

Proud Real Estate Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2024

1. General information

Proud Real Estate Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in real estate development. The registered office of the Company is at 900, Tonson Tower Building, 6th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok.

On 6 August 2024, The Stock Exchange of Thailand moved the Company’s securities from The Market for Alternative Investment (MAI) to The Stock Exchange of Thailand (SET).

2. Basis of preparation

2.1 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.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Proud Real Estate Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2024	2023
			Percent	Percent
Hua Hin Alpha 71 Co., Ltd.	Real estate development	Thailand	99.99	99.99
Hua Hin Sky Living Co., Ltd.	Real estate development	Thailand	99.99	99.99
Proud Horseshoe Co., Ltd.	Real estate development	Thailand	99.99	99.99
Convent Beta Co., Ltd.	Real estate development	Thailand	99.97	99.97
Prompt Solution Management Co., Ltd.	Property management service	Thailand	99.94	99.94
The Estate 345 Co., Ltd.	Real estate development	Thailand	99.97	99.97
Khu Khot Station Alliance Co., Ltd.	Real estate development	Thailand	99.99	99.99
Phraram 9 Alliance Co., Ltd.	Real estate development	Thailand	99.99	99.99
Kamala Ascend Co., Ltd.	Real estate development	Thailand	99.97	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025

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 2025. 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 Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Revenue from sale of real estate

Revenue from sale of land and houses and sale of residential condominium units is recognised at the point in time when control of the asset is transferred to the customer by generally upon transfer of the legal ownership of the properties. Revenue from sale of real estate is measured at the amount of the consideration received after deducting discounts and consideration payable to the customers. The payment condition depends on the payment terms which is stipulated in the contract with customers. Payment in advance from customers, which made before transferring of control of the asset, has been presented under the caption of "Deferred revenue from sale of real estate" 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, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

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 sale of real estate

Cost of sale of land and houses/residential condominium units is determined based on the anticipated total development costs (after considering the actual costs incurred to date) attributed to land and houses/residential condominium units already sold on the basis of the salable area or value, and is recognised as cost of sale in accordance with the revenue recognition.

Cost of sale of real estate includes cost of other goods, such as furniture and fixtures, that are considered part of the residential condominium unit 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 sale occurs.

4.3 Cash and cash equivalents

Cash and cash equivalents consist 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 Real estate development costs

Real estate development costs are valued at the lower of cost and net realisable value. Cost of real estate development is calculated as detailed below.

Land

Land is valued at cost on a weighted average method (calculated separately for each projects) and is recognised as cost in accordance with the revenue recognition.

Deferred interest

Interest expenses relating to project development are recorded as deferred interest, with capitalisation ceasing when the ownership is transferred to buyer. Such deferred interest is recorded as a part of real estate development costs and is recognised as cost of sale in accordance with the average revenue recognition (calculated separately for each project).

Infrastructure

The costs of construction for infrastructure like road, electricity system, water supply system and others are recorded as a part of real estate development costs and are recognised as cost of sale in accordance with the revenue recognition.

Deferred project development costs

Preparation costs and project development costs before sales are recorded as a part of real estate development costs and are recognised as cost of sale in accordance with the revenue recognition.

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

4.5 Cost to obtain a contract

The Group recognises commission paid to obtain a customer contract as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs. Provided that the amortisation period of the asset that the Group otherwise would have used is one year or less, costs to obtain a contract are immediately recognised as expenses.

4.6 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.7 Buildings and equipment and depreciation

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

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

Building and building improvements	-	3 years
Equipment	-	5 - 10 years
Furniture and office equipment	-	3 - 5 years
Vehicles	-	4 - 5 years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

An item of 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.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset or development of the projects that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the costs 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.

To the extent that funds are borrowed specifically for the development of projects, interest costs are presented as the actual borrowing costs less any investment income from the temporary investment of those borrowings. To the extent that funds are borrowed and used for the general purposes, the interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year, other than borrowings made for specific purposes.

4.9 Intangible assets

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

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

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 10 years

4.10 Leases

At inception of contract, the Group 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 Group as a lessee

The Group 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 Group 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, lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located 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.

Buildings	3 years
Motor vehicles	4 - 5 years

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

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group'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.

4.11 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.

4.12 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group 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 benefits plans are recognised immediately in other comprehensive income.

4.14 Provisions

Provisions are recognised when the Group 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.

4.15 Income tax

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

Current tax

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

Deferred tax

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

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

At each reporting date, the Group 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’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 Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Cumulative and redeemable preference shares

Cumulative and redeemable preference shares are separated into financial liability and equity components based on the terms of the contract.

On issuance date of the cumulative and redeemable preference shares, the Group initially recognised the value of the liability component and redemption option at fair value using a market rate and classified as a financial liability. The remainder of the proceeds is allocated to the equity component.

Cumulative and redeemable preference shares - liability component are measured at amortised cost (net of transaction costs) until they are redeemed or due to repayment. The value of the cumulative and redeemable preference shares - equity component determined upon the issuance of the preference shares do not change in subsequent periods. The redemption option are subsequently measured at fair value at the end of each reporting period. Changes in the fair value of the redemption option are recognised in profit or loss.

Transaction costs that relate to the issuance of cumulative and redeemable preference shares are apportioned to the liability and equity components of the cumulative and redeemable preference shares in proportion to the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

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 Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

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

Impairment of financial assets

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

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

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

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

4.17 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 Group 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 Group 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 Group 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:

Real estate development costs estimation

In calculating cost of land and houses and condominium sold, the Group has to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs and other related costs. The management estimates these costs based on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Related party transactions

During the years, the Group 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 Group and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Management income	-	-	119	90	Contractual agreed price
Interest income	-	-	93	62	Interest rate specified in the contract
Dividend income	-	-	120	120	According to the right to receive dividends
Interest expense	-	-	62	41	Contractual agreed price
Transactions with related parties					
Rental fee	2	4	1	-	Contractual agreed price
Other expenses	4	3	-	-	Contractual agreed price

As at 31 December 2024 and 2023, the balances of the accounts between the Group and those related parties are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Other receivables and advance to related parties (Note 8)				
Subsidiaries	-	-	393,374,848	582,293,737
Total other receivables and advance to related parties	-	-	393,374,848	582,293,737
Interest receivables - related parties (Note 8)				
Subsidiaries	-	-	170,096,121	-
Total interest receivables - related parties	-	-	170,096,121	-

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Prepaid expenses - related parties (Note 10)				
Related parties	8,755,985	-	-	-
Total prepaid expenses - related parties	8,755,985	-	-	-
Other payables and advance from related parties (Note 16)				
Subsidiaries	-	-	115,747,903	322,778,178
Related parties	1,479,975	4,982,567	265,482	36,638
Total other payables and advance from related parties	1,479,975	4,982,567	116,013,385	322,814,816
Interests payables - related parties (Note 16)				
Subsidiaries	-	207,123	79,824,316	40,891,662
Total interest payables - related parties	-	207,123	79,824,316	40,891,662
Redeemable preference shares - related persons				
Related persons	7,907,890	7,123,602	-	-
Total redeemable preference shares - related persons	7,907,890	7,123,602	-	-
Lease liabilities - related party				
Related party	-	235,968	-	-
Total lease liabilities - related party	-	235,968	-	-

Loans to related parties and loans from related parties

As at 31 December 2024 and 2023, the balances of loans between the Group and those related parties and the movements in loans were as follows:

Loans to related parties

(Unit: Baht)

Short-term loans to subsidiary companies	Separate financial statements				Interest rate (Percent per annum)
	31 December 2023	Increase during the year	Decrease during the year	31 December 2023	
Phraram 9 Alliance Co., Ltd.	660,993,221	601,276,999	(660,993,221)	601,276,999	MLR - 1.25
Convent Beta Co., Ltd.	369,942,000	-	-	369,942,000	MLR - 0.50
The Estate 345 Co., Ltd.	-	191,825,773	-	191,825,773	7
Hua Hin Sky Living Co., Ltd.	34,670,000	100,000,000	-	134,670,000	MLR average, MLR - 0.50
Proud Horseshoe Co., Ltd.	64,288,400	-	-	64,288,400	MLR - 0.50
Khu Khot Station Alliance Co., Ltd.	301,006,614	155,000,000	(456,006,614)	-	MLR average, MLR - 1.25
Total	1,430,900,235	1,048,102,772	(1,116,999,835)	1,362,003,172	

Short-term loans to subsidiary companies are due at call.

