

Peace & Living Public Company Limited  
Report and financial statements  
31 December 2023

## 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 2023, 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 2023, 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 matter and how audit procedures respond to the 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.



Chatchai Kasemsrithanawat

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 20 February 2024

Peace & Living Public Company Limited

Statement of financial position

As at 31 December 2023

		(Unit: Baht)	
	<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	18,583,306	284,843,263
Restricted bank deposit	8	1,149,113	2,372,000
Property development costs for sales	9	2,299,426,526	1,792,753,149
Deposits for construction materials		3,611,359	864,493
Deposits for land purchase		615,217,580	145,236,500
Other current financial assets	10	-	150,554,061
Other current assets		3,219,601	5,714,775
<b>Total current assets</b>		<u>2,941,207,485</u>	<u>2,382,338,241</u>
<b>Non-current assets</b>			
Restricted bank deposit	8	-	1,149,113
Building and equipment	11	9,498,583	8,232,994
Intangible assets		2,191,930	2,607,799
Deferred tax assets	21	6,263,368	12,861,555
Other non-current assets		326,803	366,803
<b>Total non-current assets</b>		<u>18,280,684</u>	<u>25,218,264</u>
<b>Total assets</b>		<u><u>2,959,488,169</u></u>	<u><u>2,407,556,505</u></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 2023**

(Unit: Baht)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	12	25,000,000	-
Trade and other payables	13	144,086,150	128,517,411
Current portion of long-term loans from financial institutions	14	364,045,065	-
Current portion of lease liabilities	15	636,623	2,138,861
Retention guarantees		18,539,971	14,707,725
Deposits and advances received from customers		1,878,380	13,901,758
Income tax payable		3,669,473	32,710,768
<b>Total current liabilities</b>		<u>557,855,662</u>	<u>191,976,523</u>
<b>Non-current liabilities</b>			
Long-term loans from financial institutions - net of current portion	14	144,815,715	-
Lease liabilities - net of current portion	15	28,795	665,418
Provision for long - term employee benefits	16	14,489,427	15,250,314
<b>Total non-current liabilities</b>		<u>159,333,937</u>	<u>15,915,732</u>
<b>Total liabilities</b>		<u>717,189,599</u>	<u>207,892,255</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 2023**

(Unit: Baht)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Shareholders' equity</b>			
Share capital	17		
Registered			
504,000,000 ordinary shares of Baht 1 each		<u>504,000,000</u>	<u>504,000,000</u>
Issued and fully paid-up			
503,997,673 ordinary shares of Baht 1 each		503,997,673	503,997,673
Share premium		244,394,327	244,394,327
Capital reserve for share-based payments		12,910,000	12,910,000
Retained earnings			
Appropriated - statutory reserve	18	50,400,000	50,400,000
Unappropriated		<u>1,430,596,570</u>	<u>1,387,962,250</u>
<b>Total shareholders' equity</b>		<u>2,242,298,570</u>	<u>2,199,664,250</u>
<b>Total liabilities and shareholders' equity</b>		<u>2,959,488,169</u>	<u>2,407,556,505</u>

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

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Directors

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**Peace & Living Public Company Limited**

**Statement of comprehensive income**

**For the year ended 31 December 2023**

(Unit: Baht)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Profit or loss:</b>			
<b>Revenues</b>			
Revenue from sales of real estate		1,053,257,161	1,780,545,805
Other income		<u>4,214,662</u>	<u>3,151,740</u>
<b>Total revenues</b>		<u>1,057,471,823</u>	<u>1,783,697,545</u>
<b>Expenses</b>			
Cost of real estate sold		617,687,997	1,051,719,660
Selling expenses		108,861,422	125,389,208
Administrative expenses		<u>122,716,296</u>	<u>126,443,736</u>
<b>Total expenses</b>		<u>849,265,715</u>	<u>1,303,552,604</u>
<b>Operating profit</b>		208,206,108	480,144,941
Finance cost		<u>(874,117)</u>	<u>(171,959)</u>
<b>Profit before income tax expenses</b>		207,331,991	479,972,982
Income tax expenses	21	<u>(41,263,847)</u>	<u>(95,976,307)</u>
<b>Profit for the year</b>		<u>166,068,144</u>	<u>383,996,675</u>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain	16	3,206,992	2,486,235
Less: Income tax effect	21	<u>(641,398)</u>	<u>(497,247)</u>
<b>Other comprehensive income for the year</b>		<u>2,565,594</u>	<u>1,988,988</u>
<b>Total comprehensive income for the year</b>		<u>168,633,738</u>	<u>385,985,663</u>
<b>Earnings per share</b>			
Basic earnings per share	22		
Profit for the year		<u>0.33</u>	<u>0.78</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 2023

