

Home Product Center Public Company Limited and its subsidiaries

Condensed notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2024

1. General information

1.1 The Company's general information

Home Product Center Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholders are Land and Houses Public Company Limited and Quality Houses Public Company Limited, which were incorporated in Thailand. The Company is principally engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment, renovation, and improvement of buildings, houses, and residences place, and provision for related services to retail business, together with space rental and provide utilities service. Its registered address is at 31 Prachachuennonthaburi Rd., Bangkhen, Amphoe Muang, Nonthaburi.

As at 30 September 2024, the Group has a total of 134 branches (31 December 2023: 128 branches) (The Company only: 127 branches, 31 December 2023: 121 branches).

1.2 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No.34 Interim Financial Reporting, with the Company presenting condensed interim financial statements. The Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements and has presented notes to the interim financial statements on a condensed basis.

The interim financial statements is intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

This interim consolidated financial statements includes the financial statements of Home Product Center Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") (collectively as "the Group") and has been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2023, with no change in shareholding structure of subsidiaries during the current period.

1.4 Accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Group's financial statements.

1.5 New 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.

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

2. Related party transactions

During the periods, 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.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	For the three-month		For the three-month		
	periods ended		periods ended		
	30 September		30 September		
	2024	2023	2024	2023	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales income	-	-	14,450	16,582	Cost plus margin
Dividend income	-	-	225,000	-	As declared
Rental and service expense	-	-	143,831	156,202	Actual cost and contract price
Management service expense	-	-	103,672	177,563	Actual cost and contract price
<u>Transactions with related companies</u>					
Sales income	27,415	33,071	27,415	33,071	Market price
Rental and service income	2,191	2,535	2,191	2,535	Contract price
Other income	9,825	13,326	9,825	13,326	Contract price
Interest income	1	1	1	1	0.15% - 0.40% per annum (2023: 0.15% - 0.40% per annum)
Rental and service expenses	9,287	9,600	9,287	9,600	Percentage of revenue but not less than a minimum rate
Purchases of goods and assets	158,427	74,700	158,427	74,700	As mutually agreed upon comparing market price

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	For the nine-month		For the nine-month		
	periods ended		periods ended		
	30 September		30 September		
	2024	2023	2024	2023	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales income	-	-	44,787	76,121	Cost plus margin
Service income	-	-	-	45	Actual cost and contract price
Dividend income	-	-	725,000	225,000	As declared
Rental and service expense	-	-	440,436	467,759	Actual cost and contract price
Management service expense	-	-	398,531	558,886	Actual cost and contract price
<u>Transactions with related companies</u>					
Sales income	58,498	68,547	58,498	68,547	Market price
Rental and service income	6,545	7,441	6,545	7,441	Contract price
Other income	30,245	32,657	30,245	32,657	Contract price
Interest income	7,026	78	7,020	69	0.15% - 1.90% per annum (2023: 0.15% - 0.65% per annum)
Rental and service expenses	35,559	33,172	32,644	29,774	Percentage of revenue but not less than a minimum rate
Purchases of goods and assets	316,525	365,562	316,525	365,562	As mutually agreed upon comparing market price

(Unaudited but reviewed)

The balances of the accounts between the Group and those related companies are as follow:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
<u>Deposits with financial institution</u>				
(included in cash and cash equivalents)				
Related company ⁽²⁾	48,098	30,149	40,473	22,449
<u>Trade and other receivables</u>				
Subsidiaries	-	-	108,604	140,629
Related companies ⁽¹⁾	2,891	5,638	2,891	5,638
Related companies ⁽²⁾	6,519	3,509	6,519	3,509
Related companies ⁽³⁾	1,282	3,345	1,282	3,345
Related companies ⁽⁴⁾	6,725	31,709	6,725	31,709
Total	17,417	44,201	126,021	184,830
<u>Rental guarantee deposits</u>				
Related company ⁽²⁾	5,921	5,921	5,921	5,921
Related company ⁽³⁾	1,515	1,515	1,515	1,515
Total	7,436	7,436	7,436	7,436
<u>Trade and other payables</u>				
Subsidiaries	-	-	76,921	162,041
Related company ⁽²⁾	2,206	2,193	2,206	2,193
Related company ⁽³⁾	3,457	3,037	3,457	3,037
Related companies ⁽⁴⁾	76,908	125,372	76,908	125,372
Total	82,571	130,602	159,492	292,643
Relationship with the related companies				
(1) the major shareholders				
(2) has common major shareholders				
(3) has common shareholders				
(4) has shareholders who related to director				