(Unit: Baht)

Long-term loan to subsidiary company	Separate financial statements		
	31 December 2023	During the year	31 December 2024
Hua Hin Sky Living Co., Ltd.	100,000,000	-	100,000,000
Total	100,000,000	-	100,000,000
Less: Current portion	(100,000,000)	-	(100,000,000)
Long-term loan to related party, net of current portion	-	-	-

The long-term loan to the subsidiary bears interest at MLR-0.5% per annum, with repayment due by 31 December 2024. Subsequently, on 1 January 2024, the Company and Hua Hin Sky Living Co., Ltd. prepared an addendum to the agreement to extend the repayment period of the entire loan to 31 December 2025.

Loans from subsidiary companies

(Unit: Baht)

Short-term loans from subsidiary companies	Separate financial statements				Effective interest rate (Percent per annum)
	31 December 2023	Increase during the year	Decrease during the year	31 December 2024	
Hua Hin Alpha 71 Co., Ltd.	600,000,000	24,700,000	-	624,700,000	MLR - 0.50
Convent Beta Co., Ltd.	-	246,000,000	-	246,000,000	12
Khu Khot Station Alliance Co., Ltd.	540,000,000	196,496,712	(540,000,000)	196,496,712	MLR - 1.00
Phraram 9 Alliance Co., Ltd.	30,000,000	365,000,000	(395,000,000)	-	MLR average, MLR, MLR - 1.25
Total	1,170,000,000	832,196,712	(935,000,000)	1,067,196,712	

Loans from Hua Hin Alpha 71 Co., Ltd.

On 30 March 2023, the Extraordinary General Meeting of Shareholders of Hua Hin Alpha 71 Co., Ltd., a subsidiary, passed a resolution approving a loan to the Company. The purpose of the loan is to redeem the subsidiary's cumulative and redeemable preference shares in the amount of Baht 600 million. The redemption will be divided into 3 installments, with the three installments of Baht 200 million each that were paid on 30 March 2023, 16 May 2023 and 29 June 2023, respectively.

The Company additionally drew down loans from the aforementioned subsidiary to redeem cumulative and redeemable preference shares for the three installments, with each installment amounting to Baht 200 million. As a result, as of 31 December 2023, the Company's short-term loan from the subsidiary companies increased in total of Baht 600 million and the total investment in preference shares amounts to Baht 600 million, as described in Note 12 to the financial statements.

Short-term loans from subsidiary companies bear interest at the rate of MLR - 0.5% per annum. The payment schedules of principal and interests are due within 30 March 2025, 16 May 2025 and 29 June 2025, respectively.

Directors and management's benefits

During the years ended 31 December 2024 and 2023, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Baht)	
	Consolidated/Separate financial statements	
	For the year ended 31 December	
	2024	2023
Short-term employee benefits	43,805,665	38,553,816
Post-employment benefits	1,164,408	700,216
Total	44,970,073	39,254,032

7. Cash and cash equivalents

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash	160,347	230,821	47,347	71,166
Deposits at banks	484,741,537	867,431,175	24,395,417	7,492,784
Less: Restricted bank deposits (Note 11)	-	(193,806)	-	(193,806)
Total cash and cash equivalents	<u>484,901,884</u>	<u>867,468,190</u>	<u>24,442,764</u>	<u>7,370,144</u>

As at 31 December 2024, bank deposits in savings accounts and fixed account carried interests between 0.15 and 1.10 percent per annum (2023: between 0.15 and 1.10 percent per annum).

8. Other receivables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Other receivables and advance to related parties (Note 6)	-	-	393,374,848	582,293,737
Other receivables - unrelated parties	42,169,674	4,965,474	884,393	780,104
Interest receivables - related parties (Note 6)	-	-	170,096,121	-
Total	<u>42,169,674</u>	<u>4,965,474</u>	<u>564,355,362</u>	<u>583,073,841</u>

9. Real estate development costs

(Unit: Baht)

	Consolidated	
	financial statements	
	<u>2024</u>	<u>2023</u>
Land	4,518,046,785	5,356,637,697
Construction in progress and design expenses	3,376,964,614	1,430,614,326
Capitalised borrowing costs	651,767,418	394,032,635
Deferred development project expenses	498,357,516	780,513,170
Total	<u>9,045,136,333</u>	<u>7,961,797,828</u>

During the years ended 31 December 2024 and 2023, the subsidiaries capitalised borrowing costs to be included in the cost of land and construction in progress which were calculated from capitalisation rate from weighted average rate of loans as follows:

	Consolidated financial statements	
	<u>2024</u>	<u>2023</u>
Borrowing costs included in the cost of land and construction in progress (Million Baht)	311	177
Capitalisation rate (%)	4.42 - 8.81	4.95 - 8.81

As at 31 December 2024 and 2023, the subsidiaries have pledged some land and construction thereon as collateral for credit facilities of the subsidiaries which have net book value as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	<u>2024</u>	<u>2023</u>
Net book value of land and construction that has been pledged as collateral	6,377	6,844

10. Other current assets

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Advance payment for project management fee	504,703,775	554,245,595	-	2,226,473
Prepaid expenses - related parties (Note 6)	8,755,985	-	-	-
Prepaid expenses - unrelated party	35,941,982	24,893,043	3,061,067	-
Advance for purchase of inventories	155,680,980	216,854,588	150,000	165,306
Others	8,453,976	13,109,225	3,988,210	11,182,076
Total	<u>713,536,698</u>	<u>809,102,451</u>	<u>7,199,277</u>	<u>13,573,855</u>

11. Restricted bank deposits

These represent fixed deposits pledged by the Company with the banks to secure credit facilities and letter of guarantees obtained from the banks.

12. Investments in subsidiaries

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Thousand Baht)	(Thousand Baht)	(Percent)	(Percent)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
<u>Ordinary shares</u>								
Hua Hin Alpha 71 Co., Ltd.	200,000	200,000	99.99	99.99	200,000	200,000	120,000	119,562
Hua Hin Sky Living Co., Ltd.	50,000	50,000	99.99	99.99	50,000	50,000	-	-
Proud Horseshoe Co., Ltd.	20,000	20,000	99.99	99.99	20,000	20,000	-	-
Convent Beta Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	-	-
Prompt Solution Management Co., Ltd.	500	500	99.94	99.94	500	500	-	-
The Estate 345 Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	-	-
Khu Khot Station Alliance Co., Ltd.	300,000	300,000	99.99	99.99	269,384	269,384	-	-
Phraram 9 Alliance Co., Ltd.	768,000	768,000	99.99	99.99	422,818	422,818	-	-
Kamala Ascend Co., Ltd.	1,000	-	99.97	-	1,000	-	-	-
<u>Preference shares</u>								
Hua Hin Alpha 71 Co., Ltd.	600,000	600,000	100.00	100.00	600,000	600,000	-	-
Total investments in subsidiaries					1,565,702	1,564,702	120,000	119,562

As at 31 December 2024, the Company has pledged all shares of Convent Beta Co., Ltd., a subsidiary company, as collateral for a long-term loan from unrelated party of the subsidiary (2023: None), as mentioned in Note 20 to the financial statements.

The establishment of new subsidiary

On 17 July 2023, a meeting of the Company's Board of Directors passed a resolution approving the establishment of a new subsidiary company under the name "The Estate 345 Company Limited". This new subsidiary is engaged in real estate development and has a registered capital of 10,000 ordinary shares of Baht 100 each, totaling Baht 1 million. The Company holds shares 99.99 percent of the shares in the new subsidiary. The subsidiary company registered its establishment with the Ministry of Commerce on 21 July 2023.

On 8 August 2024, a meeting of the Company's Board of Directors passed a resolution approving the establishment of a new subsidiary company under the name "Kamala Ascend Company Limited". This new subsidiary is engaged in real estate development and has a registered capital of 10,000 ordinary shares of Baht 100 each, totaling Baht 1 million. The Company holds shares 99.97 percent of the shares in the new subsidiary. The subsidiary company registered its establishment with the Ministry of Commerce on 5 September 2024.