	Note	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payments	Retained earnings		Total
					Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2022</b>		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	17	84,000,000	250,320,000	-	-	-	334,320,000
Transaction costs - net of income tax	17	-	(5,925,673)	-	-	-	(5,925,673)
Stock dividend payment	17, 25	83,997,673	-	-	-	(83,997,673)	-
Dividend paid	25	-	-	-	-	(83,997,727)	(83,997,727)
Transfer retained earning to statutory reserve	18	-	-	-	16,594,801	(16,594,801)	-
<b>Balance as at 31 December 2022</b>		<b>503,997,673</b>	<b>244,394,327</b>	<b>12,910,000</b>	<b>50,400,000</b>	<b>1,387,962,250</b>	<b>2,199,664,250</b>
<b>Balance as at 1 January 2023</b>		<b>503,997,673</b>	<b>244,394,327</b>	<b>12,910,000</b>	<b>50,400,000</b>	<b>1,387,962,250</b>	<b>2,199,664,250</b>
Profit for the year		-	-	-	-	166,068,144	166,068,144
Other comprehensive income for the year		-	-	-	-	2,565,594	2,565,594
Total comprehensive income for the year		-	-	-	-	168,633,738	168,633,738
Dividend paid	25	-	-	-	-	(125,999,418)	(125,999,418)
<b>Balance as at 31 December 2023</b>		<b>503,997,673</b>	<b>244,394,327</b>	<b>12,910,000</b>	<b>50,400,000</b>	<b>1,430,596,570</b>	<b>2,242,298,570</b>

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

(Unit: Baht)

Peace & Living Public Company Limited

Cash flow statement

For the year ended 31 December 2023

	(Unit: Baht)	
	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>		
Profit before tax	207,331,991	479,972,982
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	617,687,997	1,051,719,660
Depreciation and amortisation	5,249,682	4,865,837
Gain on sales of equipment	-	(2,098)
Loss on write-off of equipment	3,269	12
Gain on sales of unit trust in fixed income open-ended fund	(835,858)	-
Unrealised gain on changes in fair value of unit trust in fixed income open-ended fund	-	(554,061)
Provision for long-term employee benefits	2,446,105	2,174,413
Interest income	(570,448)	(1,049,295)
Finance cost	830,363	171,959
Profit from operating activities before changes in operating assets and liabilities	832,143,101	1,537,299,409
Operating assets (increase) decrease		
Property development costs for sales	(1,111,554,234)	(1,191,517,614)
Deposits for construction materials	(2,746,866)	3,148,533
Deposits for land purchase	(475,717,580)	(186,899,710)
Other current assets	2,186,501	(444,821)
Other non-current assets	40,000	(179,300)
Operating liabilities increase (decrease)		
Trade and other payables	16,215,401	30,121,398
Retention guarantees	3,832,248	(125,947)
Deposits and advances received from customers	(12,023,378)	(8,905,598)
Cash flows from (used in) operating activities	(747,624,807)	182,496,350
Interest received	570,448	1,049,295
Corporate income tax paid	(64,348,352)	(90,897,242)
<b>Net cash flows from (used in) operating activities</b>	<u>(811,402,711)</u>	<u>92,648,403</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 2023

(Unit: Baht)

