shareholders No. 1/2021 passed special resolutions approving the following significant matters:

- a) A change in the par value of the Company's ordinary shares from Baht 10 per share to Baht 1 per share, such that the Company's registered and issued and paid-up share capital changed from 33,600,000 ordinary shares with a par value of Baht 10 each to 336,000,000 ordinary shares with a par value of Baht 1 each.
- b) An increase in the Company's registered share capital from Baht 336 million (336,000,000 ordinary shares with a par value of Baht 1 each), after the above change in the par value, to Baht 420 million (420,000,000 ordinary shares with a par value of Baht 1 each) through the issuance of 84,000,000 new ordinary shares with a par value of Baht 1 each to be allocated to the initial public offering (IPO) of the Company.

The Company registered the change in the par value of its ordinary shares and the increase in its registered share capital with the Ministry of Commerce on 16 June 2021.

15.2 On 20 January 2022, a meeting of the Company's Board of Directors passed a resolution to approve the allocation of the 84,000,000 new ordinary shares of the Company with a par value of Baht 1 each prescribed in the prospectus as follows:

- a) Not more than 7,790,000 ordinary shares are to be offered to the Company's patronages at the offer price of persons at the underwriter's discretion mentioned in c).
- b) Not more than 13,208,500 ordinary shares are to be offered to the Company's employees and/or related persons who are the Company's directors or executives at the offer price of persons at the underwriter's discretion mentioned in c). However, the ordinary shares offered to the Company's employees, and/or the Company's directors or management, and the Company's patronages as mentioned in a), are to total not more than 25 percent of all offered ordinary shares.
- c) Not less than 63,001,500 ordinary shares are to be offered to persons at the underwriter's discretion.

15.3 Period during 2 to 4 and 7 February 2022, the Company made an Initial Public Offering of 84,000,000 newly issued ordinary shares with a par value of Baht 1 each, at an offering price of Baht 3.98 per share, amounting to Baht 334.32 million which have the share premium of Baht 250.32 million. Subsequently, on 7 February 2022, the Company received full payment of the additional capital and registered the increase in its issued and paid-up share capital from Baht 336 million (336,000,000 ordinary shares with a par value of Baht 1 each) to Baht 420 million (420,000,000 ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on the same date. The Stock Exchange of Thailand approved the 420,000,000 ordinary shares with a par value of Baht 1 each as listed securities, with trading permitted from 10 February 2022.

The Company incurred expenses relating to the share offering amounting to approximately Baht 7.41 million (net of income tax of Baht 5.93 million), and these expenses are recorded as transaction costs as a deduction against the share premium.

15.4 On 28 April 2022, the Annual General Meeting of the Company's shareholders passed a resolution to approve an increase in the Company's registered share capital from Baht 420 million (420,000,000 ordinary shares with a par value of Baht 1 each) to Baht 504 million (504,000,000 ordinary shares with a par value of Baht 1 each) through the issuance of 84,000,000 new ordinary shares with a par value of Baht 1 each to support the stock dividend payment described in Note 23 to the financial statements. The Company registered the increase in its registered capital with the Ministry of Commerce on 11 May 2022.

Subsequently, the Company paid a stock dividend of 83,997,673 ordinary shares and registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 19 May 2022.

16. Statutory reserve

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

17. Revenue from contracts with customers

17.1 Revenue recognised in relation to contract balances

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Revenue recognised during the year that was included in contract liabilities at the beginning of the year	20,382	16,449

17.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2022, revenue totaling Baht 492 million is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied) (2021: Baht 747 million). The Company expects to satisfy these performance obligations within 1 years.

18. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Purchase of land and payment of construction during the year	1,301,191	413,177
Decrease (increase) Changes in property development costs for sales	(250,024)	296,799
Salaries and other employee benefits	105,235	77,979
Depreciation and amortisation	4,866	4,968
Advertising and promotion expenses	38,032	33,807
Transfer fee and specific business tax	70,670	46,802
Loan interest	-	2,199

19. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Current income tax:		
Current income tax charge for the year	91,500	60,453
Income tax directly related to shareholders' equity	1,481	-
Deferred tax:		
Relating to origination and reversal of temporary differences	2,995	(6,675)
Income tax expenses reported in profit or loss	<u>95,976</u>	<u>53,778</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Deferred tax on actuarial gain	497	147

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Accounting profit before tax	479,973	268,863
Applicable tax rate (%)	20	20
Accounting profit before tax multiplied by income tax rate	95,995	53,773
Effects of:		
Non-deductible expenses	19	5
Additional expense deductions allowed	(38)	-
Total	(19)	5
Income tax expenses reported in profit or loss	<u>95,976</u>	<u>53,778</u>

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	Statements of financial position	
	<u>2022</u>	<u>2021</u>
Deferred tax assets		
Due payment for income and expenses of the purchase and sale agreements	8,591	12,315
Accrued expenses for project	1,197	348
Leases	24	24
Provision for long-term employee benefits	3,050	3,667
Total	<u>12,862</u>	<u>16,354</u>

20. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares in proportion to the change in the number of ordinary shares as a result of the distribution of the stock dividend of 83,997,673 ordinary shares, as discussed in Note 15 to the financial statements. The number of ordinary shares of the prior year has been adjusted as if the stock dividend had been distributed at the beginning of the earliest period reported.