(Unaudited but reviewed)

Directors and management's benefits

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month		For the three-month	
	periods ended		periods ended	
	30 September		30 September	
	2024	2023	2024	2023
Short-term benefits	36,464	34,067	33,646	30,336
Post-employment benefits	680	1,048	680	963
Total	37,144	35,115	34,326	31,299

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month		For the nine-month	
	periods ended		periods ended	
	30 September		30 September	
	2024	2023	2024	2023
Short-term benefits	179,646	167,855	165,714	152,199
Post-employment benefits	2,038	3,144	1,953	2,890
Total	181,684	170,999	167,667	155,089

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
Trade accounts receivable	187,656	303,719	287,272	429,647
Other receivables	1,316,904	1,801,625	1,296,549	1,763,604
Income receivables	8,695	9,342	7,194	8,436
Total trade and other receivables	1,513,255	2,114,686	1,591,015	2,201,687

(Unaudited but reviewed)

Trade accounts receivable

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Trade accounts receivable	145,676	157,479	245,661	290,648
Credit card and coupon receivable	48,278	149,830	44,191	138,999
Total	193,954	307,309	289,852	429,647
Less: Allowance for expected credit losses	(6,298)	(3,590)	(2,580)	-
Total trade accounts receivable - net	187,656	303,719	287,272	429,647

The outstanding balances of trade accounts receivable as at 30 September 2024 and 31 December 2023 are aged as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
<u>Aged on the basis of due dates</u>				
Not yet due	149,594	231,784	145,644	223,650
Past due				
Up to 3 months	35,982	62,962	51,312	68,629
3 - 6 months	1,086	4,111	6,410	5,879
6 - 12 months	250	781	184	64,032
Over 12 months	7,042	7,671	86,302	67,457
Total	193,954	307,309	289,852	429,647
Less: Allowance for expected credit losses	(6,298)	(3,590)	(2,580)	-
Total trade accounts receivable - net	187,656	303,719	287,272	429,647

(Unaudited but reviewed)

Other receivables

Other receivables mainly consist of receivables from sale support operation and area rental and related service receivables.

The outstanding balances of other receivables as at 30 September 2024 and 31 December 2023 are aged as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
<u>Aged on the basis of due dates</u>				
Not yet due	646,265	886,224	637,005	860,306
Past due				
Up to 3 months	653,721	893,271	643,176	881,916
3 - 6 months	14,428	23,943	14,267	23,467
6 - 12 months	463	-	273	-
Over 12 months	6,924	8,723	6,311	8,010
Total	1,321,801	1,812,161	1,301,032	1,773,699
Less: Allowance for expected credit losses	(4,897)	(10,536)	(4,483)	(10,095)
Total other receivables - net	<u>1,316,904</u>	<u>1,801,625</u>	<u>1,296,549</u>	<u>1,763,604</u>

4. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
Inventories	17,009,961	16,764,208	16,565,994	16,319,251
Less: Reduce cost to net realisable value	(554,021)	(590,916)	(530,147)	(570,585)
Net	16,455,940	16,173,292	16,035,847	15,748,666
Less: Inventories - repaid its cost when sold	(1,502,694)	(1,545,836)	(1,502,694)	(1,545,836)
Purchase discount	(689,182)	(662,182)	(689,182)	(662,182)
Inventories - net	<u>14,264,064</u>	<u>13,965,274</u>	<u>13,843,971</u>	<u>13,540,648</u>

5. Investments in subsidiaries

Detail of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	(Unit: Thousand Baht)							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the period	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September
	2024	2023	2024	2023	2024	2023	2024	2023
Market Village Company Limited	5,000	5,000	100.00	100.00	5,000	5,000	-	-
Home Product Center (Malaysia) Sdn. Bhd.	538,448	538,448	100.00	100.00	538,448	538,448	-	-
Mega Home Center Company Limited	1,500,000	1,500,000	99.99	99.99	1,500,000	1,500,000	675,000	225,000
DC Service Center Company Limited	2,500	2,500	99.99	99.99	2,500	2,500	50,000	-
Home Product Center Viet Nam Company Limited	32,340	32,340	100.00	100.00	32,340	32,340	-	-
Total					2,078,288	2,078,288	725,000	225,000
Less: Allowance for impairment of investment					(301,199)	(280,199)		
Investments in subsidiaries - net					1,777,089	1,798,089		