Additional investments in subsidiaries

On 29 June 2023, the Extraordinary General Meeting of Shareholders of the Company passed the resolution to approve the acquisition of all ordinary shares in Khu Khot Station Alliance Company Limited and Phraram 9 Alliance Company Limited (referred to collectively as the "Target Company"), which are to be acquired from Noble Development Public Company Limited and TNL Alliance Company Limited (referred to collectively as the "Sellers"). The number of shares to be acquired is 3,000,000 shares and 7,680,000 shares, respectively. The consideration for the shares was paid in cash, totaling Baht 573,251,877. Furthermore, the meeting approved the execution of a share purchase agreement between the Company and the Sellers, along with other relevant documents pertaining to the aforementioned transaction. On 26 May 2023, the Company executed the share purchase agreement and paid a deposit of Baht 15 million to the Sellers as a guarantee for the agreement.

In addition, due to an existing loan agreement, apart from the share purchase agreement, between the Target Company and the Sellers, with a total outstanding debt of Baht 1,161,891,951, the Company will undertake the following actions. The Company (1) will receive a partial transfer of claims under the loan agreement between the Target Company and the Sellers. The Company will receive the transfer of debts amounting to Baht 426,748,123 and will assume the role of the borrower on behalf of the Sellers. The Company is obligated to pay consideration in cash for the transfer of the claims, equivalent to the outstanding debt received to the Sellers. Additionally, (2) the Company will facilitate Khu Khot Station Alliance Company Limited and Phraram 9 Alliance Company Limited in borrowing funds from commercial banks and/or raising capital through the issuance of preferred shares to be used to repay the remaining loan amount under the loan agreement between the Target Company and the Sellers, for the portion where the transfer of debts has not been assigned to the Company. The Target Company will repay the aforementioned loan amount to the Sellers in cash, totaling Baht 735,143,828, either on the same day as the business acquisition or within 1 day thereafter.

On 25 July 2023, the fulfillment of conditions precedent has been completed as stipulated in the agreement. The Company purchased and signed the share transfer documents of the aforementioned ordinary shares. Therefore, the status of the Target Company was changed to the subsidiaries of the Company and the financial statements of the Target Company has been included in the consolidated financial statements since 25 July 2023, which was the date on which the Company assumed control.

In acquiring shares of the following subsidiary companies, the Company analysed the acquisition transactions in accordance with Thai Financial Reporting Standard No.3 Business Combinations and identified that the acquisitions of these investments qualified as assets acquisitions.

	(Unit: Thousand Baht)	
	Khu Khot Station Alliance Company Limited	Phraram 9 Alliance Company Limited
Cash and cash equivalents	21,402	36,554
Other receivables	59,811	44,618
Real estate development costs	651,427	2,452,251
Deferred front end fee	303	528
Other current assets	11,558	7
Deferred tax assets	-	204,637
Property and equipment, net	-	18,722
Cost to obtain contract	70,268	293,828
Trade and other payables	(17,449)	-
Deferred revenue from sale of real estate	(178,031)	(978,691)
Short-term loans from shareholders	(364,006)	(810,993)
Long-term loans from financial institutions	(263,047)	(1,297,190)
Accrued interest expenses	(879)	(4,108)
Accrued expenses	(290)	(1,016)
Other current liabilities	(9,140)	(16,339)
Net liabilities	<u>(18,073)</u>	<u>(57,192)</u>
Cash paid for investments in subsidiaries	244,018	342,490
Cash paid for existing shareholders loans	510	426,237
Less: Cash and cash equivalents of the subsidiaries	<u>(21,402)</u>	<u>(36,554)</u>
Net cash paid for investments in subsidiaries	<u>223,126</u>	<u>732,173</u>

Transaction costs incurred to asset acquisition in the amount of Baht 23.7 million recorded as investment in subsidiaries in the Company's statement of financial position and recorded as real estate development costs in the consolidated statement of financial position as at 31 December 2023.

Contingent consideration liability

In accordance with the share purchase agreements related to the acquisition of Khu Khot Station Alliance Company Limited and Phraram 9 Alliance Company Limited, the Company has a contingent consideration obligation to the previous shareholders. The obligation is equivalent to 40 percent of the residual cash flows from the two subsidiaries, after fully reserving related items. The capped amount for such consideration is stipulated at Baht 82 million and is due once the transfer of ownership for all condominium units related to the projects undertaken by these two acquired subsidiaries has been completed, subject to the contractual terms set forth in the share purchase agreements.

As at the acquisition date, the Company estimated the fair value of the consideration expected to be paid using the discounted cash flow method. The contingent consideration liability is presented under the 'accrued expenses related to the projects' in the consolidated financial statements.

Redemption of subsidiary's cumulative and redeemable preference shares

On 30 March 2023, the Extraordinary General Meeting of Shareholders of Hua Hin Alpha 71 Co., Ltd., a subsidiary, passed a resolution approving a loan to the Company for the purpose of redeeming the subsidiary's cumulative and redeemable preference shares. On 31 March 2023, the subsidiary paid dividends and accumulated accrued dividends of preference shares to investors (net of withholding tax). On the same day, the Company exercised its right to partially purchase the preference shares from investors at a price equal to the par value of the shares plus a portion of the legal reserve, for a total of Baht 200 million. As a result, the Company's investment in preference shares in the subsidiary increased by Baht 200 million.

On 17 May 2023 and 30 June 2023, the Company additionally drew down loans from the aforementioned subsidiary and subsequently redeemed cumulative and redeemable preference shares for the second and third installments, with each installment amounting to Baht 200 million. As a result, the Company's investment in the preference shares of the subsidiary increased by Baht 400 million. As of 31 December 2023, the total investment in preference shares amounts to Baht 600 million.

13. Building and equipment

Movements of equipment for the years ended 31 December 2024 and 2023 were summarised below.

(Unit: Baht)

	Consolidated financial statements				
	Building and building improvement	Furniture and office equipment	Vehicles	Assets during construction	Total
Cost					
1 January 2023	10,372,215	18,058,350	822,431	27,146,680	56,399,676
Additions	9,859,620	2,231,940	-	21,943,899	34,035,459
Increase from acquisition of subsidiaries	29,695,354	-	-	-	29,695,354
Disposals/write-off	-	(424,856)	-	-	(424,856)
Transfer in (out)	48,859,917	-	-	(48,859,917)	-
31 December 2023	98,787,106	19,865,434	822,431	230,662	119,705,633
Additions	532,351	2,515,418	262,150	5,618,848	8,928,767
Disposals/write-off	(29,692,044)	(647,640)	-	-	(30,339,684)
Transfer in (out)	234,894	-	-	(234,894)	-
31 December 2024	69,862,307	21,733,212	1,084,581	5,614,616	98,294,716
Accumulated depreciation					
1 January 2023	5,774,832	7,833,404	306,723	-	13,914,959
Depreciation for the year	18,410,552	7,328,254	150,486	-	25,889,292
Acquisition of subsidiaries during the year	10,972,915	-	-	-	10,972,915
Accumulated depreciation on disposals/write-off	-	(281,848)	-	-	(281,848)
31 December 2023	35,158,299	14,879,810	457,209	-	50,495,318
Depreciation for the year	37,630,568	3,956,621	176,619	-	41,763,808
Accumulated depreciation on disposals/write-off	(17,152,312)	(317,072)	-	-	(17,469,384)
31 December 2024	55,636,555	18,519,359	633,828	-	74,789,742
Allowance of impairment loss					
1 January 2023	-	-	-	-	-
Increase during the year	14,794,260	246,675	-	-	15,040,935
31 December 2023	14,794,260	246,675	-	-	15,040,935
Increase during the year	-	413,608	-	-	413,608
Decrease during the year	(14,794,260)	(258,880)	-	-	(15,053,140)
31 December 2024	-	401,403	-	-	401,403
Net book value					
31 December 2023	48,834,547	4,738,949	365,222	230,662	54,169,380
31 December 2024	14,225,752	2,812,450	450,753	5,614,616	23,103,571
Depreciation for the year					
2023 (included in the administrative expenses)					25,889,292
2024 (included in the administrative expenses)					41,763,808