The following table sets forth the computation of basic earnings per share:

	<u>2022</u>	<u>2021*</u>
Profit of the year (Thousand Baht)	383,997	215,085
Weighted average number of ordinary shares (Thousand shares)	493,780	403,198
Earnings per share (Baht per share)	0.78	0.53

* Recalculation after the change in the number of ordinary shares as a result of the distribution of the stock dividend.

21. Segment information

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

The Company is principally engaged in the development properties for sales business. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customers

For the years 2022 and 2021, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

22. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Company contributes to the fund monthly at the rate of 3 percent of basic salary and employees contribute to fund monthly at the rate of 2 to 15 percent of basic salary. The fund, which is managed by TISCO Asset Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 1.3 million were recognised as expenses (2021: Baht 0.2 million).

23. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for 2020	Annual General Meeting of the shareholders on 30 April 2021	40,320	0.12*
Dividends for 2021	Annual General Meeting of the		
Cash dividend	shareholders on 28 April 2022	83,998	0.20
Stock dividend (In a ration of 1 dividend share to 5 existing shares)		83,998	0.20
Total		167,996	0.40

*After the change in the par value of the ordinary shares.

24. Credit facilities

As at 31 December 2022, the Company has the credit facility agreements with the local commercial banks totaling Baht 1,136 million. The Company has not yet drawn down the credit facility.

The credit facilities are secured by the mortgage of project land and construction thereon and the loan agreements contain several covenants which, among other things, require the Company to maintain a debt-to-equity ratio at the rate prescribed in the agreements.

25. Commitments and contingent liabilities

25.1 Capital commitments

As at 31 December 2022, the Company had capital commitments of approximately Baht 993 million (2021: Baht 799 million), relating to land purchase contracts and construction of property development.

25.2 Service commitments

As at 31 December 2022, the Company had service commitments of approximately Baht 8 million (2021: Baht 14 million), relating to a advertising expenses, and others.

25.3 Guarantees

As at 31 December 2022 and 2021, there were outstanding bank guarantees issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business as follows.

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Bank guarantee for utilities	175,708	154,177
Bank guarantee for trade payables	30,000	8,000
Total	<u>205,708</u>	<u>162,177</u>

The Company pledged bank deposit and some project land and construction thereon with a bank to secure the issuance of bank guarantees.

26. Financial instruments

26.1 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, restricted bank deposit, other receivables, other current financial assets, trade and other payables, lease liabilities and retention guarantees. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to deposits with banks and financial institutions and unit trust in fixed income opened-fund. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved by the Company's Board of Directors.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

Interest rate risk

The Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

	31 December 2022				
	Fixed interest rates				
	Within 1 year	Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
Financial assets					
Cash and cash equivalents	-	284,843	-	284,843	0.20 - 0.50
Unit trust in fixed income					
open-ended fund	-	-	150,554	150,554	-
Restricted bank deposit	3,521	-	-	3,521	0.25 - 0.40
Other receivables	-	-	283	283	-
	<u>3,521</u>	<u>284,843</u>	<u>150,837</u>	<u>439,201</u>	
Financial liabilities					
Trade and other payables	-	-	128,517	128,517	-
Retention guarantees	-	-	14,708	14,708	-
	<u>-</u>	<u>-</u>	<u>143,225</u>	<u>143,225</u>	

(Unit: Thousand Baht)

31 December 2021

	Fixed interest rates			Total	Effective interest rate (% per annum)
	Within 1 year	Floating interest rate	Non - interest bearing		
Financial assets					
Cash and cash equivalents	-	106,377	-	106,377	0.05 - 0.35
Restricted bank deposit	3,521	-	-	3,521	0.35 - 0.45
Other receivables	-	-	307	307	-
	<u>3,521</u>	<u>106,377</u>	<u>307</u>	<u>110,205</u>	
Financial liabilities					
Trade and other payables	-	-	95,044	95,044	-
Retention guarantees	-	-	14,834	14,834	-
	<u>-</u>	<u>-</u>	<u>109,878</u>	<u>109,878</u>	

Liquidity risk

The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

As at 31 December 2022

	Less than 1 year	1- 5 years	Total
Trade and other payables	128,517	-	128,517
Lease liabilities	2,215	676	2,891
Retention guarantees	14,708	-	14,708
Total	<u>145,440</u>	<u>676</u>	<u>146,116</u>

(Unit: Thousand Baht)

As at 31 December 2021

	Less than 1 year	1- 5 years	Total
Trade and other payables	95,044	-	95,044
Lease liabilities	2,421	2,891	5,312
Retention guarantees	14,834	-	14,834
Total	<u>112,299</u>	<u>2,891</u>	<u>115,190</u>

26.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

As at 31 December 2022, the Company had the unit trust in fixed income open-ended fund that were measured at fair value with hierarchy level 2 amounting to Baht 150.6 million. Fair value of unit trust has been determined by using the net asset value as published by the Asset Management and there were no transfers within the fair value hierarchy during the current year.

27. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Company has complied with these covenants throughout the reporting periods.

As at 31 December 2022, the Company's debt-to-equity ratio was 0.09:1 (2021: 0.12:1).

28. Events after the reporting period

On 23 February 2023, the Board of Directors Meeting of the Company No.2/2023 passed a resolution to approve a cash dividend payment to the shareholders from the Company's operating results for the year 2022 at a rate of Baht 0.25 per share, a total not greater Baht 126 million.

However, this resolution will be further proposed for the shareholders' approval at the 2023 Annual General Meeting of the Company's shareholders.

29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2023.