In May 2024, Home Product Center Viet Nam Company Limited, a subsidiary of the Company, initiated procedures to dissolve its business by submitting documents to terminate its investment with the Vietnamese Ministry of Planning and Investment and received approval for the business termination. Currently, the subsidiary is undergoing liquidation and dissolution. During the current period, the Company recorded an allowance for impairment of Baht 21 million for its investment in the subsidiary in the statement of comprehensive income.

6. Investment in associate

Company's name	Nature of business	Consolidated financial statements						Separate financial statements	
		Shareholding percentage		Cost		Carrying amounts based on equity method		Carrying amounts based on cost method - net	
		30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
		2024	2023	2024	2023	2024	2023	2024	2023
OneStockHome Company Limited	Online sale and service	30.00	30.00	68,706	68,706	66,315	65,894	68,706	68,706

7. Investment properties

Movements of the investment properties for the nine-month period ended 30 September 2024 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2024	4,346,002
Acquisitions - at cost	25,211
Disposal and written-off - net book value	(181)
Depreciation	(177,845)
Net book value as at 30 September 2024	4,193,187

(Unaudited but reviewed)

8. Property, building and equipment

Movements of the property, building and equipment for the nine-month period ended 30 September 2024 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2024	31,178,914	28,451,685
Acquisitions - at cost	2,359,333	2,356,392
Disposals and written-off - net book value	(1,375)	(310)
Depreciation	(2,002,205)	(1,836,885)
Translation adjustment	8,201	-
Net book value as at 30 September 2024	<u>31,542,868</u>	<u>28,970,882</u>

9. Right-of-use assets

Movements of the right-of-use assets for the nine-month period ended 30 September 2024 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2024	9,353,246	9,150,509
Additions - at cost	461,646	461,646
Depreciation	(362,723)	(684,817)
Translation adjustment	82	-
Net book value as at 30 September 2024	<u>9,452,251</u>	<u>8,927,338</u>

10. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(% per annum)		financial statements		financial statements	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Bills of exchange - Baht	2.54	2.65	3,000,000	2,000,000	3,000,000	2,000,000
Bills of exchange - Foreign currency	COF* + 0.75	COF* + 0.75	13,327	39,946	-	-
Total short-term loans from financial institutions			<u>3,013,327</u>	<u>2,039,946</u>	<u>3,000,000</u>	<u>2,000,000</u>

*The Bank's cost of fund ("COF")

(Unaudited but reviewed)

As at 30 September 2024, the Group had overdraft lines from banks totaling Baht 340 million and MYR 2.5 million (31 December 2023: Baht 340 million and MYR 2.5 million) (The Company only: Baht 310 million 31 December 2023: Baht 310 million) and other credit facilities totaling Baht 10,896 million, USD 32 million and MYR 113 million (31 December 2023: Baht 10,934 million, USD 27 million and MYR 109 million) (The Company only: Baht 10,646 million and USD 32 million 31 December 2023: Baht 10,685 million and USD 27 million).

11. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
Trade accounts payable	11,304,402	12,782,788	11,130,153	12,589,501
Other payables	495,463	591,815	472,219	620,625
Other payables for purchase of assets	775,289	696,144	775,269	696,073
Accrued expenses	1,008,406	1,153,954	1,018,732	1,167,423
Total trade and other payables	<u>13,583,560</u>	<u>15,224,701</u>	<u>13,396,373</u>	<u>15,073,622</u>

12. Lease liabilities

Movements of lease liabilities for the nine-month period ended 30 September 2024 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
As at 1 January 2024	6,789,379		6,874,268	
Additions	461,646		461,646	
Increase from amortisation of deferred interest in the period	202,364		199,114	
Payments	(593,989)		(938,005)	
Translation adjustment	90		-	
As at 30 September 2024	<u>6,859,490</u>		<u>6,597,023</u>	
Less: Current portion	<u>(195,344)</u>		<u>(305,580)</u>	
Lease liabilities - net of current portion	<u>6,664,146</u>		<u>6,291,443</u>	