(Unit: Baht)

Separate financial statements

	Building and building improvement	Furniture and office equipment	Assets under construction	Vehicles	Total
Cost					
1 January 2023	3,475,640	4,260,322	822,431	-	8,558,393
Additions	-	1,224,213	-	8,631,708	9,855,921
Disposals	-	(160,426)	-	-	(160,426)
Transfer in (out)	8,396,814	-	-	(8,396,814)	-
31 December 2023	11,872,454	5,324,109	822,431	234,894	18,253,888
Additions	-	151,600	-	-	151,600
Disposals	-	(105,539)	-	-	(105,539)
Transfer in (out)	234,894	-	-	(234,894)	-
31 December 2024	12,107,348	5,370,170	822,431	-	18,299,949
Accumulated depreciation					
1 January 2023	3,428,867	2,321,374	306,723	-	6,056,964
Depreciation for the year	1,117,479	885,995	150,486	-	2,153,960
Accumulated depreciation on disposals	-	(124,549)	-	-	(124,549)
31 December 2023	4,546,346	3,082,820	457,209	-	8,086,375
Depreciation for the year	2,850,027	908,365	164,846	-	3,923,238
Accumulated depreciation on disposals	-	(83,366)	-	-	(83,366)
31 December 2024	7,396,373	3,907,819	622,055	-	11,926,247
Allowance of impairment loss					
1 January 2023	-	-	-	-	-
Increase during the year	-	9,747	-	-	9,747
31 December 2023	-	9,747	-	-	9,747
31 December 2024	-	9,747	-	-	9,747
Net book value					
31 December 2023	7,326,108	2,231,542	365,222	234,894	10,157,766
31 December 2024	4,710,975	1,452,604	200,376	-	6,363,955
Depreciation for the year					
2023 (included in the administrative expenses)					2,153,690
2024 (included in the administrative expenses)					3,923,238

14. Intangible assets

The net book value of intangible assets representing computer software, as at 31 December 2024 and 2023 was presented below.

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
1 January 2023	7,900,790	7,900,790
Additions	130,000	130,000
31 December 2023	8,030,790	8,030,790
Additions	1,274,165	734,165
31 December 2024	9,304,955	8,764,955
Accumulated amortisation		
1 January 2023	3,124,793	3,124,793
Amortisation for the year	670,203	670,203
31 December 2023	3,794,996	3,794,996
Amortisation for the year	582,083	582,083
31 December 2024	4,377,079	4,377,079
Allowance for impairment loss		
1 January 2023	-	-
31 December 2023	-	-
Increase during the year	385,555	385,555
31 December 2024	385,555	385,555
Net book value		
31 December 2023	4,235,794	4,235,794
31 December 2024	4,542,321	4,002,321
Amortisation for the year		
2023 (included in the administrative expenses)	670,203	670,203
2024 (included in the administrative expenses)	582,083	582,083

15. Bank overdrafts

Bank overdrafts of the Company are subject to interest at the rate of MOR. The bank overdrafts are guaranteed by a person without demanding consideration for the guarantee.

Bank overdrafts of the subsidiaries are subject to interest at the highest rate for normal loans. The bank overdrafts of the subsidiaries are guaranteed by the Company.

16. Trade and other payables

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Trade payables - unrelated parties	211,675,081	259,357,875	396,931	2,017,262
Other payables and advance from related parties (Note 6)	1,479,975	4,982,567	116,013,385	322,814,816
Other payables - unrelated parties	134,270,491	108,162,472	3,268,337	4,417,241
Interest payables - related parties (Note 6)	-	207,123	79,824,316	40,891,662
Accrued cost of land	422,162,365	442,162,365	-	-
Accrued expenses	153,474,990	52,787,907	13,497,188	23,781,165
Total	<u>923,062,902</u>	<u>867,660,309</u>	<u>213,000,157</u>	<u>393,922,146</u>

17. Long-term loans from financial institutions

The details of long-term loans from financial institutions as at 31 December 2024 and 2023 were summarised below.

No.	Credit facilities	Significant terms and conditions of loan agreements	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
				2024	2023	2024	2023
	(Thousand Baht)	Repayment term					(Unit: Baht)
<u>The Company</u>							
1.	450,000	The principal is to be repaid monthly. The first installment will be paid from October 2025 onwards.	MLR-1.35	450,000,000	450,000,000	450,000,000	450,000,000
		The mortgage of land and construction of Vehha project and land and construction at Klong Nueng Sub-district					
<u>Subsidiaries</u>							
Hua Hin Sky Living Co., Ltd.							
2.	870,000	Repayment of principal upon redemption of residential condominium unit sold at the rate of 70% of the selling price or not less than amount as calculated by the selling price at Baht 89,420 per square meter	Year 1: MLR-2.00 and thereafter MLR-1.50	495,230,000	110,000,000	-	-
Proud Horseshoe Co., Ltd.							
3.	172,700	Repayment of principal upon redemption of each unit of property to be sold and title deed of each project at the rate of 75% of the selling price and not less than amount as stated in the agreement and within 2025	Year 1 - 2: MLR-2.00 and thereafter MLR-1.50	69,894,138	119,204,138	-	-

(Unit: Baht)

No.	Credit facilities (Thousand Baht)	Significant terms and conditions of loan agreements		Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements		
		Repayment term	Collateral		2024	2023	2024	2023	
									2024
Convent Beta Co., Ltd.									
4.	1,680,000	Repayment of principal upon redemption of residential condominium unit sold at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 2026	The mortgage of land and construction thereon with full guarantee by the Company	MLR-1.50	982,230,683	903,151,622	-	-	
The Estate 345 Co., Ltd.									
5.	2,024,000	Repayment of principal upon redemption of land and construction at the rate of 70% of the selling price and not less than amount as stated in the agreement	The mortgage of land and construction thereon with full guarantee by the Company	MLR-1.8675	337,163,954	289,303,954	-	-	
Khu Khot Station Alliance Co., Ltd.									
6.	1,661,000	Repayment of principal upon redemption of land and construction at the rate of 73% of the selling price and not less than amount as stated in the agreement and within 2026	The mortgage of land and construction thereon and guaranteed by the Company and Phraram 9 Alliance Co., Ltd.	MLR-1	-	1,347,637,000	-	-	
Phraram 9 Alliance Co., Ltd.									
7.	2,569,000	Repayment of principal upon redemption of land and construction at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 2026	The mortgage of land and construction thereon with full guarantee by the Company	Year 1 - Year 6 MLR-2.00 and thereafter MLR-1.25	1,955,133,000	1,444,133,000	-	-	

No.	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment term	Collateral	Interest rate	2024	2023	2024	2023
Kamala Ascend Co., Ltd.								
8.	765,000	Repayment of principal upon redemption of land and construction at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 2028	The mortgage of land and construction thereon	Year 1 - Year 2 MLR-1.75 and thereafter MLR-1.50	46,600,000	-	-	-
	Total				4,336,251,775	4,663,429,714	450,000,000	450,000,000
	Less: Deferred front end fee				(20,933,981)	(30,686,146)	(1,144,921)	(2,108,219)
	Add: Finance cost - Interest expenses on borrowings				63,663,690	34,354,731	-	-
	Net				4,378,981,484	4,667,098,299	448,855,079	447,891,781
	Less: Current portion				(518,776,718)	(120,363,725)	(448,855,079)	-
	Long-term loans - net of current portion				3,860,204,766	4,546,734,574	-	447,891,781

Movements of the long-term loans account during the years ended 31 December 2024 and 2023 were summarised below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Beginning balance	4,667,098,299	992,596,875	447,891,781	1,206,000
Increase from acquisition of subsidiaries during the year	-	1,560,236,777	-	-
Additional borrowings	1,082,709,061	2,135,134,975	-	450,000,000
Amortisation of front end fee	13,194,665	(4,665,990)	963,298	141,781
Finance cost - Interest expenses on borrowings	29,308,959	34,354,732	-	-
Repayments	(1,409,887,000)	(35,339,000)	-	(1,206,000)
Front end fee	(3,442,500)	(15,220,070)	-	(2,250,000)
Ending balance	<u>4,378,981,484</u>	<u>4,667,098,299</u>	<u>448,855,079</u>	<u>447,891,781</u>

Under loan agreements, the Group must comply with the conditions stipulated in the agreements such as the maintenance of net debt to equity ratio.