	<u>2023</u>	<u>2022</u>
<b>Cash flows from investing activities</b>		
Cash receipt from redeem restricted bank deposit	2,372,000	-
Acquisition of unit trust in fixed income open-ended fund	-	(150,000,000)
Acquisition of equipment	(6,825,292)	(2,144,889)
Acquisition of intangible assets	(94,374)	(628,732)
Proceeds from sales of equipment	-	2,100
Cash receipt from sales of unit trust fixed income open-ended fund	151,389,919	-
<b>Net cash flows from (used in) investing activities</b>	<u>146,842,253</u>	<u>(152,771,521)</u>
<b>Cash flows from financing activities</b>		
Cash receipt from short-term loans from financial institutions	25,000,000	-
Cash receipt from long-term loans from financial institutions	987,550,000	-
Repayment of long-term loans from financial institutions	(475,819,574)	-
Payment of principal portion of lease liabilities	(2,138,861)	(2,249,912)
Interest paid and front-end fee paid	(10,291,646)	(2,075,959)
Proceeds from increase in share capital	-	334,320,000
Transaction costs on issuance of shares	-	(7,407,091)
Dividend paid	(125,999,418)	(83,997,727)
<b>Net cash flows from financing activities</b>	<u>398,300,501</u>	<u>238,589,311</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(266,259,957)	178,466,193
Cash and cash equivalents at beginning of year	284,843,263	106,377,070
<b>Cash and cash equivalents at end of year</b>	<u><u>18,583,306</u></u>	<u><u>284,843,263</u></u>

**Supplemental cash flow information:**

Non-cash items consist of:

Transfer of deposits for land purchase to the cost of property project for sales	5,736,500	-
Increase in account payable for acquisition of equipment	9,309	578,193

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 2023**

#### **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 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 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 2024**

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 2024. 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 (contract liabilities) 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. The effective interest rate is applied to the gross carrying amount of a financial asset net of the allowance for expected credit loss (if any).

#### **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 or 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.

### **Classification of long-term loans**

In classifying the current portion of long-term loans from financial institutions, the management has used judgement to estimate collateral redemptions and loan settlement in accordance with the terms and conditions stipulated in the loan agreements.

## 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.

	(Unit: Thousand Baht)		
	<u>2023</u>	<u>2022</u>	<u>Transfer pricing policy</u>
<u>Transaction with related company</u>			
Purchases of materials used for property	2,866	3,917	With reference to market prices
<u>Transaction with related persons</u>			
Revenue from sales of real estate	-	24,323	Contract price
Rental expense	1,800	1,800	Contract price

As at 31 December 2023 and 2022, the outstanding balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Trade payables - related company (Note 13)	899	621
Lease liabilities - related person	298	2,044

### Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	20,930	27,200
Post-employment benefits	837	971
Total	<u>21,767</u>	<u>28,171</u>

## 7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Cash	30	30
Bank deposits	18,553	284,813
Total	<u>18,583</u>	<u>284,843</u>



As at 31 December 2023, bank deposits in saving accounts carried interests between 0.25 and 0.50 percent per annum (2022: between 0.20 and 0.50 percent per annum).

#### 8. Restricted bank deposit

The balance of restricted bank deposit amounting to Baht 1.1 million represents a fixed deposit that the Company has pledged to secure a letter of guarantee for utility maintenance of property development, which was issued by a bank on behalf of the Company. The Company intends to redeem this fixed deposit within 1 year, therefore, the Company has presented it under current assets.

During the year 2023, the Company redeemed the restricted bank deposit amounting to Baht 2.4 million from the bank which is a letter of guarantee for utility maintenance of property development.

#### 9. Property development costs for sales

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Land and construction under development	1,943,789	1,495,285
Developed land and construction	355,638	297,468
Total	<u>2,299,427</u>	<u>1,792,753</u>

During the year ended 31 December 2023, the Company included borrowing costs in property development costs for sales amounting to Baht 6.55 million. These were determined by applying an interest rate of long-term loans at rates of 4.48 to 5.62 percent per annum for each project (2022: None).