(Unaudited but reviewed)

13. Long-term loan

			(Unit: Thousand Baht)	
			Consolidated financial statements	
Loan	Interest rate (% per annum)	Repayment schedule	30 September 2024	31 December 2023
1	COF* + 1.10	Monthly repayment since April 2019 to February 2025	7,108	21,798
2	COF* + 0.80	Monthly repayment since April 2024 to March 2029	110,773	116,140
Total long-term loans			117,881	137,938
Less: Current portion			(31,724)	(37,542)
Long-term loans - net of current portion			86,157	100,396

* The Bank's cost of fund ("COF")

Movement of the long-term loans for the nine-month period ended 30 September 2024 are summarised below:

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2024	137,938
Repayments	(28,347)
Translation adjustment	8,290
Balance as at 30 September 2024	117,881

Long-term loans denominated in MYR were loan facilities granted by two overseas financial institutions for Home Product Center (Malaysia) Sdn. Bhd., the Company's 100% owned subsidiary. The loans had no collateral and were secured by a 100% corporate guarantee provided by the Company. The loan agreements contained covenants as specified in the agreements that, among other things, require the subsidiary to maintain a certain net tangible asset and the Company to maintain its shareholding, directly or indirectly, in the subsidiary of no less than 51% for the loan no. 1, and require to maintain debt to equity ratio on the consolidated financial statement of the Group for the loan no. 2.

(Unaudited but reviewed)

As at 30 September 2024, long-term loan no. 1 amounted to Baht 7 million (31 December 2023: Baht 22 million), of which on 22 April 2020, the subsidiary received a letter of consent allowing for a moratorium on principal repayment commencing from May 2020 to October 2020 and an extension of principal repayment for another 6 months. Subsequently, on 14 October 2021, the subsidiary received a letter of consent allowing for a moratorium on principal repayment commencing from November 2021 to April 2022 and an extension of principal repayment for another 6 months.

14. Debentures

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	30 September 2024	31 December 2023
Debentures	13,700,000	15,700,000
Less: Deferred interest	(200,114)	(75,524)
Debentures - net	13,499,886	15,624,476
Less: Current portion	(3,000,000)	(3,982,356)
Debentures - net of current portion	10,499,886	11,642,120

Movements in debentures account for the nine-month period ended 30 September 2024 are summaries below:

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2024	15,624,476
Add: Issuance of debentures during the period	2,000,000
Amortisation of deferred interest	43,841
Less: Redemption of debentures during the period	(4,000,000)
Deferred interest	(168,431)
Balance as at 30 September 2024	13,499,886

On 26 July 2024, the Company issued unsubordinated and unsecured debentures for a maturity period of 3 years from the date of issuance. The number of units offered was 2 million units with a par value of Baht 1,000 each of a total of Baht 2,000 million with discounted interest rate of 2.95% per annum, and no interest payments were due over the maturity period. The debenture was issued to institutional investors for purposes of repaying debts from the issuance of debt instruments and/or investing in the business and/or serving as working capital of the Company. The debenture will mature on 26 July 2027.

Such debentures contain certain covenants and restrictions regarding the maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets.

15. Revenue from contracts with customers

Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2024	2023	2024	2023
Type of goods or service:				
Sale of goods related to houses and residences	15,728,027	16,199,735	15,449,085	15,922,570
Renovation and improvement services	68,655	66,165	68,655	66,165
Installation, maintenance and other services	133,097	124,328	128,758	120,373
Total revenue from contracts with customers	<u>15,929,779</u>	<u>16,390,228</u>	<u>15,646,498</u>	<u>16,109,108</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	15,861,124	16,324,063	15,577,843	16,042,943
Revenue recognised over time	68,655	66,165	68,655	66,165
Total revenue from contracts with customers	<u>15,929,779</u>	<u>16,390,228</u>	<u>15,646,498</u>	<u>16,109,108</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2024	2023	2024	2023
Type of goods or service:				
Sale of goods related to houses and residences	50,315,546	50,804,148	49,412,991	49,910,284
Renovation and improvement services	200,252	194,868	200,252	194,868
Installation, maintenance and other services	475,992	403,515	461,720	393,067
Total revenue from contracts with customers	<u>50,991,790</u>	<u>51,402,531</u>	<u>50,074,963</u>	<u>50,498,219</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	50,791,538	51,207,663	49,874,711	50,303,351
Revenue recognised over time	200,252	194,868	200,252	194,868
Total revenue from contracts with customers	<u>50,991,790</u>	<u>51,402,531</u>	<u>50,074,963</u>	<u>50,498,219</u>