As at 31 December 2024, the loan facilities of the subsidiaries which have not yet been drawn down amounted to Baht 3,798 million (2023: Baht 4,395 million).

18. Leases

The Group as a lessee

The Group has lease contracts for used in its operations. Leases generally have lease terms between 2 - 5 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2024 and 2023 are summarised below.

(Unit: Baht)

	Consolidated financial statements			
	Land	Buildings	Motor vehicles	Total
1 January 2023	5,996,010	3,775,741	485,878	10,257,629
Additions	-	10,226,531	3,685,478	13,912,009
Depreciation for the year	(2,569,718)	(5,420,834)	(677,514)	(8,668,066)
31 December 2023	3,426,292	8,581,438	3,493,842	15,501,572
Depreciation for the year	(2,569,718)	(3,415,064)	(738,306)	(6,723,088)
31 December 2024	856,574	5,166,374	2,755,536	8,778,484

(Unit: Baht)

	Separate financial statements		
	Buildings	Motor vehicles	Total
1 January 2023	3	485,878	485,881
Addition	10,226,531	3,685,478	13,912,009
Depreciation for the year	(1,645,095)	(677,514)	(2,322,609)
31 December 2023	8,581,439	3,493,842	12,075,281
Depreciation for the year	(3,415,063)	(738,306)	(4,153,369)
31 December 2024	5,166,376	2,755,536	7,921,912

b) Lease liabilities

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Lease payments	9,075,364	15,477,119	7,919,395	11,561,150
Less: Deferred interest expenses	(495,346)	(1,099,207)	(486,415)	(979,616)
Total	8,580,018	14,377,912	7,432,980	10,581,534
Less: Portion due within one year	(4,740,781)	(6,288,568)	(3,593,743)	(3,403,259)
Lease liabilities - net of current portion	3,839,237	8,089,344	3,839,237	7,178,275

Movements of the lease liability account during the years ended 31 December 2024 and 2023 are summarised below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	14,377,912	9,672,824	10,581,534	500,353
Additions	-	12,164,052	-	12,164,052
Accretion of interest	603,861	528,026	493,201	237,459
Repayment	(6,401,755)	(7,986,990)	(3,641,755)	(2,320,330)
Balance at end of year	<u>8,580,018</u>	<u>14,377,912</u>	<u>7,432,980</u>	<u>10,581,534</u>

A maturity analysis of lease payments is disclosed in Note 34.1 under the liquidity risk.

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

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Depreciation expense of right-of-use assets	6,723,088	8,668,066	4,153,369	2,322,609
Interest expense on lease liabilities	603,861	528,026	493,201	237,459
Expense relating to short-term leases	8,907,350	5,687,176	4,273,370	3,770,425
Expense relating to leases of low-value assets	72,495	617,825	513,154	468,426

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2024 of Baht 15 million (2023: Baht 14 million) (Separate financial statements: Baht 8 million (2023: Baht 7 million)), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

19. Deferred revenue from sale of real estate

Deferred revenue from sale of real estate comprises cash received in advance from customers which can be classified by entity as follows:

	(Unit: Baht)	
	Consolidated	
	financial statements	
	<u>2024</u>	<u>2023</u>
Phraram 9 Alliance Co., Ltd.	1,444,973,202	1,195,163,428
Convent Beta Co., Ltd.	406,414,766	118,921,578
Hua Hin Sky Living Co., Ltd.	333,482,299	201,793,063
Proud Horseshoe Co., Ltd.	28,245,000	-
Khu Khot Station Alliance Co., Ltd.	1,251,512	221,770,371
Hua Hin Alpha 71 Co., Ltd.	658,000	25,910,000
Total	<u>2,215,024,779</u>	<u>1,763,558,440</u>

20. Long-term loan from unrelated party and person

Loan	Repayment schedule	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
The Company					
1	The full repayment of the principal amount is scheduled for January 2027. Interest payments are due on a quarterly basis at the rate stipulated in the agreement.	200,000,000	90,000,000	200,000,000	90,000,000
The Subsidiary					
Convent Beta Co., Ltd.					
2	The full repayment of the principal amount is scheduled for November 2026. Interest payments are due on a quarterly basis at the rate stipulated in the agreement.	247,000,000	-	-	-
Total		447,000,000	90,000,000	200,000,000	90,000,000
Less: Deferred front end fee		(1,262,065)	-	-	-
Long-term loans		<u>445,737,935</u>	<u>90,000,000</u>	<u>200,000,000</u>	<u>90,000,000</u>

Movements of the long-term loans from unrelated party and person account during the years ended 31 December 2024 and 2023 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Beginning balance	90,000,000	-	90,000,000	-
Additional borrowings	357,000,000	90,000,000	110,000,000	90,000,000
Deduct: Deferred front end fee	(1,262,065)	-	-	-
Ending balance	<u>445,737,935</u>	<u>90,000,000</u>	<u>200,000,000</u>	<u>90,000,000</u>

The long-term loan of Convent Beta Co., Ltd., a subsidiary, is guaranteed by the Company, and the Company has pledged all of its held common shares of Convent Beta Co., Ltd. as collateral for the said loan, as mentioned in Note 12 to the financial statements.

21. Cumulative and redeemable preference shares

On 25 July 2023, the Company, Phraram 9 Alliance Company Limited, which is a subsidiary, and investors entered into an agreement of the shareholders of Phraram 9 Alliance Company Limited. The subsidiary agrees to offer 7.5 million newly issued preference shares to the Company at the price of Baht 100 per share, totaling Baht 750 million.

The rights attached to the preference shares shall be as follows:

Voting right	50 shares per 1 vote
Right to receive dividends	<p>Preference shares are entitled to a dividend of 7.00%, 9.00% and 9.75% per annum of the par value of the preference shares.</p> <p>Preference shareholders have the right to accumulate accrued dividends of the preference shares.</p> <p>Preference shares are not entitled to receive dividends other than dividends at the rates as specified above.</p>
The right to receive a return of capital	In the event of company dissolution and liquidation, preference shareholders have the right to receive capital return of preference shares and accrued dividend payable of preference shares (if any) at their residual value prior to liquidation before ordinary shareholders.

Redemption of preference shares Redemption of preference shares after the maturity of 1 year but less than 3 years 6 month

- (a) In case Phraram 9 Alliance Company Limited has sufficient retained earnings.
 - (1) Phraram 9 Alliance Company Limited will pay dividends and accumulated accrued dividends of preference shares (if any) to investors (net of withholding tax).
 - (2) Then on the same day, the Company will exercise its right to purchase, either partially or entirely, the preference shares from investors at a price equal to the par value of the shares plus a portion of the legal reserve or arrange for Phraram 9 Alliance Company Limited to reduce the issued preferred shares at par value.
- (b) In case Phraram 9 Alliance Company Limited has insufficient retained earnings
 - (1) Phraram 9 Alliance Company Limited will pay dividends and accumulated accrued dividends of preference shares (if any) to the investors in the amount that can be afforded (net of withholding tax).
 - (2) Then on the same day, the Company will exercises its right to purchase, either partially or entirely, the preference shares from investors in the same proportions at the price equal to the sum of (1) the par value of the shares (2) the legal reserve (3) the amount of unpaid dividends and accumulated accrued dividends of preference shares and (4) the net of the capital gains tax minus withholding tax at the rate of 10%, as the investors are obligated on tax payable for the accumulated dividend of the preference shares or arrange for Phraram 9 Alliance Company Limited to reduce the issued preferred shares at par value.