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

#### 10. Other current financial assets

During the current year, the Company sold unit trust in fixed income open-ended fund amounting to Baht 151 million. As a result, the Company recognised gain from selling unit trust of Baht 0.8 million in the statement of comprehensive income for the year 2023.

#### 11. Building and equipment

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Net book value:		
Building and equipment	8,878	5,550
Right-of-use assets (Note 15)	621	2,683
Total	<u>9,499</u>	<u>8,233</u>



Movements of building and equipment for the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Building improvements	Machinery and equipment	Furniture and office equipment	Motor vehicles	Total
<b>Cost:</b>					
As at 1 January 2022	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
Additions	28	3	6,190	-	6,221
Disposals/write-off	-	(7)	(550)	(1,181)	(1,738)
Transfer to property cost	-	-	(739)	-	(739)
As at 31 December 2023	1,319	430	17,580	4,399	23,728
<b>Accumulated depreciation:</b>					
As at 1 January 2022	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
Depreciation for the year	101	37	2,474	65	2,677
Depreciation on disposals/write-off	-	(8)	(547)	(1,181)	(1,736)
Depreciation on transfer to property cost	-	-	(525)	-	(525)
As at 31 December 2023	583	374	9,557	4,336	14,850
<b>Net book value:</b>					
As at 31 December 2022	809	89	4,524	128	5,550
As at 31 December 2023	736	56	8,023	63	8,878
<b>Depreciation for the year:</b>					
2022 (included in administrative expenses)					2,167
2023 (included in administrative expenses)					2,677

As at 31 December 2023, 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 8 million (2022: Baht 9 million).

## 12. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	<u>2023</u>	<u>2022</u>
Promissory note	4.48%	25,000	-

As at 31 December 2023, the Company has bank overdrafts facility which have not yet been drawn down amounted to Baht 40 million.

## 13. Trade and other payables

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Trade payables - unrelated companies	66,001	35,393
Trade payables - related company (Note 6)	899	621
Other payables	14,831	21,518
Revenue department payable	1,495	865
Accrued expenses	28,209	40,145
Accrued expenses for projects	32,651	29,975
Total trade and other payables	<u>144,086</u>	<u>128,517</u>

## 14. Long-term loans from financial institutions

(Unit: Thousand Baht)

	<u>31 December 2023</u>
Long-term loans from financial institutions	511,731
Less: Deferred front-end fees	(2,870)
Long-term loans from financial institutions - net	508,861
Less: Current portion	(364,045)
Long-term loans from financial institutions - net of current portion	<u>144,816</u>

Movement of the long-term loans from financial institutions account for the year ended 31 December 2023 are summarised below:

	(Unit: Thousand Baht)
Balance as at 1 January 2023	-
Add: Additional borrowings	987,550
Less: Repayment	(475,819)
Less: Payment for front-end fees	(2,870)
Balance as at 31 December 2023	<u>508,861</u>

The Company entered into long-term loan's agreements with domestic financial institutions for development projects. There were 7 projects in total, with long-term loan facilities amounted to Baht of 2,282 million. The long-term loans carry interest at the minimum loan rate (MLR) less percentages prescribed in the agreements. The conditions of the loans require monthly payment of interest and payment of principal at the higher of a percentage of the selling price or a minimum amount prescribed in the agreements, when the mortgages are released and/or land is redeemed and within the dates prescribed in the agreements.

As at 31 December 2023, the long-term credit facilities from financial institutions of the Company which have not yet been drawn down amounted to Baht 1,610 million (2022: Baht 1,136 million).

The long-term loans of the Company 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.

## 15. 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 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Land and building	Motor vehicles	Total
As at 1 January 2022	3,649	1,286	4,935
Depreciation for the year	(1,684)	(568)	(2,252)
As at 31 December 2022	1,965	718	2,683
Depreciation for the year	(1,684)	(378)	(2,062)
As at 31 December 2023	281	340	621

### b) Lease liabilities

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Lease payments	676	2,891
Less: Deferred interest expenses	(10)	(87)
Total	666	2,804
Less: Portion due within one year	(637)	(2,139)
Lease liabilities - net of current portion	29	665

The weighted average incremental borrowing rate of the Company is between 3.96 and 4.36 percent per annum (2022: 3.96 and 4.36 percent per annum).