(Unaudited but reviewed)

Set out below, is a reconciliation of the revenue from contracts with customers with financial information classified by source of revenue.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month		For the three-month	
	periods ended 30 September		periods ended 30 September	
	2024	2023	2024	2023
Revenue from external customers	15,902,364	16,357,157	15,604,633	16,059,455
Revenue from related parties	41,865	49,653	41,865	49,653
	15,944,229	16,406,810	15,646,498	16,109,108
Eliminations	(14,450)	(16,582)	-	-
Total revenue from contracts with customers	<u>15,929,779</u>	<u>16,390,228</u>	<u>15,646,498</u>	<u>16,109,108</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2024	2023	2024	2023
Revenue from external customers	50,933,292	51,333,984	49,971,678	50,353,551
Revenue from related parties	103,285	144,668	103,285	144,668
	51,036,577	51,478,652	50,074,963	50,498,219
Eliminations	(44,787)	(76,121)	-	-
Total revenue from contracts with customers	<u>50,991,790</u>	<u>51,402,531</u>	<u>50,074,963</u>	<u>50,498,219</u>

(Unaudited but reviewed)

16. Dividend Paid

Dividends	Approved by	Total dividends (Million Baht)	Dividends per share (Baht)
Dividend from operating results from July 2022 to December 2022	The Annual General Meeting of the shareholders on 7 April 2023	2,762	0.21
Interim dividend from operating results from January 2023 to June 2023	Board of Directors' Meeting of the Company on 29 August 2023	2,367	0.18
Total		5,129	
Dividend from operating results from July 2023 to December 2023	The Annual General Meeting of the shareholders on 10 April 2024	2,893	0.22
Interim dividend from operating results from January 2024 to June 2024	Board of Directors' Meeting of the Company on 27 August 2024	2,367	0.18
Total		5,260	

17. 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 chief operating decision maker has been identified as the Company's Board of Directors.

The Group are principally engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment, renovation, and improvement of buildings, houses, and residences place, and provision for related services to retail and wholesale business, together with space rental and provide utilities service (as having revenue and/or operating profit and/or assets less than 10% of total revenue and/or total operating profit and/or total assets of all segments, which do not meet the quantitative thresholds as set out in the financial reporting standard).

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets 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.

18. Commitments and contingent liabilities

18.1 Capital commitment

As at 30 September 2024 and 31 December 2023, the Company had capital commitments with several companies relating to the construction of retail stores. The obligations of construction are subject to the retail stores expansion and construction plan of each period determined by the management.

18.2 Rental lease commitment - as a lessee

As at 31 December 2023, the Company had future lease payments required under non-cancellable lease contracts that have not yet commenced amounting to Baht 77 million (30 September 2024: Nil).

18.3 Service commitments and land and building rental commitments

- a) The Company has entered into the inventory management services agreement with a subsidiary. Under the conditions of the agreement, the Company is to pay the monthly service fee at a percentage of the subsidiary's actual cost, as stipulated in the agreement.
- b) The Company has entered into land lease agreements with a subsidiary. The terms of the agreements are 3 years. Under the conditions of the agreements, the Company receives monthly rental fees at rates stipulated in the agreements. The agreements are non-cancelable, except with the consent of the counterparties.
- c) The Company has entered into building rental agreements and personnel management services agreement with a subsidiary. The terms of the agreements are 2 years 6 months. Under the conditions of the agreements, the Company is to pay the monthly rental fees and service fee as stipulated in the agreement. The agreements are non-cancelable, except with the consent of the counterparties. However, the Company terminated the personnel management services agreement on 18 March 2024, effective from 1 April 2024.