Redemption of preference shares at maturity of 3 years
6 month

The investors have the put option to request the Company to purchase entirely preference shares from the investors. The Company guarantees to act according to the rights of the investors as follows:

- (a) In case Phraram 9 Alliance Company Limited has sufficient retained earnings.
 - (1) Phraram 9 Alliance Company Limited will pay dividends and accumulated accrued dividends of preference shares (if any) to investors (net of withholding tax).
 - (2) Then on the same day, the Company will exercise its right to purchase, either partially or entirely, the preference shares from investors at a price equal to the par value of the shares plus a portion of the legal reserve or arrange for Phraram 9 Alliance Company Limited to reduce the issued preferred shares at par value.
- (b) In case Phraram 9 Alliance Company Limited has insufficient retained earnings
 - (1) Phraram 9 Alliance Company Limited will pay dividends and accumulated accrued dividends of preference shares (if any) to the investors in the amount that can be afforded (net of withholding tax).

Then on the same day, the Company will exercises its right to purchase, either partially or entirely, the preference shares from investors in the same proportions at the price equal to the sum of (1) the par value of the shares (2) the legal reserve (3) the amount of unpaid dividends and accumulated accrued dividends of preference shares and (4) the net of the capital gains tax minus withholding tax at the rate of 10%, as the investors are obligated on tax payable for the accumulated dividend of the preference shares or arrange for Phraram 9 Alliance Company Limited to reduce the issued preferred shares at par value.

The subsidiary presents the preference shares as a financial liability component in “Cumulative and redeemable preference shares” account at amortised cost until maturity in the consolidated statement of financial position. The Company is confident that preference shares will be redeemed.

Movements of cumulative and redeemable preference shares net from the transaction cost for issuance of the cumulative and redeemable preference shares for the nine-month period ended 31 December 2024 and 2023 were summarised below.

	(Unit: Baht)	
	Consolidated financial statements	
	<u>2024</u>	<u>2023</u>
Balance at beginning of year	763,243,036	663,739,726
Add: Cash received from issuance during the year	-	750,000,000
Changes in fair values	-	(16,625,201)
Financial cost - Return on cumulative and redeemable preference shares	70,011,264	29,868,237
Less: Repayment	-	(600,000,000)
Transaction cost for issuance of cumulative and redeemable preference shares	-	(63,739,726)
Balance at end of year	<u>833,254,300</u>	<u>763,243,036</u>

22. 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: Baht)	
	Consolidated/Separate financial statements	
	<u>2024</u>	<u>2023</u>
Provision for long-term employee benefits at beginning of year	4,216,648	3,381,735
Included in profit or loss:		
Current service cost	1,286,887	789,767
Interest cost	101,512	45,146
Provision for long-term employee benefits at end of year	<u>5,605,047</u>	<u>4,216,648</u>

As at 31 December 2024, the weighted average duration of the liabilities for long-term employee benefit is 12 years (2023: 12 years) (Separate financial statements: 12 years (2023: 12 years)).

Significant actuarial assumptions are summarised as follows:

	(Unit: % per annum)	
	Consolidated/Separate financial statements	
	<u>2024</u>	<u>2023</u>
Discount rate	2.22	2.22
Salary increase rate	5.00	5.00
Staff turnover rate	5.73 - 68.76	5.73 - 68.76

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2024 and 2023 are summarised below.

	(Unit: Baht)			
	Consolidated/Separate financial statements			
	<u>2024</u>		<u>2023</u>	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(183,815)	194,375	(163,000)	172,321
	<u>Increase 1.0%</u>	<u>Decrease 1.0%</u>	<u>Increase 1.0%</u>	<u>Decrease 1.0%</u>
Salary increase rate	555,367	(499,227)	424,276	(381,222)
	<u>Increase 20.0%</u>	<u>Decrease 20.0%</u>	<u>Increase 20.0%</u>	<u>Decrease 20.0%</u>
Staff turnover rate	(816,567)	1,063,928	(625,408)	816,551

23. Share premium

Pursuant to Section 51 of the Public Limited Companies Act B.E. 2535, in case the Company intends to offer share for sale at a price higher than the registered per value, the Company is required to appropriate the amount in excess of the par value to the surplus reserve fund. Share premium is not available for dividend distribution.

24. Revenue from contracts with customers

24.1 Revenue recognised to relation to contract balances

During the year 2024, the subsidiary company recognised the items that were included in deferred revenue from sale of real estate at the beginning of the year of Baht 2,221 million (2023: Baht 1,508 million) as the revenue in profit or loss.

24.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2024, expected revenue to be recognition in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of contracts with customers are as follows:

	(Unit: Baht)	
	Consolidated financial statements	
	<u>2024</u>	<u>2023</u>
Nature of business:		
Real estate development	10,651,628,284	11,178,473,737

The Group expects to satisfy the performance obligations within 3 years.

However, the revenue recognised in the future are subject to several internal and external factors including ability to make installment payments by customers and getting approved credit facilities from banks, the progression of projects construction of the Group and also economic and political conditions.

25. Finance cost

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest expenses on borrowings	32,038,935	27,965,939	102,457,310	56,064,016
Interest expenses on lease liabilities	603,861	528,026	493,201	237,459
Others	67,080	635,596	67,080	36,621
Total	<u>32,709,876</u>	<u>29,129,561</u>	<u>103,017,591</u>	<u>56,338,096</u>

26. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Construction infrastructure and design expenses	1,466,102,181	562,229,012	-	-
Land cost	290,883,547	421,127,113	-	-
Salaries, wages and other employee benefits	98,291,321	92,035,878	98,291,321	92,035,878
Transfer and commission fee	72,134,186	30,491,306	-	-
Promotion and advertising expenses	26,880,372	62,855,158	4,787,654	3,282,400
Rental and service expenses	7,500,894	6,155,602	3,147,441	4,238,851
Depreciation and amortisation expenses	49,068,977	35,227,558	8,658,690	5,146,772

27. Share capital

On 29 June 2023, the Extraordinary General Meeting of Shareholders of the Company passed the resolution to approve the following matters.

- 27.1** The meeting approved a capital reduction of Baht 31,679,911 from the Company's current registered capital of Baht 673,148,951, resulting in a new registered capital of Baht 641,469,040. This reduction will be accomplished by canceling 31,679,911 ordinary shares that have not yet been issued, with a par value of Baht 1 per share. In addition, the meeting has approved an amendment to the memorandum of association to align with the proposed capital reduction. The Company registered the decrease in share capital with the Ministry of Commerce on 10 July 2023.
- 27.2** The meeting approved an increase of Baht 356,371,689 in the registered capital of the Company, bringing the current registered capital of Baht 641,469,040 to a new registered capital of Baht 997,840,729, by issuing additional ordinary shares, not exceeding 356,371,689 shares, with a par value of Baht 1 per share. These new shares will be allocated to the existing shareholders of the Company in proportion to their current shareholding, without allotment to shareholders that would result in the Company having any obligations under foreign laws (Preferential Public Offering: PPO), at a price of Baht 1.75 per share. The offering will be made at a ratio of 1.8 new shares for every 1 existing shares. In addition, the meeting approved an amendment to the memorandum of association to align with the aforementioned capital increase. The Company registered the increase in share capital with the Ministry of Commerce on 11 July 2023. On 20 July 2023, the Company received a total of Baht 581,953,698 from the newly issued and paid-up ordinary shares in the amount of 332,544,970 shares of Baht 1.75 each. The Company registered the increase in its paid-up share capital with the Ministry of Commerce on the same date.

28. 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 earnings 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.

As at 31 December 2024, the Company had set aside the statutory reserve of Baht 5.4 million (2023: Baht 0.4 million) from its net profit for the year.

29. Income tax

Income tax expenses (income) for the years ended 31 December 2024 and 2023 are made up as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax				
Current income tax charge	44,194,268	65,451,363	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	(32,353,432)	(6,170,225)	(15,735)	272,441
Income tax expenses (income) reported in profit or loss	<u>11,840,836</u>	<u>59,281,138</u>	<u>(15,735)</u>	<u>272,441</u>

The reconciliation between accounting profit and income tax expenses (income) was shown below.