A maturity analysis of lease payments is disclosed in Note 27 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>2023</u>	<u>2022</u>
Depreciation expense of right-of-use assets	2,062	2,252
Interest expense on lease liabilities	77	172
Expense relating to short-term leases	389	329



#### d) Others

The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 2.5 million (2022: Baht 2.7 million), including the cash outflow related to short-term leases.

#### 16. 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>2023</u>	<u>2022</u>
<b>Provision for long-term employee benefits at beginning of year</b>	15,250	18,336
Included in profit or loss:		
Current service cost	1,998	1,708
Interest cost	448	466
Included in other comprehensive income:		
Actuarial gain arising from		
Demographic assumptions changes	(1,618)	(571)
Financial assumptions changes	(1,408)	(1,569)
Experience adjustments	(181)	(346)
Transfer benefits payment to accrued expenses	-	(2,774)
<b>Provision for long-term employee benefits at end of year</b>	<u>14,489</u>	<u>15,250</u>

The Company expects to pay Baht 5.9 million of long-term employee benefits during the next year (2022: None).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 12 years (2022: 7.79 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)	
	<u>2023</u>	<u>2022</u>
Discount rate	3.18	2.94
Salary increase rate	7.00	7.00
Turnover rate	14.00 - 21.00	10.00 - 18.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	2023		2022	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(687)	801	(671)	828
Salary increased rate	753	(664)	785	(653)
Turnover rate	(576)	694	(733)	447

## 17. Share capital

17.1 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.

17.2 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 2023, 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.

17.3 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 25 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.

## 18. 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.

## 19. Revenue from contracts with customers

### 19.1 Revenue recognised in relation to contract balances

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Revenue recognised during the year that was included in		
contract liabilities at the beginning of the year	13,710	20,382

### 19.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2023, revenue totaling Baht 246 million is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied) (2022: Baht 492 million). The Company expects to satisfy these performance obligations within 1 year.



## 20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Purchase of land and payment of construction		
during the year	1,115,950	1,301,191
Increase changes in property development costs for sales	506,673	250,024
Salaries and other employee benefits	95,023	105,235
Depreciation and amortisation	5,250	4,866
Advertising and promotion expenses	56,546	38,032
Transfer fee and specific business tax	42,544	70,670

## 21. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
<b>Current income tax:</b>		
Current income tax charge for the year	35,307	91,500
Income tax directly related to shareholders' equity	-	1,481
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	5,957	2,995
<b>Income tax expenses reported in profit or loss</b>	<u>41,264</u>	<u>95,976</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Deferred tax on actuarial gain	<u>641</u>	<u>497</u>



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

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Accounting profit before tax	<u>207,332</u>	<u>479,973</u>
Applicable tax rate (%)	20	20
Accounting profit before tax multiplied by income tax rate	41,466	95,995
Effects of:		
Non-deductible expenses	10	19
Additional expense deductions allowed	(212)	(38)
Total	<u>(202)</u>	<u>(19)</u>
Income tax expenses reported in profit or loss	<u>41,264</u>	<u>95,976</u>

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	Statements of financial position	
	<u>2023</u>	<u>2022</u>
<b>Deferred tax assets</b>		
Due payment for income and expenses of the purchase and sale agreements	2,242	8,591
Accrued expenses for project	1,114	1,197
Leases	9	24
Provision for long-term employee benefits	2,898	3,050
Total	<u>6,263</u>	<u>12,862</u>

## 22. Earnings per share

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

	<u>2023</u>	<u>2022</u>
Profit of the year (Thousand Baht)	166,068	383,997
Weighted average number of ordinary shares (Thousand shares)	503,998	493,780
Earnings per share (Baht per share)	0.33	0.78

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 17 to the financial statements as if the stock dividend had been distributed at the beginning of the earliest period reported.