18.4 Long-term lease agreements - as a lessor

As at 30 September 2024, the Company has entered into 5 agreements (31 December 2023: 5 agreements) with 4 companies (31 December 2023: 4 companies). To lease and/or sub-lease parts of its premises in 5 branches (31 December 2023: 5 branches). The periods between 18 to 30 years, with a total of rental received in advance amounting Baht 543 million (31 December 2023: Baht 543 million). The terms of the agreements are ended in the year 2033 to the year 2052. The Company recognised this income systematically on a straight-line basis over the lease periods which are the useful lives of the leaseholds.

As at 30 September 2024, the outstanding balance of rental received in advance, net of recognised rental income was Baht 200 million (31 December 2023: Baht 215 million).

18.5 Guarantees

- a) As at 30 September 2024, the Group has outstanding bank guarantees of Baht 199 million and MYR 2 million (31 December 2023: Baht 188 million and MYR 2 million) (The Company only: Baht 186 million, 31 December 2023: Baht 174 million) issued by banks on behalf of the Group in respect of guarantees provided for leasing, purchases of goods or hire of work, and as bonds with State Enterprise. The bank guarantee of Baht 13 million and MYR 2 million (31 December 2023: Baht 14 million and MYR 2 million) issued in the name of subsidiary was guaranteed by the Company.
- b) As at 30 September 2024, the Company had commitments under letters of credit opened with commercial bank, amounting to USD 0.3 million and CNY 11 million (31 December 2023: USD 0.1 million and CNY 6.0 million).
- c) As at 30 September 2024, the Company secured credit facilities of its subsidiaries of Baht 280 million and MYR 148 million (31 December 2023: Baht 280 million and MYR 148 million) to financial institutions.

18.6 Litigation

- a) As at 30 September 2024, the Group has legal cases for a total claimed amount of Baht 9.0 million (31 December 2023: Baht 8.4 million) (The Company only: Baht 8.9 million 31 December 2023: Baht 8.4 million) which are currently being considered by the Court. The management and the legal department of the Company believes that the outcome of these cases will not have significant effect to the Company. As such, the Company has not set aside any amount of provision in the financial statements.
- b) In July 2022, a financial institution accepting the rights of claim transferred under factoring contracts with a supplier filed a lawsuit against the Company, seeking payments under the contracts. In February 2024, the Court of First Instance dismissed the plaintiff's case since debts, to which the rights of claim had been transferred, were found to be based on falsified documents by the supplier. The case is currently under consideration of the court of Appeal. However, the Company had completely settled the outstanding debts to the supplier from November 2018 to March 2021. After reviewing the related transactions, the Company's management concluded that they were conducted properly and appropriately. As a result, the Company has not set aside provision for contingent liabilities arising from the litigation in the financial statements.

18.7 Forward contracts

As at 30 September 2024 and 31 December 2023, forward contracts outstanding are summarised below.

Consolidated and separate financial statements					
As at 30 September 2024					
Foreign currency	Bought amount	Sold Amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
USD	6	-	32.17 - 36.20	-	Within April 2025
CNY	133	-	4.68 - 5.05	-	Within April 2025

Consolidated and separate financial statements					
As at 31 December 2023					
Foreign currency	Bought amount	Sold Amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
USD	8	-	33.47 - 36.15	-	Within January 2024
CNY	154	-	4.85 - 5.04	-	Within May 2024

19. Financial Instrument

19.1 Fair value 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 except debentures are not expected to be materially different from the amounts presented in the statements of financial position. The estimated fair value of debentures, in comparison with the related amount carried in the statement of financial position, is as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	30 September 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liability				
Debentures	13,500	13,548	15,624	15,596

19.2 Fair value hierarchy

As at 30 September 2024 and 31 December 2023, the Group had the financial asset and liability that was measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	As at 30 September 2024			
	Level 1	Level 2	Level 3	Total
Liability measured at fair value				
Derivative				
Foreign currency forward contracts	-	55	-	55

(Unit: Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Liability measured at fair value				
Derivative				
Foreign currency forward contracts	-	27	-	27

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of fair value hierarchy.

20. Approval of interim financial statements

This interim financial statements was authorised for issue by the Company's authorised directors on 28 October 2024.