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Accounting profit before tax	68,460,863	161,536,970	107,318,176	103,650,689
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	13,692,173	32,307,394	21,463,635	20,730,138
Effects of:				
Non-deductible expenses	9,148,103	6,671,960	345,085	(85,939)
Non-taxable dividend income	-	-	(23,999,977)	(22,399,992)
Deferred tax assets not recognised increased (decreased)	-	(346,990)	-	2,148
Decrease in recognition of deferred tax assets	657,477	4,679,379	594,359	566,716
Unused tax loss increased (decreased)	(11,656,917)	15,969,395	1,581,163	1,459,370
Income tax expenses (income) reported in profit or loss	<u>11,840,836</u>	<u>59,281,138</u>	<u>(15,735)</u>	<u>272,441</u>

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

(Unit: Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Deferred tax assets				
Allowance for expected credit losses	1,720,749	1,641,329	1,596,929	1,596,929
Allowance for asset impairment	16,421,174	19,380,026	-	-
Accumulated depreciation - building and equipment	1,709,768	1,463,422	-	-
Provision for long-term employee benefits	1,121,009	954,026	1,121,009	954,026
Provision for decommissioning costs	932,500	1,146,866	(78,399)	72,849
Real estate development costs	59,462,802	59,462,802	-	-
Unused tax loss	227,634,043	202,529,347	-	-
Interest on loan from parent company capitalised as project costs	36,307,763	18,457,992	-	-
Total deferred tax assets	<u>345,309,808</u>	<u>305,035,810</u>	<u>2,639,539</u>	<u>2,623,804</u>
Deferred tax liabilities				
Deferred sales and marketing expenses	75,062,907	67,142,342	-	-
Total deferred tax liabilities	<u>75,062,907</u>	<u>67,142,342</u>	<u>-</u>	<u>-</u>
Deferred tax assets - net	<u>270,246,901</u>	<u>237,893,468</u>	<u>2,639,539</u>	<u>2,623,804</u>

As at 31 December 2024, the Group has deductible temporary differences Baht 12 million (2023: Baht 19 million) (Separate financial statements: None (2023: None)) and unused tax losses which will expire in 2025 - 2029 totaling Baht 275 million (Separate financial statements: Baht 33 million) (2023: unused tax losses which will expire in 2024 - 2028 totaling Baht 373 million) (Separate financial statements: Baht 22 million)), on which deferred tax assets have not been recognised as the Group believes that the future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit for the year (Thousand Baht)	56,620	102,256	107,334	103,378
Weighted average number of ordinary shares (Thousand Baht)	974,014	834,691	974,014	834,691
Basic earnings per share (Baht)	0.06	0.12	0.11	0.12

31. 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 Group is principally engaged in the development of real estate segment. 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.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Main customers

For the years 2024 and 2023, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

32. 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 contributed to the fund monthly at the rate of 5 percent of basic salary and its employees contributed to the fund monthly at the rate of 3 percent to 15 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Co., Ltd., will be paid to the employees upon termination in accordance with the fund rules. The contributions for the year 2024 amounting to approximately Baht 3 million (2023: Baht 2 million) were recognised as expenses.

33. Commitments and contingent liabilities

33.1 As at 31 December 2024, the Group had commitments in respect of service agreements payable in the future, which the terms of the agreements are generally between 1 and 4 years, of approximately Baht 0.5 million (2023: Baht 1 million) (Separate financial statements: Baht 0.3 million (2022: Baht 0.3 million)).

33.2 Commitments with respect to project development and related services

The Group had commitments in respect of property development cost and related services totaling Baht 2,524 million (2023: Baht 2,094 million).

33.3 Guarantees

- (1) As at 31 December 2024, the Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 8,946 million (2023: Baht 4,928 million).
- (2) As at 31 December 2024, there were outstanding bank guarantees of approximately Baht 0.3 million (2023: Baht 0.3 million) issued by banks on behalf of the Company to guarantee contractual performance.

33.4 Other commitment

On 22 November 2019, a subsidiary company entered into a sales and marketing license agreement with Intercontinental Hotel Group (Asia Pacific) Pte. Ltd. The subsidiary company is obligated to comply with the conditions stipulated in the agreement whereby it shall pay 3% of revenue generated by sales of condominium units.

34. Financial instruments

34.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, other receivables, loans, trade payables, bank overdrafts, cumulative and redeemable preference shares and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Credit risk primarily with respect to other receivables, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Other receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding other receivables and contract assets are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large number of customers.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors, and may be updated throughout the year subject to approval of the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Market risk

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its deposits with banks, overdrafts, loans and borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2024 and 2023, 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: Baht)

Consolidated financial statements				
31 December 2024				
	Fixed interest rate 1 - 5 years	Floating interest rate	Non-interest bearing	Total
Financial assets				
Cash and cash equivalents	-	451,935,356	32,966,528	484,901,884
Other receivables	-	-	42,169,674	42,169,674
Other financial assets	-	-	4,025,504	4,025,504
	-	451,935,356	79,161,706	531,097,062
Financial liabilities				
Bank overdrafts	-	14,841,744	-	14,841,744
Trade and other payables	-	-	923,062,902	923,062,902
Long-term loans from other person	445,737,935	-	-	445,737,935
Long-term loans from financial institutions	-	4,378,981,484	-	4,378,981,484
Cumulative and redeemable preference shares	833,254,300	-	-	833,254,300
Retention payable	-	-	141,856,196	141,856,196
	1,278,992,235	4,393,823,228	1,064,919,098	6,737,734,561

The effective interest rates of financial assets and liabilities are disclosed separately in the relevant note to the financial statements.

(Unit: Baht)

Consolidated financial statements				
31 December 2023				
	Fixed interest rate 1 - 5 years	Floating interest rate	Non-interest bearing	Total
Financial assets				
Cash and cash equivalents	-	782,693,963	84,774,227	867,468,190
Trade and other receivables	-	-	4,965,474	4,965,474
Restricted bank deposits	-	193,806	-	193,806
Other financial assets	-	-	5,407,491	5,407,491
	-	782,887,769	95,147,192	878,034,961
Financial liabilities				
Bank overdrafts	-	40,139,688	-	40,139,688
Trade and other payables	-	-	867,660,309	867,660,309
Long-term loans from unrelated party and person	90,000,000	-	-	90,000,000
Long-term loans from financial institutions	-	4,667,098,299	-	4,667,098,299
Cumulative and redeemable preference shares	763,243,036	-	-	763,243,036
Retention payable	-	-	120,517,524	120,517,524
	853,243,036	4,707,237,987	988,177,833	6,548,658,856

The effective interest rates of financial assets and liabilities are disclosed separately in the relevant note to the financial statements.

(Unit: Baht)

	Separate financial statements			
	31 December 2024			
	Fixed interest rate 1 - 5 years	Floating interest rate	Non-interest bearing	Total
Financial assets				
Cash and cash equivalents	-	11,244,493	13,198,271	24,442,764
Other receivables	-	-	564,355,362	564,355,362
Short-term loans to related parties	-	1,362,003,172	-	1,362,003,172
Current portion of long-term loans to related parties	-	100,000,000	-	100,000,000
Other financial assets	-	-	1,701,311	1,701,311
	-	1,473,247,665	579,254,944	2,052,502,609
Financial liabilities				
Bank overdrafts	-	14,771,861	-	14,771,861
Trade and other payables	-	-	213,000,157	213,000,157
Short-term loans to related parties	-	1,067,196,712	-	1,067,196,712
Long-term loans from unrelated person	200,000,000	-	-	200,000,000
Cumulative and redeemable preference shares	-	448,855,079	-	448,855,079
Retention payable	-	-	131,458	131,458
	200,000,000	1,530,823,652	213,131,615	1,943,955,267

The effective interest rates of financial assets and liabilities are disclosed separately in the relevant note to the financial statements.

	Separate financial statements			
	31 December 2023			
	Fixed interest rate 1 - 5 years	Floating interest rate	Non-interest bearing	Total
Financial assets				
Cash and cash equivalents	-	4,241,755	3,128,389	7,370,144
Other receivables	-	-	583,073,841	583,073,841
Short-term loans to related parties	-	1,430,900,235	-	1,430,900,235
Current portion of long-term loans to related parties	-	100,000,000	-	100,000,000
Restricted bank deposits	-	193,806	-	193,806
Other financial assets	-	-	2,766,171	2,766,171
	-	1,535,335,796	588,968,401	2,124,304,197
Financial liabilities				
Bank overdrafts	-	14,348,325	-	14,348,325
Trade and other payables	-	-	393,922,146	393,922,146
Short-term loans to related parties	-	1,170,000,000	-	1,170,000,000
Long-term loans from unrelated person	90,000,000	-	-	90,000,000
Cumulative and redeemable preference shares	-	447,891,781	-	447,891,781
Retention payable	-	-	14,261,024	14,261,024
	90,000,000	1,632,240,106	408,183,170	2,130,423,276

The effective interest rates of financial assets and liabilities are disclosed separately in the relevant note to the financial statements.