### **23. Segment information**

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

The 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 2023 and 2022, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

### **24. Provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company contributes to the fund monthly at the rate of 3 percent of basic salary and employees contribute to fund monthly at the rates 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 2023 amounting to approximately Baht 1.6 million were recognised as expenses (2022: Baht 1.3 million).

## 25. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for 2021	Annual General Meeting of the		
Cash dividend	shareholders on 28 April 2022	83,998	0.20
Stock dividend (in a ratio of 1 dividend share to 5 existing shares)		83,998	0.20
Total		<u>167,996</u>	<u>0.40</u>
Dividends for 2022	Annual General Meeting of the		
Cash dividend	shareholders on 25 April 2023	<u>125,999</u>	<u>0.25</u>

## 26. Commitments and contingent liabilities

### 26.1 Capital commitments

As at 31 December 2023, the Company had capital commitments of approximately Baht 1,179 million (2022: Baht 993 million), relating to land purchase contracts and construction of property development.

### 26.2 Service commitments

As at 31 December 2023, the Company had service commitments of approximately Baht 28 million (2022: Baht 8 million), relating to a advertising expenses, and others.

### 26.3 Guarantees

As at 31 December 2023 and 2022, 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>2023</u>	<u>2022</u>
Bank guarantee for utilities	249,464	175,708
Bank guarantee for trade payables	16,000	30,000
Total	<u>265,464</u>	<u>205,708</u>

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



## **27. Financial instruments**

### **27.1 Financial risk management objectives and policies**

The Company's financial instruments principally comprise cash and cash equivalents, restricted bank deposit, other current financial assets, loans from financial institutions, 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 2023 and 2022, 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 2023

	Fixed interest rates			Total	Effective interest rate (% per annum)
	Within 1 year	Floating interest rate	Non - interest bearing		
<b>Financial assets</b>					
Cash and cash equivalents	-	18,583	-	18,583	0.25 - 0.50
Restricted bank deposit	1,149	-	-	1,149	0.25
	<u>1,149</u>	<u>18,583</u>	<u>-</u>	<u>19,732</u>	
<b>Financial liabilities</b>					
Short-term loans from financial institutions	-	25,000	-	25,000	4.48
Trade and other payables	-	-	144,086	144,086	-
Long-term loans from financial institutions	-	508,861	-	508,861	4.48 - 5.62
Retention guarantees	-	-	18,540	18,540	-
	<u>-</u>	<u>533,861</u>	<u>162,626</u>	<u>696,487</u>	

(Unit: Thousand Baht)

31 December 2022

	Fixed interest rates			Total	Effective interest rate (% per annum)
	Within 1 year	Floating interest rate	Non - interest bearing		
<b>Financial assets</b>					
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
	<u>3,521</u>	<u>284,843</u>	<u>150,554</u>	<u>439,918</u>	
<b>Financial liabilities</b>					
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>	

## 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 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

As at 31 December 2023

	Less than 1 year	1- 5 years	Total
Short-term loans from financial institutions	25,000	-	25,000
Trade and other payables	144,086	-	144,086
Long-term loans from financial institutions	394,127	173,509	567,636
Lease liabilities	647	29	676
Retention guarantees	18,540	-	18,540
Total	<u>582,400</u>	<u>173,538</u>	<u>755,938</u>

(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>

### 27.2 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, its fair value is not expected to be materially different from the amounts presented in the statement of financial position.



## **28. 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 2023, the Company's debt-to-equity ratio was 0.32:1 (2022: 0.09:1).

## **29. Events after the reporting period**

On 20 February 2024, the Board of Directors Meeting of the Company No.2/2024 passed a resolution to approve a cash dividend payment to the shareholders from the Company's operating results for the year 2023 at a rate of Baht 0.15 per share, a total not greater Baht 75.6 million.

However, this resolution will be further proposed for the shareholders' approval at the 2024 Annual General Meeting of the Company's shareholders.

## **30. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2024.