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of bank overdrafts and long-term loans affected as at 31 December 2024 and 2023.

Consolidated financial statements					
		2024		2023	
		Effect to profit before		Effect to profit before	
		Increase	tax increase	Increase	tax increase
Currency	(decrease)	(decrease)	(decrease)	(decrease)	(decrease)
		(%)	(Baht)	(%)	(Baht)
Baht	0.5	(21,969,116)	0.5	(23,536,190)	
	(0.5)	21,969,116	(0.5)	23,536,190	

Separate financial statements					
		2024		2023	
		Effect to profit before		Effect to profit before	
		Increase	tax increase	Increase	tax increase
Currency	(decrease)	(decrease)	(decrease)	(decrease)	(decrease)
		(%)	(Baht)	(%)	(Baht)
Baht	0.5	(7,654,118)	0.5	(8,161,201)	
	(0.5)	7,654,118	(0.5)	8,161,201	

Liquidity risk

The Group need liquidity to meet its obligations and is responsible for its own cash balances and the raising of internal and external credit lines to cover the liquidity needs. The Group monitors the risk of a shortage of liquidity position by recurring liquidity planning an adequate level of cash and cash equivalent, unused committed and uncommitted credit lines with various banks to meet its liquidity requirements.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2024 and 2023 based on contractual undiscounted cash flows:

(Unit: Baht)

Consolidated financial statements				
31 December 2024				
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Bank overdrafts	14,841,744	-	-	14,841,744
Trade and other payables	-	923,062,902	-	923,062,902
Long-term loans	-	856,604,581	3,543,310,883	4,399,915,464
Lease liabilities	-	5,052,429	4,022,935	9,075,364
Cumulative and redeemable preference shares	-	-	909,687,500	909,687,500
Retention payable	-	7,945,195	133,911,001	141,856,196
Total non-derivatives	14,841,744	1,792,665,107	4,590,932,319	6,398,439,170

(Unit: Baht)

Consolidated financial statements				
31 December 2023				
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Bank overdrafts	40,139,688	-	-	40,139,688
Trade and other payables	-	867,660,309	-	867,660,309
Long-term loans	-	120,363,725	4,577,420,720	4,697,784,445
Lease liabilities	-	6,892,429	8,584,690	15,477,119
Cumulative and redeemable preference shares	-	-	909,687,500	909,687,500
Retention payable	-	16,646,902	103,870,622	120,517,524
Total non-derivatives	40,139,688	1,011,563,365	5,599,563,532	6,651,266,585

(Unit: Baht)

	Separate financial statements			
	31 December 2024			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Bank overdrafts	14,771,861	-	-	14,771,861
Trade and other payables	-	213,000,157	-	213,000,157
Lease liabilities	-	3,896,460	4,022,935	7,919,395
Long-term loan	-	450,000,000	-	450,000,000
Retention payable	-	131,458	-	131,458
Total non-derivatives	14,771,861	667,028,075	4,022,935	685,822,871

(Unit: Baht)

	Separate financial statements			
	31 December 2023			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Bank overdrafts	14,348,325	-	-	14,348,325
Trade and other payables	-	393,922,146	-	393,922,146
Lease liabilities	-	3,896,460	7,664,690	11,561,150
Long-term loan	-	-	450,000,000	450,000,000
Retention payable	-	14,261,024	-	14,261,024
Total non-derivatives	14,348,325	412,079,630	457,664,690	884,092,645

34.2 Fair values of financial instruments

Since the majority of the Group'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.

35. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

The Group manages its capital position with reference to its net debt-to-equity ratio in order to comply with a condition in loan agreement, which requires the Group to maintain the net debt to equity ratio not exceeding 3.63 :1 (2023: 3.75:1).

The Group's net debt used to calculate the above financial ratio is the net value of interest bearing liabilities minus with cash and/or cash equivalent in the consolidated financial statements.

The Group's equity used to calculate the above financial ratio is the shareholders' equity in the consolidated financial statements.

No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 2023.

36. Event after the reporting period

Issuance and offering of the Company's debt instruments

On 11 December 2024, a meeting of the Company's Board of Directors resolved to approve the proposal to the Extraordinary General Meeting of Shareholders for consideration approval of the issuance and offering of the Company's debt instruments in an amount not exceeding Baht 2,000 million. The details of the issuance and offering of the debt instruments are as follows:

Objective:	To utilise the proceeds from the issuance and offering of debentures for business operations, and/or working capital, and/or debt repayment, or other purposes as deemed appropriate by the Board of Directors.
Type of debt instruments:	Promissory notes and/or all types and forms of debentures, whether registered or bearer, subordinated or unsubordinated, secured or unsecured, with or without a bondholder representative, with or without a maturity date, as appropriate based on the market conditions at the time of issuance and offering.
Currency:	Thai Baht and/or foreign currencies, using the exchange rate applicable at the time of the issuance and offering of the debentures.
Total value of debt instruments:	Not exceeding 2,000 million Baht or its equivalent in foreign currency. The Company may issue and offer additional debt instruments and/or issue debt instruments to replace those that have been redeemed within the aforementioned limit. The total outstanding principal of all debt instruments issued and offered given time shall not exceed this limit.

- Interest rate: To be determined at the time of issuance, depending on the market conditions at that time and other relevant factors.
- This will be in compliance with the regulations of the Securities and Exchange Commission ("SEC") and/or any relevant announcements or regulations in force at the time of issuance and offering.
- Maturity of debt instruments: Subject to market conditions at the time of issuance and offering. In the case of debentures, the Company may determine whether early redemption is allowed, or it may issue perpetual debentures (redeemable upon the dissolution of the Company).
- Offering:
- (1) The debt instruments may be offered in a single offering or multiple offerings, and/or as a program, and/or in a revolving manner.
 - (2) The offering may be made to the general public and/or specific investors and/or institutional investors, both domestically and/or internationally, in a single offering or multiple offerings, in accordance with the announcements of the SEC and/or the Capital Market Supervisory Board, or in compliance with other applicable laws, ministerial regulations, rules, and other regulations in force at the time of issuance and offering.
- Early redemption: In the case of debentures, the debenture holders may or may not have the right to request early redemption, and the Company may or may not have the right to redeem the debentures early, or the Company may determine whether early redemption will be allowed in specific circumstances (Special event redemption). All such terms will be governed by the agreements and conditions specified at the time of debenture issuance.

The proposal for the shareholders' meeting will include consideration of delegating the Company's Board of Directors to approve the issuance and offering of the Company's debt instruments, including the amount of debt instruments to be offered at each issuance, and granting authority to the Company's Board of Directors and/or the Executive Committee and/or persons designated by the Board of Directors to carry out the following actions:

- (1) Determine the criteria, conditions, and other details related to the issuance and offering of debt instruments, including details about the debt instruments, such as the specific name, tenor, offering method, type, guarantees, collateral, offering price per unit, early redemption rights, interest rate or other returns, principal and interest payment methods, offering period and allocation procedures, and any other related matters necessary for completion.
- (2) Appoint a debt instrument registrar, debt instruments holders' representative, and/or debt instrument distribution manager or underwriter, and/or credit rating agency, and/or other advisors or related persons involved in the issuance and offering of debt instruments.
- (3) Prepare documents and/or applications for the registration of the debt instruments with the Thai Bond Market Association and/or list them as registered securities on any secondary market. This includes the authority to submit applications, make disclosures, and undertake other necessary actions with relevant agencies, as well as to contact, negotiate, execute, deliver, and amend various documents and contracts related to the issuance and offering of debt instruments, as well as carrying out actions as required by applicable laws and regulations.

On 22 January 2025, the Extraordinary General Meeting of Shareholders of the Company resolved to approve the issuance and offering of the Company's debt instruments in an amount not exceeding Baht 2,000 million, including related authorisations, in all respects as proposed.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2025.